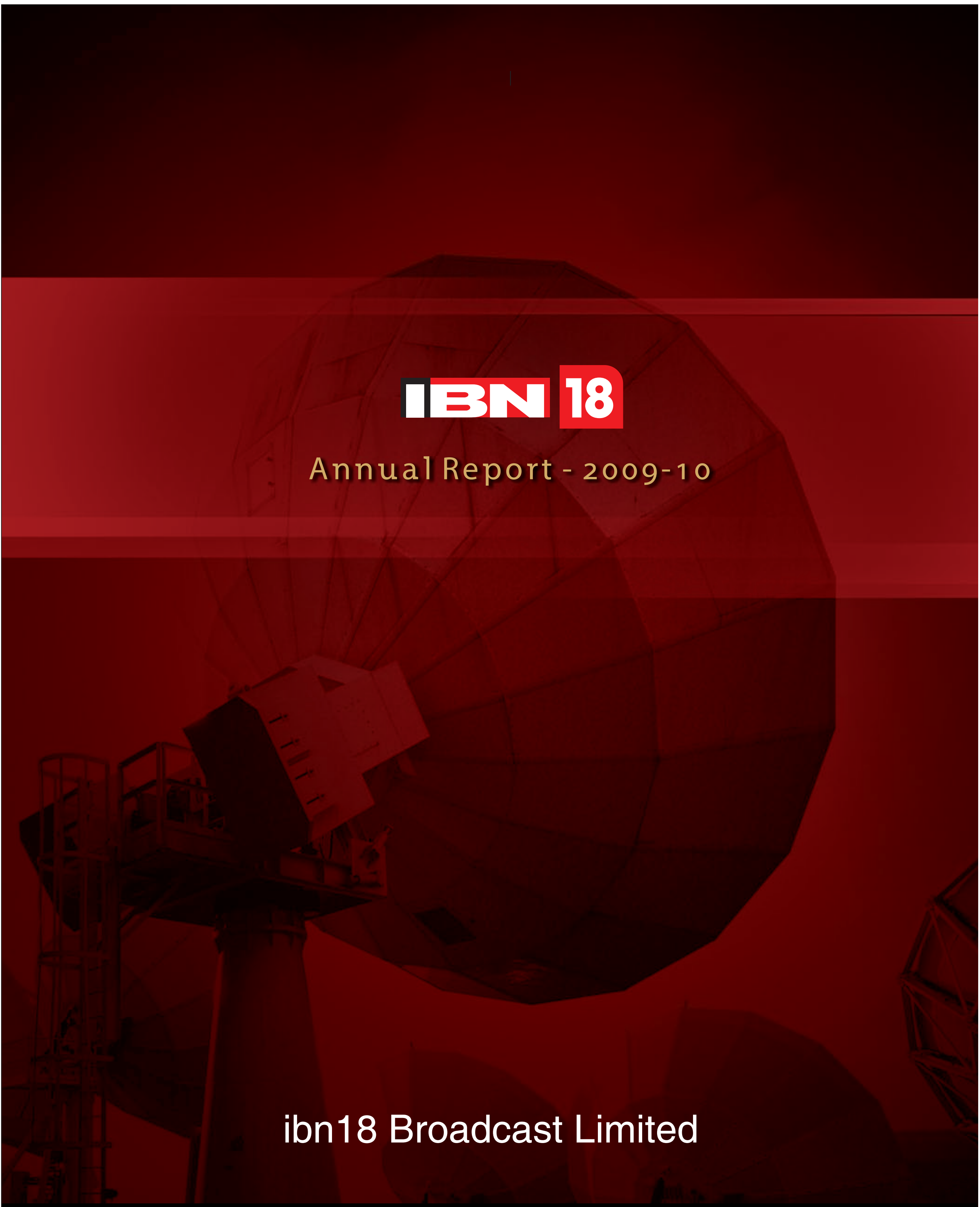


IBN 18

Annual Report - 2009-10

ibn18 Broadcast Limited

BOARD OF DIRECTORS

• MR. MANOJ MOHANKA	CHAIRMAN
• MR. SAMEER MANCHANDA	JT. MANAGING DIRECTOR
• MR. RAGHAV BAHL	DIRECTOR
• MR. SANJAY RAY CHAUDHURI	DIRECTOR
• MR. HARI S. BHARTIA	DIRECTOR
• MR. SHAHZAAD SIRAZ DALAL	DIRECTOR

AUDITORS

- DELOITTE HASKINS & SELLS
  CHARTERED ACCOUNTANTS

AGM-CORPORATE AFFAIRS & COMPANY SECRETARY

- MR. HITESH KUMAR JAIN

G.M. - FINANCE

- MR. GURDEEP SINGH PURI

BANKERS

- YES BANK
- SYNDICATE BANK
- ICICI BANK LTD.
- HSBC LTD.
- ING VYSYA BANK LTD.
- ORIENTAL BANK OF COMMERCE
- SMALL INDUSTRIES
  DEVELOPMENT BANK OF INDIA

REGISTERED OFFICE

- 503, 504 & 507, 5th FLOOR,
  'MERCANTILE HOUSE',
  15, KASTURBA GANDHI MARG,
  NEW DELHI - 110001

CORPORATE OFFICE

- EXPRESS TRADE TOWER
  PLOT NO. 15 & 16, SECTOR 16A,
  NOIDA - 201 301 (U.P.)
  PH. 0120 - 434 1818
  FAX. 0120 - 432 4110

REGISTRAR & SHARE TRANSFER AGENT

- LINK INTIME INDIA PVT. LTD.
  A-40, 2ND FLOOR,
  NARAINA INDUSTRIAL AREA, PHASE - II
  NEAR BATRA BANQUET HALL,
  NEW DELHI - 110 028

CONTENTS **Page No.**

NOTICE

Notice is hereby given that the 5th Annual General Meeting of the Members of ibn18 Broadcast Limited will be held on Tuesday the 27th day of July 2010 at 10.30 A.M. at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi – 110054 to transact the following businesses: -

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit & Loss Account for the financial year ended on that date along with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Raghav Bahl, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sanjay Ray Chaudhuri, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

By order of the Board
For ibn18 Broadcast Limited

Sd/-
Hitesh Kumar Jain
AGM-Corporate Affairs
& Company Secretary

Place: Noida
Dated: May 28, 2010

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A blank Proxy Form is enclosed with this notice and if intended to be used, the Form duly completed should be deposited at the Registered Office of the Company not less than forty-eight hours before commencement of Annual General Meeting.
3. Members / Proxies are requested to bring a copy of this notice as no copies will be made available at the meeting. Under no circumstances, photocopies of the admission slip will be allowed for admission to the meeting place. Those members who do not receive copies of Annual Report can collect their copies from the Registered Office of the Company.
4. Members / Proxies should bring the attendance slips duly filled-in for attending the Annual General Meeting.
5. In case of Joint holders attending the Annual General Meeting, only such Joint holder who is higher in the order of names will be entitled to vote.
6. Corporate Members intending to send their representative to attend the Annual General Meeting are requested to send a duly certified copy of the Board resolution / Power of Attorney authorising their representative to attend and vote on their behalf at the Annual General Meeting.
7. Members can avail the nomination facility with respect to shares held, by submitting a request in writing to the Company or to M/s Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.
8. Mr. Raghav Bahl and Mr. Sanjay Ray Chaudhuri, Directors, retiring by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Brief resume(s) of both the Directors, nature of their expertise and names of other Public Limited Companies in which they hold Directorship, Chairmanship / membership of Committees of Board, shareholding and relationships between directors inter se as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), are provided in the Corporate Governance Report. The Board of Directors recommends their respective re-appointments.
9. As per the authorisation of the Board of Directors of the Company the Registers of Members will be closed from Thursday the 24th day of June 2010 to Saturday the 26th day of June 2010, both days inclusive. The Transfer Books of the Company will also remain closed for the aforesaid period. Members are requested to bring along their holding statement in proof of their entitlement for attending this Annual General Meeting.
10. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company during working hours between 10.00 A.M. to 1.00 P.M. except holidays upto the date of Annual General Meeting.
11. Members are requested to send all the correspondence concerning registration of transfer, transmission, subdivision, consolidation of shares or any other share related matters and / or change in their address to the Company's Registrar & Share Transfer Agent, M/s Link Intime India Private Limited, at A - 40, 2nd Floor, Naraina Industrial Area, Phase – II, Near Batra Banquet Hall, New Delhi – 110 028.
12. The details of the Stock Exchanges, on which the securities of the Company are listed, are given separately in this Annual Report.
13. Any query related to the accounts may be sent at the Registered Office of the Company at least 10 days before the date of the Annual General Meeting.
14. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Share Transfer Agent, M/s Link Intime India Private Limited, for consolidation into a single folio.

By order of the Board
For ibn18 Broadcast Limited

Sd/-
Hitesh Kumar Jain
AGM-Corporate Affairs
& Company Secretary

Place: Noida
Dated: May 28, 2010

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are delighted to present the 5th Annual Report on the business and operations of the Company together with the audited accounts for the financial year ended March 31, 2010.

FINANCIAL PERFORMANCE

The key financial figures on **standalone basis** of your Company for the year ended March 31, 2010 are as follows:

(Rs. In Lakhs)

Particulars	**Financial Year ended March 31, 2010**	Financial Year ended March 31, 2009
Net Revenues	**26,372**	19,384
Operating profit / (loss) before interest and depreciation	**(2,567)**	(3,182)
Interest	**4,339**	1,915
Depreciation	**1,304**	1,565
Net Profit / (loss) before tax	**(8,210)**	(6,662)
Provision for taxes / deferred tax	-	160
Profit / (Loss) after tax	**(8,210)**	(6,822)

The summarized financial figures on **consolidated basis** of your Company for the year ended March 31, 2010 are as follows:

(Rs. In Lakhs)

Particulars	**Financial Year ended March 31, 2010**	Financial Year ended March 31, 2009
Net Revenues	**65,887**	19,571
Operating Profit / (loss) before interest and depreciation	**(4,321)**	(4,392)
Interest	**4,765**	2,051
Depreciation	**1,862**	1,753
Net profit / (loss) before tax	**(10,948)**	(8,196)
Provision for taxes / deferred tax	**7**	170
Profit / (Loss) after tax	**(10,955)**	(8,366)
Add: Share in loss of Associates	-	(834)
Net Profit / (Loss)	**(10,955)**	(9,200)

RESULT OF OPERATIONS

During the financial year 2009–10 the turnover of your Company has increased by 36% and stood at approximately Rs. 264 Crores as against approximately Rs. 194 Crores in the previous year. Due to increase in expenditure on interest & financial charges, loss after tax for the year was Rs. 82 Crores against Rs. 68 Crores in the previous year.

Audited Consolidated Financial Statements for the year ended March 31, 2010 also forms part of this Annual Report.

DIVIDEND

Your Directors do not recommend any Dividend for the financial year ended March 31, 2010.

TRANSFER TO RESERVES

Your Company has not made any transfer to the Reserves during the financial year 2009-10.

DEPOSITS

During the year under review your Company has not accepted any deposits from the public under Section 58A of the Companies Act, 1956. However after the closure of financial year 2009-10, the Board of Directors of the Company at their meeting held on April 23, 2010, had approved fixed deposit scheme(s) for acceptance of deposits from public and shareholders of the Company under Section 58A of the Companies Act, 1956 within the limits as prescribed under Companies (Acceptance of Deposits) Rules, 1975 as amended from time to time.

CHANGES IN CAPITAL STRUCTURE

• Increase in Authorised Share Capital

During the period under review, consent of the shareholders of the Company was sought to increase the Authorized Share Capital of the Company from Rs. 40,00,00,000/- (Rupees Forty Crores only) comprising of 20,00,00,000 equity shares of face value of Rs. 2/- each to Rs. 55,00,00,000/- (Rupees Fifty Five Crores Only) comprising of 27,50,00,000 equity shares of face value of Rs. 2/- each, vide postal ballot notice dated September 24, 2009. The Company had received overwhelming response from the Shareholders and the result for approving the increase in Authorized Share Capital of the Company was declared on November 12, 2009.

• Increase in Paid-up Share Capital

During the year ended March 31, 2010, the paid-up equity share capital of the Company increased from Rs. 35,83,02,956/- comprising of 17,91,51,478 equity shares of Rs. 2/- each to Rs. 36,33,02,956/- comprising of 18,16,51,478 equity share of Rs. 2/- each consequent to allotment of 25,00,000 equity shares upon conversion of Convertible Warrants.

The Company has received the listing and trading approval for the aforesaid equity shares from Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

RIGHTS ISSUE

During the year under review your Company had offered 5,44,95,443 equity shares on rights basis to its equity share holders at a price of Rs. 93.50 per equity share (Rs. 2/- to be appropriated to face value and Rs. 91.50 towards security premium account) aggregating to the Rs. 5,095.32 million in the ratio of three equity shares for every ten equity shares, held on record date i.e. March 4, 2010. The Company has called Rs. 31/- per equity share on Application and the balance amount of Rs. 62.50 per equity share payable on calls. Rights Issue was opened on Wednesday, March 10, 2010 and closed on Thursday March 25, 2010.

Further the Company had allotted aforesaid partly paid-up equity shares under Rights Issue on April 1, 2010 and the same are listed and traded w.e.f April 8, 2010 under New ISIN IN9886H01017 on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

SHIFTING OF REGISTERED OFFICE

The Registered Office of your Company has been shifted from 601, 6th Floor, Commercial Tower, Hotel Le-Meridien, Raisina Road, New Delhi-110001 to 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi – 110001 w.e.f. May 10, 2010.

EMPLOYEES STOCK OPTION SCHEME

Your Company has always believed in motivating employees and always cared for welfare of its employees for their continuous hard work, dedication and support, which has led the Company on the growth path. Launch of 'The GBN Employee Stock Option Plan 2007' ("ESOP 2007") is one such step to enable more and more employees of the Company / Holding Company / Subsidiary Companies to enjoy the fruit of the growth of the Company.

ESOP 2007 is administered by Remuneration / Compensation Committee of the Board of Directors of the Company which grants options to eligible employees of the Company and its holding and subsidiary Companies in accordance with the provisions of Companies Act, 1956 and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) as amended from time to time.

Consequent to the exercise of options granted to eligible employees 6,68,842 fully paid-up equity shares were allotted on April 19, 2010. The details as required to be disclosed under Clause 12 & 19 of SEBI Guidelines are detailed in the Annexure - A to this Report.

A Certificate from the Statutory Auditor of the Company for implementation of the 'ESOP 2007' in accordance with the SEBI Guidelines and the resolutions passed by the members of the Company will be made available for inspection by the members at the ensuing Annual General Meeting of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

In terms of requirement of Clause 49 of the Listing Agreement with the Stock Exchange(s) Management's Discussion and Analysis Report disclosing the operations of the Company in detail is provided separately as a part of Director's Report.

DIRECTORATE

With profound grief and sorrow we inform you that Mr. G. K. Arora, who was Non- Executive Independent Director of the Company expired on November 5, 2009. We sincerely place on record his contribution to the growth of the Company during his tenure.

Mr. Raghav Bahl and Mr. Sanjay Ray Chaudhuri, Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered themselves for re-appointment. The relevant details of the Directors proposed to be re-appointed are provided in the Corporate Governance Report forming a part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 217 (2AA) of the Companies Act, 1956 as amended, your Directors confirm:

i) that in the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable Accounting Standards have been followed;

ii) that the Directors 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 and of profit or loss of the Company for the year under review;

iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) that the Directors have prepared the accounts for the financial year ended March 31, 2010 on a 'going concern' basis.

'GROUP' AS DEFINED UNDER MONOPOLIES AND RESTRICTIVE TRADE PRACTICES ACT, 1969

Pursuant to intimation received from Promoter(s) the names of entities constituting the 'Group' as defined under The Monopolies and Restrictive Trade Practices Act, 1969 for the purpose of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997 is disclosed elsewhere in this Annual Report.

SUBSIDIARY COMPANIES

During the Financial Year 2009-10, ibn18 (Mauritius) Limited became Wholly Owned Subsidiary of your Company. Besides this RVT Media Private Limited and IBN18 Media & Software Limited continues to be Wholly Owned Subsidiaries of your Company.

A statement of your Company's interest in its Subsidiary Companies as on March 31, 2010 is attached as Annexure – B in terms of provisions of Section 212 of the Companies Act, 1956.

JOINT VENTURES

- Viacom18 Media Private Limited – A 50:50 JV of the Company with Viacom Inc., is the home to 'Colors', the leading Hindi General Entertainment Channel (GEC), 'MTV', the leading Youth Entertainment destination, 'Nick', leading among Kids channels and 'Vh1', a leading Premier English Channel. This JV Company also houses a films division called 'Studio18'.
- IBN Lokmat News Private Limited – Your Company forayed into regional news space through this 50:50 JV Company with Lokmat group, which operates 'IBN Lokmat', the leading Marathi News Channel.

CONSOLIDATED FINANCIAL STATEMENTS

Pursuant to Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS – 23 on the Accounting for Investments in Associates and Accounting Standard AS – 27 on Accounting on Joint Ventures, issued by The Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements are provided in this Annual Report.

AUDITORS & AUDITOR'S REPORT

The term of M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of your Company, expires at the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limit as mentioned under Section 224 (1B) of the Companies Act, 1956.

Your Board has duly examined the Report issued by the Statutory Auditor's of the Company on the Accounts for the financial year ended March 31, 2010. Except following, the rest of the report is self explanatory.

EXPLANATION TO AUDITORS COMMENTS:

Auditor's qualification: Refer para no. 4 of the Auditors Report on consolidated financial statements of the Company.

Management's Reply: The management is of the view that the volume of transactions in the subsidiaries of 50% Joint Venture Company is not significant for the group as a whole.

CORPORATE GOVERNANCE

Corporate Governance philosophy of the Company lies in following strong Corporate Governance practices driven by its core values to enhance the interests of all its stakeholders. A report on Corporate Governance along with Certificate from Practicing Company Secretary confirming the compliance of conditions on Corporate Governance as stipulated in Clause 49 of the Listing Agreement forms a part of this Annual Report.

POSTAL BALLOT

The details of Postal Ballot process conducted by the Company during the year under review are set out in the report on Corporate Governance, annexed to this report.

PARTICULARS OF EMPLOYEES

The names and other particulars of employees are required to be set out as an annexure to the Director's Report as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975. In terms of the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid annexure is being sent out to the members and others entitled to receive the Annual Report of the Company. However any member who is interested in obtaining such information may send a written request for the same, to the Company Secretary of the Company at the Corporate Office address of the Company.

AWARDS AND ACCOLADES

During the year under review, the Channels of your Company were crowned under various categories.

CNN IBN won 12 awards at The Indian News Television (NT) Awards amongst others for Best News Talk Show – 'Devil's Advocate'; Best Lifestyle & Fashion News Show – 'Living it up'; Best Crime Show – 'Killed in the name of honour'.

CNN IBN bagged 5 awards at the Ramnath Goenka Excellence in Journalism Awards under various awards categories including Reporting from Jammu and Kashmir & North East, Sports Journalism, Film & Television Journalism and Best Journalist of the Year category. **CNN IBN** also won the prestigious Asian Television Award in the category of 'Best News Programme' for its counting day coverage during the General Elections 2009.

IBN7 also won awards for Best Investigative Report of the year in Hindi for 'NAREGA ka Narak' and Best News Talk Show – Zindagi Live for 'Unsung Heroes of 1984 Riots' at NT Awards. In addition to this IBN7 won accolades at The Indian Television Academy (ITA) Awards for 'AIDS PSA' in the category best interstitial/fillers.

Details of various awards are covered in the Management Discussion and Analysis Report, annexed to this report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, the following information is provided:

A. Conservation of Energy

Your Company is not an energy intensive unit; however possibilities are continuously explored to conserve energy and to reduce energy consumption at production & editing facilities, studios and workstations of the Company.

B. Technology absorption

Your Company is conscious of implementation of latest technologies in key working areas. Technology is ever-changing and employees of your Company are made aware of the latest working techniques and technologies through workshops, group e-mails, discussion sessions for optimum utilization of available resources and to improve operational efficiency.

C. Foreign Exchange Earnings and Outgo

Disclosure of foreign exchange earnings and outgo as required under Rule 2(C) is given in Schedule No. 15 "Notes on Accounts" forming part of the Audited Annual Accounts.

The total foreign exchange earnings were Rs. 13.03 lakhs in the financial year 2009-10 as against Rs. 223.77 lakhs during the previous financial year. The total foreign exchange expenditure during the year under review was Rs. 1180.30 lakhs as against Rs. 1973.40 lakhs during the previous financial year ended March 31, 2009.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their deep appreciation for the continuous support extended by all the employees, Shareholders of the Company, various Government Departments and Bankers towards conducting the operations of the Company efficiently.

For and on behalf of the Board of Directors

Place: Noida **Sd/-**
Date: May 28, 2010 **Chairman**

Annexure - A

Information regarding '**The GBN Employee Stock Option Plan 2007'** as on **March 31, 2010** in terms of Regulation 12 and 19 of SEBI (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999 is as under:

Sl. No.	Particulars	Details
1	Options Granted during the year 2009-10	Nil
2	Pricing Formula	To grant the options at such discounted price to the market price of the equity shares of the Company as may be decided by the Remuneration / Compensation Committee. However the exercise price shall not be less than the par value of the equity shares of the Company.
3	Options Vested	20,18,621
4	Options Exercised (till March 31, 2010)	NIL
5	Total No. of Shares arising as a result of exercise of Options	NIL
6	Options Lapsed	1,57,950
7	Variation in terms of Options	None
8	Money realized by exercise of Options	NIL
9	Total number of Options in force	31,92,242
10	Employee wise details of Options granted during the year, to i) Senior Management Personnel ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during the year iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	 NIL NIL NIL
11	Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 on 'Earning Per Share'.	(4.56)
12	Computation of employee compensation cost and effect on profit and EPS a) Method of calculation of employee compensation cost b) Difference between the employee compensation cost so computed at (a) above and the employee compensation cost to P&L account if the Company has used the fair value of the option	 Intrinsic value as per SEBI ESOP guidelines Rs. 34,150,558/-
13	The impact of the difference as stated in 12(b) above on the profits and EPS of the Company: Profit after tax Less: Additional employees compensation cost based on the aforesaid difference Adjusted PAT Adjusted Basic EPS Adjusted Diluted EPS	 (820,989,695) (34,150,558) (855,140,253) (4.75) (4.75)
14	Weighted average price and fair value of the stock options granted at price below the market price: Total Options granted Weighted average exercise price (Rs.) Weighted average fair value (Rs.)	Not applicable
15	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information: Risk free rate of interest (%) Expected life of the option from the date of grant (in years) Expected volatility (%) Dividend yield (%) The price of the underlying share in market at the time of option grant	The Company has adopted the Black Scholes pricing model for valuation of options. The main assumptions used are as under: 6.05% 4.84 years 65.67% 0% Rs. 72.83

Annexure - B

Statement pursuant to section 212 of the Companies Act, 1956

1	Name of the subsidiary	RVT Media Private Limited	IBN18 Media & Software Limited	ibn18 (Mauritius) Limited
2	Financial year of the subsidiary ended on	31.03.2010	31.03.2010	31.03.2010
3	Shares of the subsidiary held by the company on the above date			
	a) No. of Shares and face value	10,000 Equity shares of Rs. 10/- each	1,34,58,950 Equity shares of Rs. 10/- each	100 Equity shares of US$1 each
	b) Holding Companies interest	100.00%	100.00%	100.00%
4	Net aggregate amount of Profit / Loss of the subsidiary so far as they concern members of the Holding company:			
	(i) Dealt with in the Holding Company's accounts:			
	a) For the financial year of the subsidiary	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	N.A.
	(ii) Not dealt with in the Holding Company's accounts:			
	a) For the financial year of the subsidiary	(Rs. 18,583/-)	(Rs. 26,443/-)	(Rs. 658,396,375/-)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(Rs. 42,127/-)	(Rs. 175,090/-)	N.A.
5	Material changes in subsidiary between the end of its financial year and the financial year of the holding company			
	a) Fixed Assets	N.A.	N.A.	N.A.
	b) Investments made	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	N.A.	N.A.	N.A.
	d) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	N.A.	N.A.	N.A.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian media & entertainment industry, as a whole, has been estimated to be approximately INR 587 billion as in 2009. According to industry reviews and reports this sector has shown a CAGR of 10% during 2006-2009 and is forecast to grow at a CAGR of 13% over the next 5 years. The growth in media & entertainment has primarily been aided by India's rapid economic growth amongst other factors. India's Gross Domestic Product (GDP) grew by almost 7% in fiscal 2009 (Source: Economic Survey 2007-2008, RBI).

M&E Industry (INR Billion)	2009	2014P	CAGR (2006-09)	CAGR (2009-14)
Television	257	521	12%	15%
Print	175	269	8%	9%
Films	89	137	5%	9%
Animation	20	47	18%	19%
Outdoor	14	24	5%	12%
Music	8	17	2%	16%
Radio	8	16	9%	16%
Gaming	8	32	38%	32%
Internet	8	29	56%	30%
Total Size	587	1091	10%	13%

(Source: FICCI-KPMG Report 2010)

Television, Print and Films are by far the largest segments of the media & entertainment industry today and as per industry reports will continue to remain dominant over the next 5 years. Internet segment has exhibited the fastest growth during the period 2006-09 and is projected to be the second fastest growing segment going forward. Television and Print segments derive revenues from both Advertising and Subscription whereas Outdoor and Radio only have an Advertising revenue stream. Films have a diversified revenue mix including theatrical ticket sales, home video, cable, satellite & DTH rights sales and other ancillary revenues. Animation & Gaming industries in India rely on outsourcing and domestic sales, whereas Music generates revenues from sale of songs across digital & physical media and broadcast & public performance licensing rights. Internet as an industry is evolving and companies are experimenting with different revenue models – advertising, subscription, transaction *(revenues in the table above however include only advertising revenues for Internet)*

OPPORTUNITIES AND GROWTH DRIVERS

Media and Entertainment Industry

The Media and Entertainment Industry has shown structural shift due to digitization leading to convergence with consumers increasingly taking control of their media consumption. Knowledge of evolving consumption trends is a critical success factor in this scenario. The more one understands the habits of customers, the greater opportunities will be there to meet their information and entertainment requirements and generate revenues. The impact of digitization has been wide-spread and deep-rooted across all segments of the Media and Entertainment industry both globally and in India. The companies that have embraced this change as opportunity and adapted and evolved as a result have shown tremendous growth whereas those resisting the change have perished. This section highlights the dynamics in which the industry operates

- **Digitization and Convergence –** Digitization has been a huge trend in the global media industry deeply impacting TV, print, music and films. From an enhanced consuming experience for the end-user to greater addressability & monetization potential for the content provider, digitization has proved to be a great value creator across the value chain. Many digital platforms, ranging from digital cable, DTH, IPTV to digitization of films, print and online sales of music have come into existence. DTH is leading the digitization wave in India, with approximately 30 million subscribers projected by the end of 2010. With the increase in DTH, mobile & broadband penetration and the expected 3G roll out, the market for other digital distribution platforms such as VoD, Pay Per View, Online streaming and downloads is likely to improve considerably. Convergence of content across "screens" – TV, computer and mobile is a direct result of the digitization revolution. Consumers as well as content providers have ensured that the same content is increasingly deployed across platforms available to consumers at the time and place of their convenience. Whether its e-papers or online streaming of shows or mobile based applications, all content is now available at a click across devices. "My time" is the new primetime.
- **Growth of the Indian Consumption Story –** Significant increase in private domestic consumption accompanied with a shift of the share of wallet from essentials, such as food, clothing and shelter to discretionary items such as recreation, education, healthcare etc. has been the key macro-economic theme in India over the last few years. This is largely a result of 2 factors – (a) the favorable demographic composition of the nation, commonly termed as the "Demographic Dividend", which essentially means that a large proportion of the country's populace is young and in the working age group, thus allowing for greater consumption upside and (b) rapid economic growth which has corresponded with the influx of foreign capital and brands as well as stronger integration with the global socio-economic environment. The above factors have led to the emergence of an ever increasing large consuming class, with rising disposable incomes, which is globally aware and acquisitive in nature. This consuming class is highly "brand aware" and willing to spend money on goods and services of "value".
- **Subscription led revenue models -** Traditionally, advertising revenues have had a strong hold in the M&E industry, but increasingly, subscription revenues are becoming important with consumers paying for media services. The media business models in India are undergoing a change with audiences becoming more willing to pay for content and value added services. Technology has brought about convenience and offered superior quality to consumers who have responded positively. The growth in ticket prices of movies at multiplexes, increasing number of Pay-TV subscribers, increasing penetration of DTH with its user-friendly interface and technology, and introduction of Value Added Services (VAS) by telecom players are some examples of pay markets gaining importance.
- **Increasing importance of regional markets –** No longer can media owners apply the "single content for all audience" strategy. From providing regional versions or feeds of national media brands to launching local content driven titles and channels, regionalization and localization have been growing rapidly across media. The regional film, music and print industries have always been a large part of the media milieu and their importance has only grown in the last few years, extending now to television and slowly to the web. This has been caused by the percolation of media consumption in cities apart from the large metros and the gradual increase in income & awareness levels in Tier 2 & Tier 3 cities. From the launch of regional newspapers to city & region/language based channels to special shows, this trend is spurring growth in multiple ways.

- **Consolidation –** Another key trend with respect to how the industry has been organized is the rise of the "media conglomerate" in India. Due to traditional benefits of size & scale from the diversification of capital risk to cross-leveraging of audiences & promotional opportunities to managing volatility in consumption patterns, media owners are realizing the importance of presence across the value chain and moving towards large conglomerate forms. This is completely opposite to stand alone operations which may not be able to withstand environmental exigencies or intense competitive pressures. The M&E industry is growing rapidly due to entry of newer players and newer customers and regions getting added. These trends are giving rise to increasing competition and are expected to give way to consolidation of operations. Some of this has already started happening, with last year being a tough year seeing some of the smaller players finding it difficult to survive. The players which were able to weather the downturn are likely to look at enhancing their market shares. This could help in the emergence and growth of players with superior product, marketing, distribution, technological and innovation capabilities. In turn, this is likely to aid the growth in the overall market size and reach for the industry.
- **360 Degree Connect with Consumers -** Players are looking beyond just the traditional mediums by reaching the consumers across multiple platforms in order to establish a stronger connect. They are taking the help of multiple touch points simultaneously to communicate to the consumer across platforms like TV, Print, Radio, OOH, Films, Internet, Mobile and Retail.
- **Regulatory enablers –**Important factors such as gradual de-regulation in industry policies, easier availability of institutional capital for funding growth and the opening up of global markets for Indian media content have facilitated the growth of the industry.

Television industry

The television industry, which is by far the largest component of the Indian Media and Entertainment industry, is expected to grow from strength to strength, doubling its revenues over the next 5-6 years. It recorded a growth of rate of around 12% on an average during the last 3 years and as per estimates accounted for almost 44% of revenues of the M&E industry. The industry growth has been nothing short of phenomenal given that private television industry commenced its operations only in 1992, when the Government authorized privately-owned cable and satellite televisions. Starting with 2 privately owned television channels in 1992, there are currently over 450 television channels with ibn18 being one of the nation's leading broadcasters. IBN18 operates two leading general news channels viz. 'CNN IBN' and 'IBN 7'. It also operates the leading Marathi News Channel 'IBN Lokmat' through its 50:50 JV with Lokmat Group. IBN18 also forayed into general entertainment sector through its JV with Viacom called "Viacom18", which operates channels such as 'Colors', 'MTV', 'Nick' and 'Vh1'.

Key Growth Drivers for Television Industry

Apart from the secular macro-economic growth factors, media industry trends impact the TV business greatly. The following are the drivers for the television sector at a generic level:

- Digitization - Rapid growth in the number of digitized households primarily being led by DTH, leading to higher subscription revenues and ARPU's for broadcasters as a result of the greater addressability.
- Niche - Growth in the number of niche and regional channels which will have an inclusive and expansionary impact on the television sector. The emergence of targeted and focused channels allows advertisers to derive maximum value and at the same time increase the participation of local and regional advertisers, thus impacting sector revenue growth.
- Multi-TV Homes & Platforms - Increasing penetration of TV's & C&S homes – Even today, a large number of Indian households do not have access to television, especially in the rural areas. With strengthening distribution, easing of hardware prices and growing awareness levels, the country's television footprint is set to expand further.
- Infrastructure - Environmental factors such as increasing access to electricity (especially in rural areas) and the continued delivery of quality content are further enablers of greater penetration in the Indian television industry.

BUSINESS OVERVIEW AND SEGMENT WISE PERFORMANCE

ibn18 operates in the general news and entertainment space with leading general news channels CNN-IBN, IBN7 and IBN Lokmat, a Marathi news channel in partnership with the Lokmat group. ibn18 also operates a joint venture with Viacom, called Viacom18 which houses the MTV, VH1 and Nickelodeon channels in India - as also Studio18, the filmed entertainment operation and COLORS, India's leading Hindi general entertainment channel.

1. NEWS TELEVISION

o CNN-IBN: The No.1 English News Channel

o IBN7 – A Premier Hindi News Channel

o IBN LOKMAT – The No.1 Marathi News Channel

2. ENTERTAINMENT (Viacom18)

o COLORS – The No.1 Hindi General Entertainment Channel (GEC)

o MTV – The No.1 Youth Entertainment/ Music Channel

o NICK – The Leading Kids Channel

o Vh1 – The Only English Entertainment cum International music cum Lifestyle Channel

3. FILMS

o STUDIO 18 – The Motion Pictures Division of Viacom18

4. INTERNET PORTALS

IBNLive.com-The internet news portal, www.ibnlive.com, (owned and managed by group affiliate Web18 Software Services Ltd.) serves as the online platform for CNN IBN.

ibnkhabar.com - IBNKhabar.com is the online platform for IBN7. The site's content is in the Hindi (Devnagari) script and is a pioneering initiative by an Indian news broadcaster to take news in Hindi to a global audience.

News broadcast from CNN IBN and IBN7 is put up in text and other interactive formats on their respective sites. The sites provide streaming video feeds, downloadable tickers and breaking news alerts. IBNLive.com contains a section on investor relations which provides regular updates and statutory notices and press releases for ibn18's shareholders.

NEWS
CNN IBN

Launched in December 2005, 'CNN-IBN' is one of India's leading English News channels highly regarded for its editorial integrity, high production standards and unbiased, issue based coverage of news and current affairs. CNN IBN, its news programmes, featured shows, reporters and anchors have received numerous awards for various categories in the field of journalism.

Content & Programming strategy:

CNN-IBN's guiding philosophy is embodied in the spirit of delivering news, 'Whatever it Takes'. CNN-IBN has also pioneered the trend of inclusive journalism in the country by being a voice and mirror of the common citizens. The channel stands for its editorial integrity, high production standards and unbiased, issue based coverage of news and current affairs. The channel has adopted a powerful multi-platform approach to content with seamless online (ibnlive.com & ibnkhabar.com) & mobile (51818) integration forming a part of its core programming strategy.

Key Initiatives for the period under review:

General Elections – 'A Billion Votes' & 'The Verdict'

CNN-IBN brought the most comprehensive coverage along with special shows all through the election period and emerged as the clear leader on all 5 Polling days and the Counting Day across all audience groups, across the country and across metros. CNN-IBN's panel for elections coverage included formidable experts like Dr. Yogendra Yadav, Nandan Nilekani, Ramachandra Guha, Inder Malhotra, P. Sainath, Lord Meghnad Desai and Dileep Padgaonkar, with analysis spearheaded by CNN-IBN's Editor-in-Chief Rajdeep Sardesai and Karan Thapar.

ibnpolitics.Com

CNN-IBN's website on politics emerged as the single reference point for all political and elections reporting. IBNPolitics.com, powered by IBNLive.com, registered a staggering 126 million page views throughout the election season.

State Of The Nation Poll – Aug 2009

8th Edition of SOTN, the biannual nationwide poll conducted by CNN-IBN, was broadly on 'Changing Attitudes in Urban India' which looked at issues like homosexuality, the English language & westernization, dress codes & religious symbols, male attitude towards women, pre-marital sex & virginity etc.

Poll Of Editors On 100 Days Of The Government

A CNN-IBN special overviewed UPA government's performance in its first 100 days basis a poll with renowned editors from across the country.

Tendulkar At 20

CNN-IBN conducted an exclusive interview of Sachin Tendulkar as the legend completed 20 years of playing international cricket. During the special interview, the icon spoke about his childhood heroes, his take on ODI, Test cricket, the hunger that still drives him and all other important aspects of his life.

Leadership During Union Budget - 2009

CNN-IBN was the No. 1 English News Channel throughout the Union Budget Week and on the Union Budget Day, including the FM's speech across key audience groups, across metros and across the country. CNN-IBN was also the leader throughout the Pre-Budget week.

'Children's Day At 7 RCR' (A Special Show With PM Manmohan Singh)

CNN-IBN brought an exclusive Children's Day special show where Prime Minister Manmohan Singh and his wife Mrs. Gurcharan Kaur interacted with children from across the country at their residence.

Hindustan Times Leadership Summit 2009 In Partnership With CNN-IBN

CNN-IBN partnered with HTLS - 2009 that had Prime Minister Manmohan Singh, George Bush, Pranab Mukherjee, Brajesh Mishra, Dr. Naresh Trehan, Sunil Gavaskar etc as the key speakers. The summit this year focused on Vision 2020: Challenges for the Next Decade.

State Of The Nation Poll – Jan 2010:

The 9th Edition of the nationwide poll covered the topic 'Issues and Concerns of the Senior Citizens of India' and looked at issues impacting the generation aged 60 years and above.

Union Budget '10 – 'Budget Of Hope'

CNN-IBN brought a complete and holistic perspective on the Union Budget through its programming 'Budget of Hope'. CNN-IBN reasserted its leadership position amongst the English news channels by emerging as the most watched channel in the English News genre across key target groups on budget day.

ibn18 FOCUS

CNN-IBN Indian of the Year 2009

The 4th edition of the biggest and the most credible awards of the nation honored the likes of AR Rahman, The Indian Test Cricket Team (represented by Sourav Ganguly, Anil Kumble, Rahul Dravid, VVS Laxman and Murali Kartik), Kamal Haasan, Saina Nehwal, Satyam Revival Team amongst others. PM Manmohan Singh was the Chief Guest for the Grand Finale held on 21st December 2009.

Real Heroes

The 3rd edition of Real Heroes came back to felicitate and celebrate the undying spirit of ordinary people who have done extraordinary service and expanded the realm of humanity. The ceremony was attended by luminaries including Mrs Nita Ambani, Mr Mukesh Ambani, Sachin Tendulkar, Aamir Khan, Yash Chopra and other eminent personalities applauded the heroes who through their extraordinary work have made a difference.

Citizen Journalist Awards

The path breaking initiative of CNN-IBN came back for its 2nd season and honoured those fearless individuals who have captured and reported a true picture of our society through inclusive journalism. The award winners were honored by legendary actor Amitabh Bachchan the superstar of the silver screen and one of the most respected public figures in the nation today.

Gillette - To Shave Or Not

CNN-IBN partnered with Gillette for an all India campaign wherein the channel ran special shows, celebrity interviews, panel discussions and news stories around the topic. The initiative won a Media Gold at the Cannes Advertising Festival, 2009.

Awards And Accolades

Ramnath Goenka Excellence In Journalism Awards, April 2009

CNN-IBN bagged 5 awards at the Ramnath Goenka Excellence in Journalism Awards. The awards categories include: Reporting from Jammu and Kashmir & North East, Sports Journalism, two awards under Film & Television Journalism category and Best Journalist of the Year.

Asian Televison Awards, 2009

CNN-IBN won the prestigious Asian Television Award in the category of 'Best News Programme' for its counting day coverage during the General Elections 2009.

Indian Television Academy Awards, December 2009

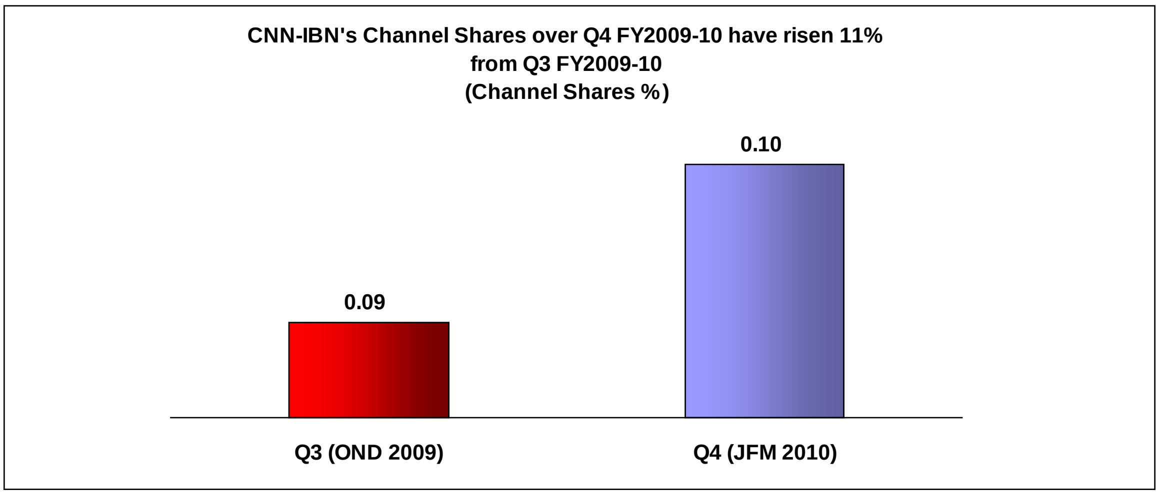
The 9th Indian Television Academy Awards rolled out its red carpet for CNN-IBN. Rajdeep Sardesai bagged the Best News Anchor Award for the special election show Battle For The States. Shrishti Shanker won Best News Current Affairs Show Award for the Citizen Journalist Show. And, Cyrus Broacha was awarded the Best Actor for his comedy for The Election That Isn't.

News Television Awards, March 2010

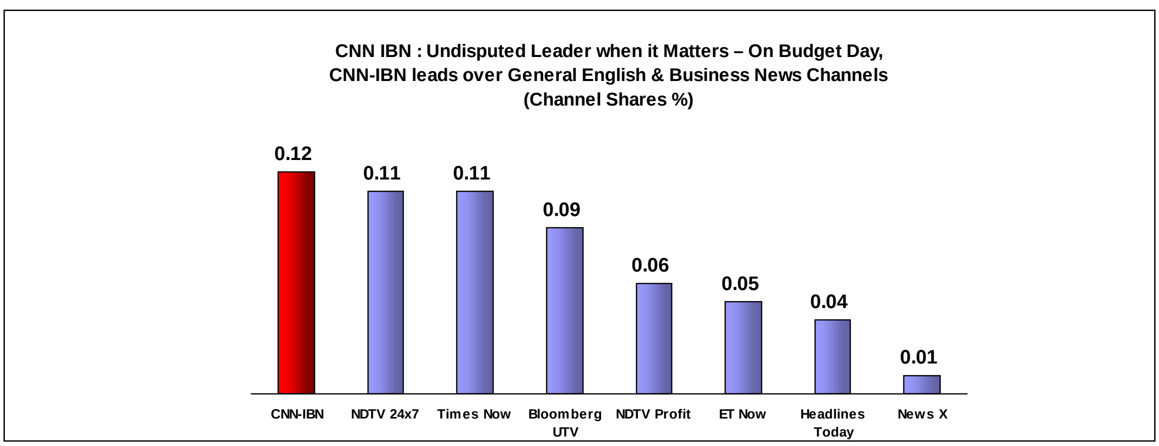
CNN-IBN emerged triumphant in multiple categories and the biggest winner in the 3rd edition of NT Awards 2010. The channel was recognised for its informative, incisive and intelligent programming in the following categories:

- TV News Anchor of the Year: Rajdeep Sardesai
- TV News Presenter of the Year: Suhasini Haidar
- TV News Reporter of the Year: Karma Paljor
- Sports News Show Presenter of the Year: Gaurav Kalra
- Entertainment Critic of the Year: Rajeev Masand
- Young TV Journalist of the Year (below 28 years of age): Arunoday Mukherjee
- News Documentary Programme: 30 Minutes-True lies in Manipur
- News Talk Show: Devil's Advocate
- Lifestyle & Fashion News Show: Living it Up
- Crime Show: 30 Minutes - Killed in the Name of Honour
- Business News Programme of the Year: 30 Minutes - Diamonds Not Forever
- Sports News Show of the Year: 30 Minutes - Boys in the Bubble

Viewership Performance



Source: TAM; TG: CS 15+ Yrs; Market: All India; Period: 600-2400, All Days



Source: TAM; TG: CS 15+ Yrs, Market: All India; Period: 26/02/10, 600-2400 hrs

IBN7

Programming, Key Initiatives & Strategic Tie-Ups

General Elections – 'Mera Vote Meri Sarkar' & '7 RCR Ki Race'

The poll process in India, to elect its 15th Lok Sabha of the world's largest democracy was a month long exercise that completed on May 16, 2009.

IBN7's extensive coverage and programming around the General Elections 2009 included several known experts - Dr. Yogendra Yadav, Alok Mehta, Shravan Garg, Ramkripal Singh, Vishnu Tripathi, with analysis, and was spearheaded by IBN7's Managing Editor Ashutosh and ibn18 Network's Editor-in-chief Rajdeep Sardesai.

- IBN7 and Dainik Bhaskar tied up for the extensive programming around post-poll analysis after the last polling day and leading upto the Counting Day.
- IBN7 and Hindustan joined hands to bring a special series - 'Jaagte Raho…Hoshiyaar' that highlighted the candidates with criminal records ahead of each polling phase.

Budget 2009 – Dreamz Unlimited

The expectations from the 2009 budget were at an all time high post the General Elections. Keeping the dreams and the hopes as the agenda, IBN7 initiated the budget programming that covered Budget with a holistic approach and highlighted the expectations & factors in the Budget exercise that affect the common man (in both urban and rural India), Corporate India & Young India.

State Of The Nation Poll – Aug 2009

This was the 8th Edition of SOTN, the biannual nationwide poll conducted by IBN7, was broadly on 'Changing Attitudes in Urban India' which looked at contemporary social issues like homosexuality, the English language & westernization, dress codes & religious symbols, male attitude towards women, pre-marital sex & virginity etc.

Poll Of Editors On 100 Days Of The Government

An IBN7 special overviewed UPA government's performance in its first 100 days basis a poll with renowned editors from across the country.

Tendulkar At 20

IBN7 conducted an exclusive interview of Sachin Tendulkar as the legend completed 20 years of playing international cricket. On this unique occasion, the ibn18 Network also partnered with Sachin to celebrate his 20 years in international cricket and auctioned personally autographed limited edition bats by him to raise money for the charity – APNALAYA.

Children's Day Special With Prime Minister Manmohan Singh:

IBN7 brought an exclusive Children's Day special show where in the Prime Minister Manmohan Singh and his wife Mrs. Gurcharan Kaur as they interacted with children from across the country at their residence.

Zindagi Live – Season 3

- IBN7's flagship talk show 'Zindagi LIVE' after completing two successful stints entered in its third season with all new episodes during the Diwali period.
- Some of the topics that were touched in the new season include - Real Life of 'On-screen' Bhagwans, Ragging, Life of Stuntmen, Life after Retirement, Unusual Entrepreneurs, Victims of 26/11 tragedy, Victims of 84 Riots, Life on Duplicates, 10 Years of IC-814 Hijack and many more.

State Of The Nation Poll – Jan 2010

The 9th Edition of the nationwide poll covered the topic 'Issues and Concerns of the senior citizens of India' and looked at issues impacting the generation aged 60 years and above.

Union Budget '10 – 'Mehngayi Ghatao Vitta Mantri'

IBN7 brought a complete and holistic perspective on union budget through its programming 'Budget 2010 – Dreamz Unlimited: Mehngayi Ghatao Vitta Mantri' with a specific focus on common people and corporate wish list from the Finance Minister.

IBN7 Events

IBN7 Diamond States Awards 2009:

- IBN7 announced the second edition of the prestigious 'IBN7 Diamond States Awards'- a path breaking editorial initiative in partnership with Outlook, for recognizing human and social development efforts by the states of India.
- Chief Guest Lok Sabha Speaker Mrs. Meera Kumar awarded various states for their excellence in respective categories.
- Kerela and Goa were adjudged as the Best States, in Big State and Small State categories at the awards ceremony held in Delhi on Oct 8th.

IBN7 Super Idols:

- IBN7 in its continuing endeavor to present positive journalism showcased 18 truly inspiring individuals, who have overcome debilitating physical challenges through super human efforts to achieve acceptance and success.
- A first of its kind initiative by any media organization in the country to pay tribute to the triumph of the human spirit over physical challenges and constraints, in achieving greatness.
- The Super Idols were felicitated at the Grand Finale in Mumbai on Jan 19th.

Citizen Journalist Awards:

- The path breaking initiative of ibn18 Network came back for its 2nd season and honoured those fearless individuals who have captured and reported a true picture of our society through inclusive journalism
- The award winners were felicitated by legendary actor Amitabh Bachchan the superstar of the silver screen and one of the most respected public figures in the nation today.

Awards & Accolades

Zindagi Live Wins 'Laadli Media Awards 2009-10'

- Zindagi LIVE bagged the prestigious national 'Laadli Media Award' for Gender Sensitivity for its episode on female feticide. This which included entries sent by all zones.

News Television Awards, March 2010

Living up to the expectations of its viewers at the prestigious NT Awards'10, IBN7 demonstrated that winning is a habit. Despite being nominated

in several categories, IBN7 bagged the following awards:
- **Best News Talk Show:** Zindagi LIVE
- **Best Investigative News Report:** NREGA Ka Nark

IBN7 Won Accolades at the Indian Television Academy Awards:
- IBN7 won the ITA Award for 'AIDS PSA' in the category best interstitial/fillers at the 9th Annual Academy Awards.
- IBN7 was also nominated in several other categories including 'Best Hindi News Channel' and 'Best Talk/Chat Show (Zindagi Live)'.

IBN LOKMAT

Programming, Key Initiatives And Strategic Tie-Ups
New Shows on IBN-Lokmat:
- Natak Bhitak: half hour show on Marathi theatre in Maharashtra. Every Sat 10.30 pm
- Tech Show: Half hour show on Everything about New Electronic gadgets in Market. Every Sat 6.30 pm
- Bajaj Discover Maharashtra: half hour travel show on Maharashtra. Every Sat 7.30 pm

IBN-Lokmat on DTH & Mobile Platform:
- IBN-Lokmat on Tata-Sky on Channel no 837.
- IBN-Lokmat audio lives on Tata Indicom mobile on dialing 577888.

General Elections Specials:
Maze Mat Maza Sarkar: (Election Coverage)
- An exclusive one Hour daily on the General Election Updates covering State as well national.

Awaz Kunacha? Talk show:
- Talk shows that let the people question their representatives, from across the state. Hosted by Nikhil Wagle bridging people-centric issues with political leaders.
- The Shows covered the cities like Mumbai, Pune, Nasik, Nagpur, Aurangabad, and Thane.

First on IBN-Lokmat: Stories which appeared first on IBN-Lokmat
- Exposed criminal background of Baba Bodake resulting expelled him from NCP
- Pt.Bhimsen Joshi awarded Bharat Ratna.
- Shivrajyabhishek live coverage from Raigad Fort.

Impactful IBN-Lokmat Campaigns:
- Series on Local trains commuters in Mumbai having lot of problems.
- Series on MMRDA corrupt officials & needy people.
- MLA taking home free cattle's distributed for poor farmers by Government.
- Nasik Police commissioner transfer was cancelled on the basis of IBN-Lokmat Campaign.
- Ajit Dada pawar case: The illegal construction by Minister Ajit Pawar near Mula River bank has been stopped & demolished on the basis of IBN-Lokmat campaign
- HIV infected students were denied admission in school in Latur. IBN-Lokmat impact made the authority to give the admission to the HIV infected students immediately.

Railways & Union Budget Special coverage:
- Special shows with experts on the budget, the railway budget & its review & impact on common man.
- Live coverage during the FM Speech along with expert's analysis.

IBN-Lokmat Ganeshotsav- "BAPPA MORYA RE"
- Live coverage of the festival with interactive SMS & MMS contests like the Ganesha Quiz & Gharcha Bappa.
- IBN-Lokmat visited selected houses of common people with celebrities.

IBN Lokmat Express – Election Special
- IBN-Lokmat branded an open air Double Decker Bus that is travelling all over Maharashtra to register peoples manifesto for the elections.
- A people centric program that is discussing governance & local issues.

Awaaj Kunachaa:
- A talk show involving politicians and local people in all the major cities of Maharashtra throughout September.
- The show became a bridge between people and the leaders.

Great Bhet-Election Special series:
- All the leading politicians of Maharashtra like Raj Thackeray, Uddhav Thackeray, Gopinath Mundhe, and Sharad Pawar have been interviewed by Nikhil Wagle.

IBN-Lokmat Leadership No during Union Budget-2009
- IBN-Lokmat was the highest viewed channel on the Budget Day.
- IBN-Lokmat was the highest viewed channel during the FM Speech.

Maharashtra cha MahaSangram:
- IBN-Lokmat Talk Show by Nikhil Wagle with leaders of major political parties of Maharashtra includes Ashok Chavan (Congress), Nitin Gadkari (BJP), Shirish Parkar (MNS) Ramdas Athavale (RPI), Bharat Kumar Raut (Shiv Sena) & Kumar Ketkar (Loksatta)
- Koul Janatecha 100 hours Nonstop Election Special programming till polling day(13th Oct)
- Faisala Janatecha 100 hours Non Stop counting Day Special (22nd Oct)

Yaad karo Quarbani: IBN-Lokmat tribute to the tragic Mumbai Terror Attack-26/11:
- Specials programs based on the safety measures for Mumbai to avoid such incident, Revival of Police force, present situation of victims & Government responsibility.
- Editor Nikhil Wagle re-visiting the places of attacks & analyzing these majors.

Sachin T-Shirt Auction on IBN-Lokmat:
- Sachin T-Shirt auction for the cricket lovers on IBN-Lokmat through sms 51818
- The proceeds given to Sachin Charity

IBN-Lokmat Leadership Nos:
- IBN-Lokmat was No 1 Marathi News Channel in Maharashtra across audience (week 45th -50th)

Union Budget '10 – 'Budget 2010'
- IBN-Lokmat Budget special programs having holistic & inclusive approach simplified the Budget for a common man with the team of policy experts and industry analyst through its program 'Budget 2010'. Special debate with experts on economic survey.

Entertainment – Viacom18

COLORS

PROGRAMMING
Key Launches in FY 2009-10
Non-Fiction
- **National Bingo Night**: The property opened with 5.1TVR, this launch was the biggest reality launch on Hindi GEC since 2008
- **Bigg Boss Season 3**: The third season of international reality format 'Big Brother' hosted by Bollywood Superstar Amitabh bachchan opened with 4.6 TVR, the 2nd biggest reality launch of the year.
- **Fear Factor Khatron Ke Khiladi Level 2**: The second season of the much awaited reality show with Bollywood action-star Akshay Kumar opened with 4.4TVR.
- **India's Got Talent**: Opened with 2.2TVR, Series Averaged 2.7TVR. Dominated the slot with 23% Share for the entire series

Fiction
- **Bairi Piya**: Set against the devastating background of farmer suicides in Maharashtra, Bairi Piya is a story about Amoli, a 20-year-old beautiful and cheerful daughter of a farmer Tukaram Kamble, who belongs to the Vidarbha region in the interiors of Maharashtra. A stark tale of deceit, power struggles, exploitation and triumph of human grit. Launched on 21st Sept'09 with the weekly average of 2.2 TVR & grew to an average of 3.5 TVR till March'10
- **Laagi Tujhse Lagan**: This is the story of a young girl whose life becomes a mockery due to her ugly face. This story is of Nakusha, her mother Babi and their never-say-die spirit. This is a story of Nakusha's battle with fate and her strife to survive in a society that looks past her beautiful nature and looks only at her ugly face. Launched on 28th Dec'09 with the weekly average of 2.4 TVR & has grown to average of 3.1TVR till March'10

Sanjhi Dopahar: COLORS launched the afternoon band; # 2 in slot in the launch week
- **Agnipariksha Jeevan Ki-Ganga**: This is the touching tale of a young girl Ganga who is a pretty, obedient daughter and a talented singer instead of being worshiped like her namesake Holy river, is ostracized by her stepmother and the society. The show opened with 1.4 TVR
- **Aise Karo Na Vidaa**: Aise Karo Naa Vidaa is a story of a young and vivacious girl Reva who hails from a small kasba of Bundelkhand. Reva's laughter is infectious and her impulsive and open nature attracts attention from young prince of the Raj Mahal. While Reva is preparing for her wedding, an instance changes her life forever. The show opened with 1.6 TVR

AWARDS & ACCOLADES
Impact Person of the Year 2009: Rajesh Kamat
ITA Awards held on 9th December,2009:
- The GR8! Ensemble Cast, 2009 - UTTARAN
- Jury Awards
  - Best Serial (Drama): Balika Vadhu
  - Best Director (Drama): Siddharth Sen Gupta & Pradeep Yadav (Balika Vadhu)
  - Best Actress in a Negative Role: Surekha Sikri (Balika Vadhu)
  - Best Actress in a Supporting Role: Smita Bansal Mohla (Balika Vadhu)
  - Best Child Artiste: Avika Gor (Balika Vadhu)
- Jury Technical Awards
  - Best Videography: Sanjay K Memane & Anil Katke (Balika Vadhu)
  - Best Teleplay: Purnendu Shekhar, Rajesh Dubey & Gajra Kottary (Balika Vadhu)
  - Best Dialogues: Usha Dixit (Balika Vadhu)
  - Best Title – Music Track: Lalit Sen (Balika Vadhu)
- Popular Awards
  - Best Entertainment Channel: COLORS

GR8! Women Achiever Awards 2010
- 'Television' Ms. Meghna Malik (Ammaji)
- GR8! Young Achiever Ms. Sparsh Khanchandani (little Ichcha)

GR8 Women Achievers Awards : 2009
Avika Gor - Television - (Child Prodigy – 'Balika Vadhu' Fame)
Ashvini Yardi - Media - (Programming Head, Colors)

FICCI Frames Excellence Awards 2010
- Colors - Most Successful Television Channel of the Year
- Uttaran - Most Successful Drama Series of the Year
- Ayub Khan - of 'Uttaran' fame grabbed the Best Actor of the Year: TV – Male award

PROMAX Awards 2009
- PROMAX GOLD- Colors- Best Channel Packaging
- PROMAX GOLD -Mime AV -Best Corporate AV
- PROMAX SILVER -Balika Vadhu –Best On Air Campaign

- PROMAX SILVER -Gopiyan Promo- jai shree Krishna- Best Children Promo
- PROMAX SILVER- Channel Ident Colors
- PROMAX SILVER- Mohe Rang De -Best Title Packaging

Global Youth Marketing Summit 2009-10
- Star Youth Achiever Award: Rameet Arora

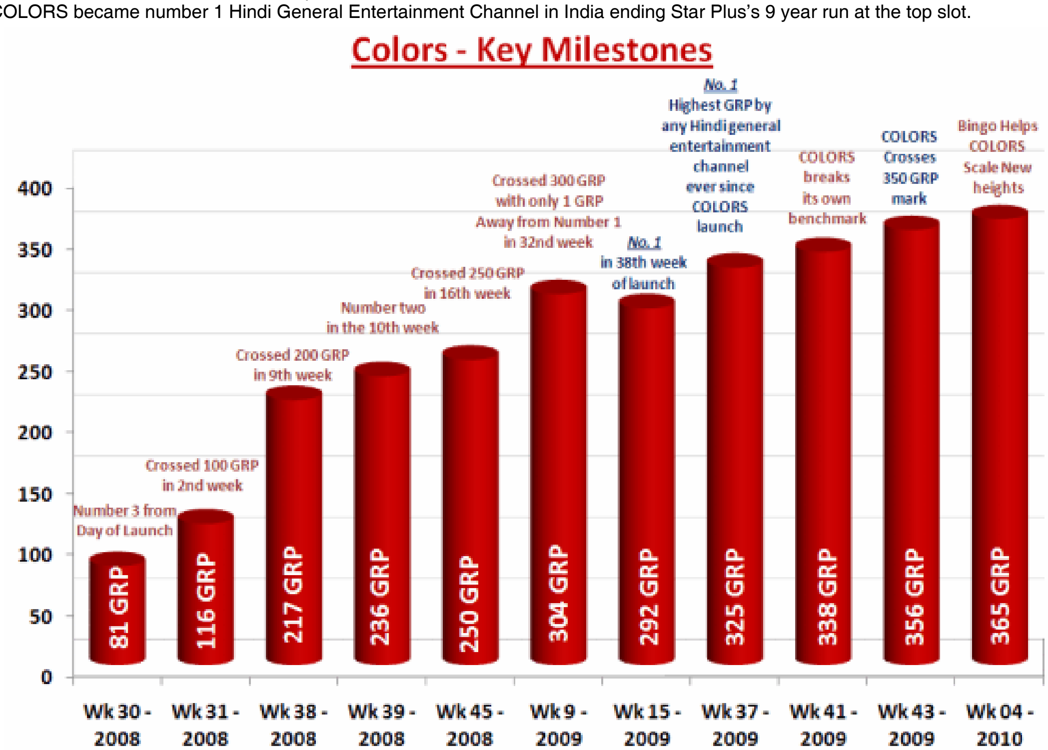
4 P'S Of Marketing Awards 2009-10
- 4Ps of Marketing Award for the "Champions of Marketing": COLORS

Media Personality Of The Year At India Today Woman's Summit
- Programming head: Ashvini Yardi 2009

New Talent Awards Held On 13th June, 2009:
- Best dialog writer - Drama - Usha Dixit - Balika Vadhu
- Best story writer - Purenderu Shekhar - Balika Vadhu
- Best Director - Fiction - Siddharth Sengupta & Pradeep Yadav - BalikaVadhu
- Best Screenplay - Rajesh Dubey - Balika Vadhu
- Best Costume Designing - Nellu Shroff - Balika Vadhu
- Best Promising show - Fiction - Balika Vadhu - Sphere Origins
- Best Editor - Fiction - Santosh Singh - Balika Vadhu
- Best Actor in Supporting Role (Female) - Vibha Anand (Sugna)- Balika Vadhu
- Best New Child Artist (Male) - Avinash (Jagdish)- Balika Vadhu
- Best New Child Artist (Female) - Avika (Anandi)- Balika Vadhu
- Best Icon of the year (Female) - Avika (Anandi)- Balika Vadhu
- Best Art Director - Fiction- Aroop Adhikari - Jeevan Saathi
- Most promising New Talent of tomorrow - Saloni - CMBM

Financial Highlights
Total Revenue: Grows 149% over 2008-09
- **Ad Sales Revenue**: Grows 232% vs previous year (not comparable as only 8 months operational in FY'09)
- **Subscription Revenue**: Affiliate growth of 142% is backed by revised MG deal with MSMD and Colors going pay from April 01, 09.
- Incremental advertising & subscription revenues on account of Colors US & UK launches.
- **Syndication Revenue**: The following deals have been closed:
  - Jai Shree Krishna – Raj TV, India
  - Balika Vadhu/Uttaran/JKBH – Afghanistan
  - Fear Factor KKK 2 – Endemol International
  - Sajid Superstar – Dubai
  - Ek Khiladi Ek Hasina – Fiji

VIEWERSHIP PERFORMANCE
- COLORS has dominated the Hindi GE space for entire FY 2009-10.
- COLORS became number 1 Hindi General Entertainment Channel in India ending Star Plus's 9 year run at the top slot.



Source: TAM, Hindi Speaking Markets (HSM) CS 4+

Relative Channel Share %					
Channels	Jan-Mar'09	Apr-Jun'09	Jul-Sep'09	Oct-Dec'09	Jan-Mar'10
Colors	23.8	23.2	23.2	25.5	23.8
Star Plus	26.5	23.1	22.4	20.2	22.8
Zee TV	18.7	20.7	20.7	19.6	20.4
Sony	7.6	7.5	10.3	13.5	11.7
Imagine	6.1	8.6	9.2	8.1	8.4
SAB	4.3	4.8	5.4	5.8	6.5
Star One	5.7	5.2	4.1	3.7	3.3
Sahara One	4.2	3.6	2.6	2.4	2.3
9X	2.7	2.0	1.5	1.0	0.6
Real	0.4	1.4	0.6	0.1	0.1
Colors Rank	2	1	1	1	1

- COLORS become the market leader in the first Quarter of FY 2009-10 and has dominated the space since.
- COLORS leads the primetime with in 7 out of existing 10 slots for all of FY 2009-10.

6 of the top 10 Slots Occupied by COLORS Shows

Slot Leadership for FY 2009-10 (Average Slot TVR - Mon-Fri)					
Time Slot	Colors	Star Plus	Zee TV	Imagine	Sony
19:00	2.2	0.7	0.8	0.4	0.6
19:30	1.8	1.3	3.9	0.6	0.6
20:00	5.3	2.4	3.0	0.8	0.7
20:30	3.5	2.6	2.8	1.3	0.8
21:00	2.1	5.1	4.1	1.2	0.7
21:30	2.2	6.0	4.0	1.4	0.6
22:00	4.6	3.1	3.1	1.6	1.1
22:30	4.3	2.0	2.3	1.3	1.2
23:00	2.6	1.1	1.3	0.6	0.9
23:30	1.1	0.7	0.8	0.3	0.6

Top 10 Shows In the year April 2009 - March 2010

Rank	Channel	Date	Day	Start Time	End Time	Programme	Dur{min.}	Genre	TVR
1	Colors	10/11/2009	Tue	22:07	22:37	Uttaran	31	Serials	9.6
2	Colors	26/10/2009	Mon	22:08	22:39	Uttaran	32	Serials	8.6
3	Colors	27/10/2009	Tue	22:04	22:36	Uttaran	33	Serials	8.4
4	Imagine	02/08/2009	Sun	21:00	23:28	Rakhi Ka Swayamvar-Faisle Ki R	149	Reality Shows	8.4
5	Colors	24/10/2009	Sat	22:00	22:58	Uttaran	59	Serials	8.2
6	Star Plus	13/08/2009	Thu	21:29	21:59	Yeh Rishta Kya Kehlata Hai	31	Serials	8.1
7	Colors	14/01/2010	Thu	21:59	22:29	Uttaran	31	Serials	8.1
8	Star Plus	21/07/2009	Tue	21:30	22:00	Yeh Rishta Kya Kehlata Hai	31	Serials	8.1
9	Star Plus	11/08/2009	Tue	21:30	21:59	Yeh Rishta Kya Kehlata Hai	30	Serials	7.8
10	Colors	20/01/2010	Wed	22:29	22:59	Na Aana Is Des Laado	31	Serials	7.7

MTV

Programming & Platforms

Living up to its repositioning, MTV launched a series of successful reality tentpoles on TV and digital tapping into multitude of Youth passions

Roadies: The 7th Season of Roadies attracted an audience of 57 mn in urban India and was rated as the 4th most watched non-fiction series on Hindi channels (including on GECs). The bigger and better Roadies travelled to Africa and dared the youth to participate in various adventures. Roadies BattleGround was launched as an online property that attracted over 2 mn page views

Splitsvilla: The 3rd season of the controversial dating reality show was taken to a new level with a concept twist - the introduction of couples. Marketing burst across all key youth touchpoints from retail- a special Splitsvilla clothing range to branding across movie theatres, bars and high visibility billboards and signage across Mumbai & Delhi. The show generated PR worth 2 cr., the online destination delivered over 1 million page views

Stunt Mania: The first of its kind reality show that revolved around hard-core bike stunting. Hosted and mentored by Bollywood's ace action choreographer Allan Amin, this 8 part series created its own cult status within reality shows.

Gang Next: Created the first and true youth digital engagement program in India by connecting 250 college youth across 50 colleges in 5 cities. The college involved in many challenges online and connected with 65,000 fans across facebook. The property in association with Samsung Mobile was rated as one of the most aspirational youth property in colleges with the Winners getting an opportunity to travel with their gang to South Africa for FIFA 2010

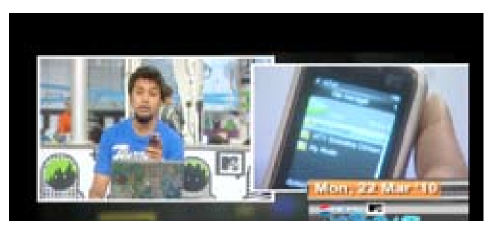
MTV Goes Beyond TV - Now Claims a Legion of Followers Across Various Media

- 100 mn individuals tune into MTV Channel
- The Channel reach is clear the highest in the category
- MTV is the most followed brand on Twitter
- 1 Million users hang out on mtvindia.com
- MTV site has an average of ~10 Million monthly page views
- Online communities buzz with action with 280,000 members on Facebook, 340,000 on Orkut and 70,000 fans on Twitter
- MTV Mobile connects with 2 Million registered Mobile Users
- Consumer products has grown to 35+ Product Licenses in India

Several manufacturers chose to partner with MTV for maximum impact for their 360 marketing communication

Case Study: Micromax Mobile
- Multiplied the impact of its India launch through Partnership with MTV
- Co-branded mobile phone - 'Micromax MTV X360' – Heavy Metal of Music
- Phone come with preloaded content from MTV featuring music videos, ringtones, wallpapers from hit shows

Behind the Scenes
- MTV Developed the Advertising for Micromax
- MTV VJ Ranvijay the Brand ambassador for MTV



Awards & Accolades

MTV Sweeps Promax Again - An internationally acclaimed award for programming and channel environment

10 Golds and 7 Silvers

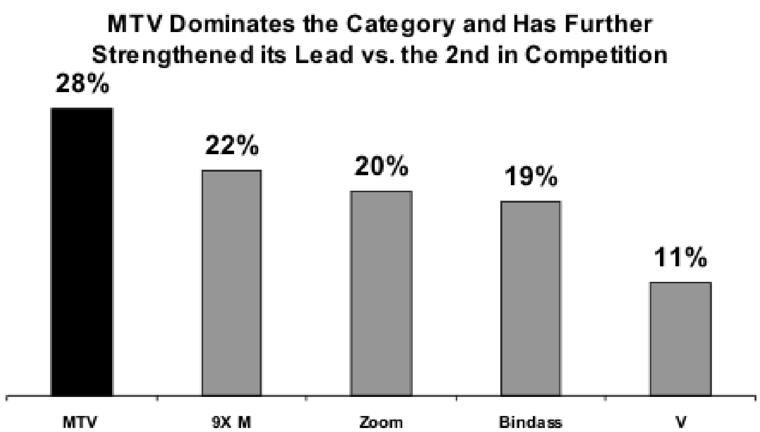
- Best in-house station ident
- Best image promo
- Best logo design
- Best animation
- Best sound design
- Best packaging
- Best script
- Best launch campaign
- Funniest spot, etc. etc.

Financial Highlights

- Top-line registered a robust growth of 17% fueled by expanding customer base and consistent push on the effective rates
- MTV leveraged the cult-like followership across online communities to double the online revenues
- MTV continues to claim dominant share of the revenues in the Youth Genre

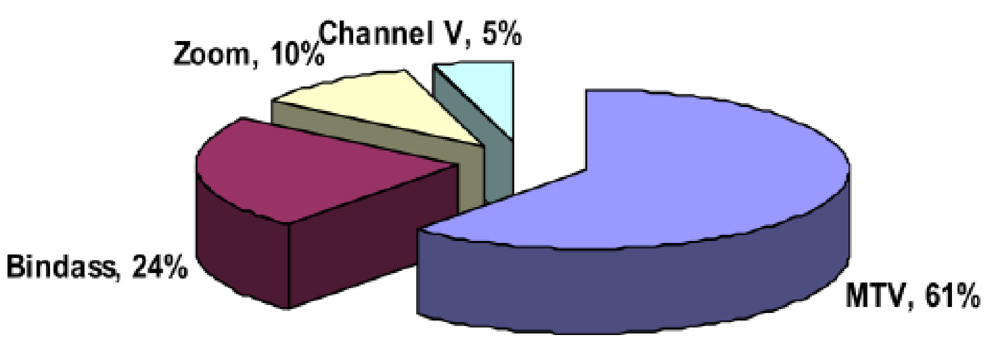
Viewership Performance

MTV continues its leadership status through the last decade: The share gap between MTV and 2nd in line has doubled in FY 2010



Source: TAM | 15-24 AB | HSM | FY 2010

During the Youth Prime time, MTV claimed an astounding 60% + of the Youth viewership



Source: TAM, 15-24 AB, Q1 2010, Sat + Sun, 1900-2000

NICK

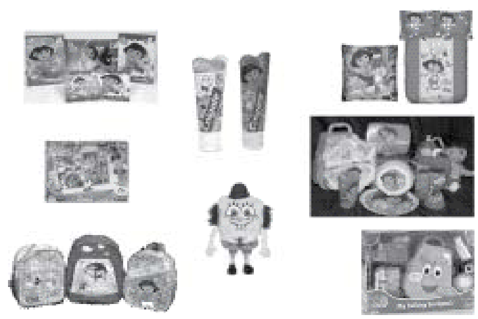
Programming & Key Initiatives

Nick – New Shows Which Became Chart Busters of the Category

- Nick's stalwarts Ninja Hattori and Perman continued to dominate the category and were the channel drivers
- New show - Little Krishna, Nick's 1st foray into local animation opened with a whopping 1.03 TVR and sustained Nick at no.1 rank all through summer 09
- New show – Oggy & the Cockroaches has become a cult with kids and touched highs of 2.59 TVR, thereby broadening Nick's viewer base
- Chicken Stew, Atachinchi and Spellz were other new launches that ensured that Nick was stickier than ever with kids

Nick – Initiatives that created bonds with kids

- Engaged close to 2 million kids through the year across Schools, Malls, On-ground events, Social networking, Nickindia.com, Print, Comic books, Cinema, Mobile and OOH
- Nick CP now in 30 categories, 500 SKUs, 3000 stores



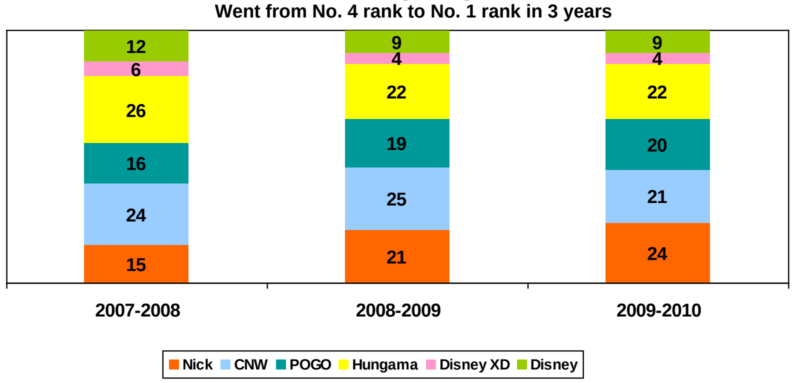
FINANCIAL HIGHLIGHTS

Monetized no.1 position through aggressive revenue growth

- Despite a recessionary year, Nick aggressive grew Ad sales revenue by 66% over previous year:
  - o Growth in yield by a phenomenal 48%
  - o Increase in no. of brands that advertised on Nick by 30% to over 300 brands
- Subscription revenue rose 11%

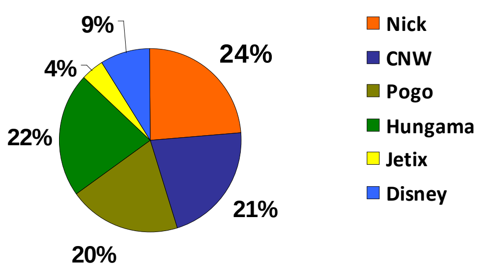
Viewership Performance

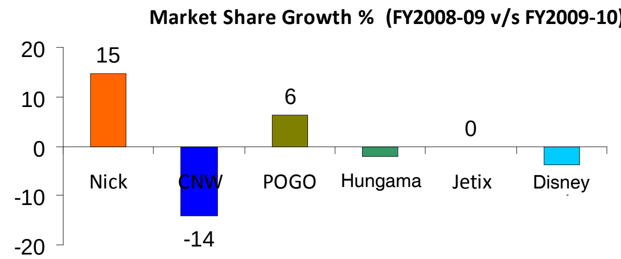
Nick – The fastest growing kids channel
Went from No. 4 rank to No. 1 rank in 3 years



Source: Source: TAM, Relative Share, Market: HSM, TG: CS 4-14 ABC, Period: Apr-Mar, Time: 0700-2200Hrs

Nick, The Challenger Brand in Kids - Breaks Status Quo & Emerges as the Clear No. 1 Channel
Nick was the no. 1 kids' channel of 2009 and continues its dominance in 2010





Source: TAM, Relative share, Market: HSM, TG: CS 4-14 ABC, Period: week 14 2009 – week 13'2010 (Apr 09- Mar 10), Time: 0700-2200hrs

- The kids category grew by 16% and most of this growth can be attributed to Nick
- Gained share mainly from erstwhile leader - CNW
- Nick had the fastest growing Reach with an avg. viewership of 7.6 mn. kids

Despite an increase in new eyeballs, Nick continued to be sticky as ever with time spent of 100 mins. per week

VH1

Key Highlights

Over FY 2009-10, Vh1 Re-launched as 'International Entertainment' from 'Music only' in May 2009

- Among Premier English Channels - Jumped from the No.5 to battling for the No.2 position
- Launched 'Lifestyle' & 'Movies', increased 'Reality' content
- Category viewership share up 60% y-o-y - from 11% to 18%
- Consistently ahead of Star World & Zee Café
- 20% increase in Ad Sales revenues yoy
- Big deals with Tuborg, Nokia, ITC & HUL over the year
- 25% increase in advertiser base

Studio18

Studio18, the films division of Viacom18, was launched to exploit opportunities available in the film production and distribution businesses, with an operation that involves mandate for the acquisition, production, syndication, marketing and world wide distribution of full length films. Besides distributing films in India, Studio18 caters to the Indian diaspora by distributing Indian films in international markets. Studio18 currently focuses on film distribution.

OUTLOOK

Globally, media businesses do not operate in standalone segments of the media industry or with a single property. As players expand their portfolio of services and revenue streams, their presence across the value chain further strengthens their competencies. The most attractive aspect of media businesses is their ability to leverage. Players either leverage their core competencies in a particular content (filmed, news, music, gaming, etc) and extend presence across distribution formats or leverage presence in a particular value chain – film, television, print, etc. In India as well, integrated models have emerged in a much larger way. ibn18 has consciously built its portfolio of channels with an integrated value chain, engaging with consumers at multiple touch points & delivering value to all stakeholders. ibn18, with its current strong presence in news & entertainment television is well positioned for further growth and expansion.

Strengthen our market leadership – Innovation & Leadership in Television programming

We intend to continue to produce and broadcast television programming that enables us to maintain our market leadership in the television markets we serve. We seek to continue to be a market innovator in content differentiation, programming formats and scheduling by continuously enhancing the programming and presentation of our television channels.

Building strong strategic partnerships

Partnerships, alliances and joint ventures are great value drivers with significant synergy upsides through collaboration and sharing of strengths. Our Company has established partnerships and alliances with other leading media establishments and has been instrumental in initiating and creating several strategic partnerships and alliances entered into by the Network18 group. We believe that we have a reputation in the media industry as a reliable partner which has enabled us and the Network18 group to build and maintain relationships with other leading global and Indian media entities, including NBC Universal, CNN (Time Warner), Viacom, Forbes.

We believe that we derive substantial benefits from the brand name and extensive network of our partners and that our partners recognize the value we bring to the ventures, which is demonstrated by the willingness of our partners to collaborate with us for extended periods. We believe that our partners and alliances provide us with greater market visibility, significant synergy upsides through sharing of strengths, reputational benefits and will assist us in continuing to build our market share in India and internationally.

Looking Ahead

We believe that advertising spending in India will increase substantially with the general growth of the Indian economy and the increased purchasing power of consumers in the country. If we continue to maintain our strong brand recognition and market share for our television channels, internet websites and other properties, we believe we will be well positioned to benefit from such economic factors, thus enabling us to generate greater revenue from advertisers. In addition, we believe that the expansion of digital cable and satellite television will help address the currently prevalent under-reporting of subscribers, which would have a positive effect on our subscription revenues from viewers. We also intend to be present on emerging distribution platforms with a potential to deliver additional subscription revenue. Further, our news channels are a part of the Star-DEN distribution bouquet of channels, whereas Viacom18 is distributed by the One Alliance (MSM Discovery) distribution bouquet in the Indian market, both of which are strong bouquets with leading channels from other broadcasting houses. We believe that as a result of being a part of a strong distribution bouquet our subscription revenue will increase in a market with increasing addressability of the cable and satellite market. This would allow us to offer a wider advertising footprint to our customers and extend our reach. Revenues from international operations has also commenced in FY2009-10 and given the strength of our brands with the Indian diaspora all across the world, we believe we will be able to significantly grow this revenue stream.

We have an internal evaluation system for all acquisition or investment opportunities based on identified parameters of financial performance, operating parameters and infrastructure. Each opportunity will be evaluated by a cross functional team of senior management, before being referred to our Board for further evaluation and approval.

RISKS AND CONCERNS

The following are the areas of concern

- **Competitive intensity:** The general news channels business is extremely competitive and not all players are driven by purely economic motives. Competitive pressures continue to increase through the entry of new players, consolidation of existing players and expansion of operations by existing channel operators. The Company faces significant competition for viewers and advertising revenue in each segment of its operations.
- **Lack of transparency in sharing of revenues by distribution -** The lack of transparency in case of analog cable systems has traditionally been a challenge for the broadcasters. Local cable operators (LCOs) still garner almost 75% of the subscription revenues due to under-declaration of the subscription numbers, broadcaster gets around 15-20% and MSO gets around 5%. There is a possibility for this scenario to change to a more equitable sharing norm, with higher penetration of digital platforms.
- **Carriage Fee -** As per industry estimates, carriage fee in 2009 was around INR 1000 to 1200 Crores. The fee depends on the pull factor of broadcasters in terms of the kind of content produced, overall popularity of the channel and the bouquet that the broadcasters provide. The bargaining power of broadcasters is limited due to the shortage of bandwidth. However, it is expected that the onset of digitization will make more bandwidth available.
- **Advertising Environment Risks** – Due to the global economic crisis, the macro advertising environment has been adversely impacted for the last two years, though recovery momentum has begun. This risk of sudden macro-economic changes, leading to cuts in ad spending, can be substantial for broadcasters.
- **Competition from other media –** Owing to multiple factors, including the mass nature of television, some proportion of advertising revenue is also moving away and into media such as internet, mobile and radio which are relatively cheaper, more measurable and have greater local connect.
- **Content costs for channels –** As a result of the clutter and competitive pressures in the market, there has been a high degree of volatility in content costs which is a cause for concern.
- **Regulatory concerns -** The Indian broadcasting, especially the news and current affairs genre, is subject to significant Government regulations. License to uplink channels from India provides broad discretion to the Government to influence the conduct of business by channels by giving right to modify, at any time, the terms and conditions of licenses granted. Any adverse change in regulatory environment can negatively impact the business of channels. The Telecom Regulatory Authority of India ("TRAI") has also implemented a series of additional regulatory measures, including a standardized template that fixes the commercial terms between broadcasters and cable operators. Emergence of large number of channels in the market has lead to fragmentation of audiences. Also, advertisements in India are regulated by applicable guidelines issued by the Government of India, with the discretion to determine the display or broadcast of any particular advertisement on the basis of public policy, general interest of society and such other factors. Increasing regulation(s) and government intervention in the news broadcasting space could impact news broadcasters. The broadcasting industry is subject to rapid changes in technology. The Company strives to keep in line with the latest international technological standards. The cost of implementing new technology significantly influences the financial condition of the Company.

INTERNAL CONTROL SYSTEMS

Your Company has put in place a proper system of internal controls that ensures the effectiveness and efficiency in all its operations and compliance with applicable laws and regulations. As a part of its internal control measures an independent Internal Auditor scrutinizes the financials and other operations of the Company. Even the slightest diversions from set standards are reported to the Board through the Audit Committee and appropriate remedial measures are taken. The Internal Control Systems are periodically reviewed and strengthened to meet the requirements.

HUMAN RESOURCES AND DEVELOPMENT

Your Company firmly believes that a competent work force is the key contributor to the success of any organisation and recognizes that a significant part of its success depends on the quality of its human resources. Your Company continuously recruits skilled professionals from various streams to meet its business requirements. This intellectual capital is reflected in the quality of our programming and broadcasting, our business strategy, our excellent customer relations and our financial health. Robust human resource systems & processes have been implemented to provide an enriching professional experience to employees. A culture of incentives and pay-for-performance has been inculcated to ensure excellence in deliverables.

ibn18's Human Resource team continues to make a concerted effort to cultivate your Company's image as an '*employer of choice'* at leading campuses across the country. This, coupled with the Group's strong brand equity, continues to attract the best talent in the industry. Network18 Group has been judged by the Great Place to Work Institute and the Economic Times as the 'Best Workplace in the Media Industry' two years in a row – 2008 and 2009. The comprehensive *Performance Management System* continues to help employees recognize their strengths and areas of improvement. Your Company has created a dedicated Organization Development team which aims to create a *Learning Organization* in the coming years. In our efforts towards building a *High Performance Work Culture*, a set of 5 Values have been deployed along with the Mission statement. The *Reward & Recognition Program* continues to identify and reward the outstanding performers for their contribution and excellence. Embedded HR teams are working closely with different businesses so that there is rigor in the support. 1051 employees were on the payroll of the Company as on March 31, 2010. Within a span of just five years from the date of incorporation, your Company has built a pool of talented work force that is versatile and inspired to achieve the mission of the Company.

DISCLAIMER

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations 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 influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factor such as litigation and industrial relations.

'Group' under The Monopolies and Restrictive Trade Practices Act, 1969

Entities constituting the 'Group' as defined in The Monopolies and Restrictive Trade Practices Act, 1969 for the purpose of Regulation 3(1)(e)(i) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997, include the following:

S. No	Name of Entity	S. No	Name of Entity
1.	B K Media Private Limited	40.	RB Finhold Private Limited
2.	BK Capital Limited, Mauritius	41.	RB Holdings Private Limited
3.	BK Communications Limited, Mauritius	42.	RB Investments Private Limited
4.	BK Finhold Private Limited, Mauritius	43	RRB Fincap Private Limited
5.	BK Holdings Limited	44.	RRB Holdings Private Limited
6.	BK Media Mauritius Private Limited	45.	RRB Investments Private Limited
7.	BK Ventures Limited, Mauritius	46.	RRB Media Private Limited
8.	BRR Securities Private Limited	47.	RRK Media Private Limited
9.	Capital18 Limited, Mauritius	48.	RRK Finhold Private Limited
10.	Colosceum Media Private Limited	49.	RRK Finvest Private Limited
11.	Capital 18 Media Advisors Private Limited	50.	RRK Holdings Private Limited
12.	Carewebsites Private Limited	51.	RVT Fincap Private Limited
13.	Capital 18 Advisors Limited	52.	RVT Finhold Private Limited
14.	Digital 18 Media Limited	53.	RVT Holdings Private Limited
15.	E-18 Limited, Cyprus	54.	RVT Investments Private Limited
16.	e-Eighteen.com Limited	55.	RVT Media Private Limited
17.	Global Broadcast Employees Welfare Trust	56.	RVT Softech Private Limited
18.	greycells18 Media Limited	57.	Setpro18 Distribution Limited
19.	IBN18 Media & Software Limited	58.	SGA News Limited
20.	ibn18 (Mauritius) Limited	59.	Stargaze Entertainment Private Limited
21.	IBN18 Trust	60.	Tangerine Digital Entertainment Private Limited
22.	IFC Distribution Private Limited	61.	Television Eighteen Mauritius Limited, Mauritius
23.	India International Film Advisors Private Limited	62.	Television Eighteen India Limited
24.	iNews.com Limited	63.	The Indian Film Company (Cyprus) Limited
25.	Infomedia18 Limited	64.	The Indian Film Company Limited (Guernsey)
26.	International Media Advisors Private Limited	65.	TV18 Home Shopping Network Limited
27.	Keyman Financial Services Private Limited	66.	TV18 HSN Holdings Limited, Cyprus
28.	Moneycontrol Dot Com India Limited	67.	Television Eighteen Media and Investments Limited, Mauritius
29.	Mobilenxt Online Private Limited	68.	TV18 UK Limited, UK
30.	Namono Investments Limited, Cyprus	69.	TV18 Employees Welfare Trust
31.	Network 18 Holdings Limited, Cayman Islands	70.	VT Holdings Private Limited
32.	Network18 India Holdings Private Limited	71.	VT Investments Private Limited
33.	Network18 Media & Investments Limited	72.	VT Media Private Limited
34.	Network18 Publications Limited	73.	VT Softech Private Limited
35.	NewsWire 18 Limited	74.	Web18 Holdings Limited, Cayman Islands
36.	Network18 Employees Welfare Trust	75.	Web18 Software Services Limited
37.	Network18 Group Senior Professional Welfare Trust	76.	Wespro Digital Private Limited
38.	R B Softech Private Limited .	77.	Webchutney Studios Private Limited
39.	R B Software Private Limited		

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is most often viewed as both the structure and the relationships which determine corporate direction and performance. The corporate governance framework also depends on legal, regulatory, institutional and ethical environment of the community. Enlightened goal setting, effective decision-making and efficient monitoring forms the base for a system of good corporate governance.

At IBN18 we have made sincere and continuous efforts to institutionalize the best Corporate Government Practices and firmly believes that it will go beyond complying with the regulatory framework. As a listed company we are in compliance with all the applicable provisions of the Listing Agreements pertaining to corporate governance, including appointment of Independent Directors and constitution of Committees. The primary responsibility for upholding corporate governance and providing necessary disclosures within the framework of legal provisions and institutional conventions with commitment to enhance stakeholders' value vests with our Board. The Board firmly believes in achieving the highest standards of transparency in all facets of its working, prompt and adequate disclosures of all the material Informations, fixing the accountability, ensuring the compliance of all the applicable laws, rules and regulations, conducting the affairs of the Company in an ethical manner and thereby ensuring the increase in the value of all the stakeholders.

During the year under review, your Company has complied with the standards of Corporate Governance envisaged as under:

BOARD OF DIRECTORS

Composition

The Board of the Company has an ideal combination of Executive, Non-Executive and Independent Directors so as to preserve and maintain the Independence of the Board. Now as on date the Board consists of six members majority of whom are Non-Executive Directors. The Chairman of the Board of the Company is Non-Executive Independent Director and 50% of the total number of Directors of the Company are Independent. None of the Directors are inter-se related to each other within the meaning of Clause 49 IV(G)(*ia*) of the Listing Agreement.

Position of Directorship during the year 2009-2010 is as follows:

Name of Director	Category of Directorship	No. of outside Directorships Held	No. of Chairmanships / Memberships of other Board Committees	
			Chairmanship	Membership
Mr. Manoj Mohanka	Chairman Non-Executive Independent Director	6	4	2
Mr. Sameer Manchanda	Jt. Managing Director, Executive Director	5	1	--
Mr. Raghav Bahl	Non-Executive Director	13	--	--
Mr. Sanjay Ray Chaudhuri	Non-Executive Director	11	1	4
Mr. Shahzaad Siraz Dalal	Non-Executive Independent Director	14	3	4
Mr. Hari S. Bhartia	Non-Executive Independent Director	13	2	3

Note – Details of Directorship of Mr. G. K. Arora is not mentioned in aforesaid table due to his demise on 5th November, 2009.

a) For the purpose of considering the total number of directorships, all Public Limited Companies, whether listed or not, have been considered. Private Limited Companies, whether subsidiary of a Public Limited Company or not, Foreign Companies and Companies under section 25 of The Companies Act, 1956, have not been included.

b) For the purpose of considering the total number of Memberships/ Chairmanships of Committee(s) only Audit Committees and Shareholders'/ Investors' Grievance Committees of all Public Limited Companies have been considered.

c) None of the Directors is a Chairman / member in more than 5 / 10 committees across all Companies in which they are Directors.

Board Meetings and Procedures

The Board of the Company strives hard to achieve the goals of the organization. The Board consists of professionals and learned executives having in depth knowledge of their fields to oversee the overall functioning of the Company and to take strategic decisions in the best interest of the stakeholders.

At least four meetings of the Board are held every year generally after the end of financial quarter. Besides this, the members of the Board meet to consider various matters as and when required. The Board also considers urgent matters, if required, by passing of resolutions by circulation.

A Company Secretary is a very important member of the company's management. He provides information to all the Board members, on the matters to be considered at the Board meeting along with the Agenda(s) thereof, in advance before the Board meeting. Implementation status of various decisions taken at the Board meetings is reviewed at successive meetings of the Board. The members of the Board have complete freedom to express their views on the matters discussed and thereafter the decisions are taken on the basis of consensus arrived at after the discussion on each agenda item. Minutes of the proceedings of every Board meeting are recorded and are discussed before approval by the members of Board at successive Board meeting.

Attendance at Board Meetings and Annual General Meeting:

A total of six meetings were held during the financial year 2009-10 on April 27, 2009, June 29, 2009, July 15, 2009, September 24, 2009, October 16, 2009, and January 20, 2010. Maximum time gap between any two Board meetings was not more than four months. The fourth Annual General Meeting of the Company was held on August 28, 2009.

The details of attendance of Directors at the meetings of Board and at the last Annual General Meeting are as under:

Name of Director	No. of Board meetings attended	Attended last Annual General Meeting
Mr. Manoj Mohanka	6	Yes
Mr. Raghav Bahl	6	Yes
Mr. Sameer Manchanda	6	Yes
Mr. Sanjay Ray Chaudhuri	6	Yes
Mr. Shahzaad Siraz Dalal	1	No
*Mr. G. K. Arora	5	No
Mr. Hari S. Bhartia	1	No

* Mr. G. K. Arora ceased from directorship of the Company due to his demise on November 5, 2009.

Director's Profile

Brief description of the Directors, whose candidatures are proposed for re-appointment at the forthcoming Annual General Meeting, along with name of the Public Companies in which they hold Directorships, memberships / chairmanships of Committees of Board and their shareholding in the Company as required under Clause 49 of the Listing Agreement are provided as below:

Mr. Raghav Bahl

Mr. Raghav Bahl holds a Bachelor's degree in Economics from St. Stephens College and holds a Master's degree in Business Administration from the University of Delhi. He also attended a doctoral program at the Graduate School of Business, Columbia University, New York. Mr. Raghav Bahl has over 22 years of experience in the fields of television and journalism. He began his career as a management consultant with A. F. Ferguson & Company. He founded TV18 (now Network18 Group) in 1993 and has been instrumental in establishing partnerships with media conglomerates such as NBC Universal, Viacom, Time Warner and Forbes. He won the Sanskriti Award for Journalism in 1994. Mr. Bahl was honoured as a Global Leader of Tomorrow by the World Economic Forum. He was also selected by Ernst & Young as the Entrepreneur of The Year (2007) for Business Transformation.

Mr. Bahl is associated as Director of the Company since June 7, 2005. The details of his Directorships and Committee memberships in other Public Limited Companies are as under:

Sr. No.	Name of the Company	Position on the Board and Committees thereof
1	DEN Networks Limited	Director
2	Digital18 Media Limited	Director
3	greycells18 Media Limited	Director
4	Infomedia18 Limited	Director
5	Network18 Media and Investments Limited	Managing Director and Member of Finance Committee, Share Transfer Committee, Rights Issue Committee, Sub Committee and Allotment Committee
6	Network18 Publications Limited	Director
7	NewsWire18 Limited	Director
8	Television Eighteen India Limited	Managing Director and Member of Share Transfer Committee, Finance Committee, Postal Ballot Committee, Sub Committee, Allotment Committee and Rights Issue Committee.
9	TV18 Home Shopping Network Limited	Director and Member of Accounts Committee and Allotment Committee
10	Web18 Software Services Limited	Director

Note: Mr. Raghav Bahl resigned from three Public Limited Companies namely e-Eighteen.com Ltd., Moneycontrol Dot Com Ltd., Jagran18 Publications Ltd. w.e.f. May 27, 2010.

Mr. Raghav Bahl holds 80 fully paid-up equity shares of the Company as on March 31st, 2010. He is not related to any other Director of the Company.

Mr. Sanjay Ray Chaudhuri

Mr. Sanjay Ray Chaudhuri, holds a Bachelor's degree in English from St. Stephens College, Delhi University. He also holds a Masters degree in Mass Communications from the Mass Communications Research Centre, Jamia Millia Islamia University. He started his career as an independent documentary film-maker for Doordarshan. He went on to direct The India Show. He has over 15 years of experience in journalism, media and allied fields and has received the Onida Pinnacle Award for Excellence in Television in 1995. Mr. Chaudhuri has directed music videos, corporate films, add films, chat shows, game shows and business shows.

Mr. Chaudhuri is associated as Director of the Company since June 7, 2005. The details of his Directorships and Committee memberships in other Public Limited Companies are as under:

Sr. No.	Name of the Company	Position on the Board and Committees thereof
1	Digital18 Media Limited	Director
2	e.Eighteen.com Limited	Director and Chairman of Audit committee
3	greycells18 Media Limited	Director
4	iNews.com Limited	Director
5	Money Control Dot Com India Limited	Director
6	Network18 Media and Investments Limited	Director and Member of Share Transfer Committee, Audit Committee, Remuneration Committee, Investor Grievance Committee, Finance Committee, Allotment Committee, Sub Committee and Rights Issue Committee.
7	NewsWire18 Limited	Director
8	Setpro18 Distribution Limited	Director
9	SGA News Limited	Director
10	Television Eighteen India Limited	Director and Member of Audit Committee, Investor Grievance Committee, Remuneration / Compensation Committee, Finance Committee, Postal Ballot Committee, Sub Committee Share Transfer Committee, Allotment Committee and Rights Issue Committee.
11	Web18 Software Services Limited	Director

Mr. Sanjay Ray Chaudhuri doesn't hold any share of the Company as on March 31st, 2010. He is not related to any other Director of the Company.

Compensation to the members of Board including number of Stock Options granted during 2009-10

Remuneration/Compensation Committee of the Board administers the remuneration policy of the Board, which is based on criteria to reward the officials of the Company for their achievements, responsibilities undertaken, performance, work commitment and industry benchmarks.

Non-Executive & Independent members of the Board are paid sitting fees for attending the Meetings of Board and few committees thereof, within the ceiling as provided under the Companies Act, 1956. Besides this Non-Executive directors do not have any other pecuniary relationship or transaction with the Company. The Company has no policy of advancing any loans to Directors. During the year 2009-10 no ESOP were granted to any Director of the Company.

The detail of total compensation (excluding conveyance charges) paid by the Company to Directors on the Board during 1st April 2009 to 31st March 2010 is set out in the table as under:

(Amount in Rs.)

Name of Director	Business Relationship with Company, if any	Relationship with other Directors	Gross Remuneration	ESOP Compensation	Sitting Fee	Total Compensation
Mr. Raghav Bahl	None	None	NIL	NIL	60,000/-	60,000/-
Mr. Sameer Manchanda	None	None	1,41,39,539/-	NIL	NIL	1,41,39,539/-
Mr. Manoj Mohanka	None	None	NIL	NIL	85,000/-	85,000/-
Mr. Sanjay Ray Chaudhuri	None	None	NIL	NIL	85,000/-	85,000/-
Mr. Shahzaad Siraz Dalal	None	None	NIL	NIL	10,000	10,000
*Mr. G. K. Arora	None	None	NIL	NIL	70,000/-	70,000/-
Mr. Hari S. Bhartia	None	None	NIL	NIL	15,000/-	15,000/-

*Mr. G. K. Arora ceased from directorship of the Company due to his demise on November 5, 2009.

Shareholding of Directors

Shareholding of the Directors of the Company as on March 31, 2010 is as under:

Sl. No.	Name of Director	No. of shares held (face value Rs. 2/- each)
1	Mr. Raghav Bahl	80
2	Mr. Sameer Manchanda	1,06,96,295
3	Mr. Sanjay Ray Chaudhuri	NIL
4	Mr. Shahzaad Siraz Dalal	NIL
5	Mr. Hari S. Bhartia	NIL
6	Mr. Manoj Mohanka	NIL

COMMITTEE (S) OF BOARD

The Board of the Company has constituted its different Committees having their focused attention on various working aspects of the Company. Presently the Board has nine standing committees and has power to constitute such other committees, as required from time to time. The scope, terms of reference, role & powers of the committee are defined as under:

1. AUDIT COMMITTEE

(a) Brief description of terms of reference

The Committee deals with the various aspects of financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards, Company's financial & risk management policies. It reports to the Board of Directors about its findings & recommendations pertaining to above matters. The Committee also reviews the utilization of funds generated through the Issue proceeds of the Company on quarterly basis till they are fully utilized.

The Audit Committee reviews the reports of the Internal Auditors, meets Statutory and Internal Auditors as and when required & discusses their findings, observations, suggestions, internal control systems, scope of audits and other related matters.

(b) Composition

The Audit Committee of the Company is constituted in accordance with the provision of Clause 49 of Listing Agreement with the Stock Exchange(s) and Section 292A of the Companies Act, 1956. The Audit Committee comprises of following three Directors out of whom two third are Independent Directors. The composition of the Audit Committee is as follows:

Name of Member	Category of Directorship	Position
Mr. Manoj Mohanka	Non-Executive Independent Director	Chairman
*Mr. G. K. Arora	Non-Executive, Independent Director	Member
Mr. Hari S. Bhartia	Non-Executive Independent Director	Member
Mr. Sanjay Ray Chaudhuri	Non-Executive Director	Member

*During the year under review Mr. G.K. Arora, member of the Audit Committee passed away on November 5, 2009.

All the members of the Audit Committee are financially literate and Chairman of the Audit Committee is financial expert. The Company Secretary of the Company acts as Secretary of the Committee

(c) Number of meetings & attendance

During the year under review five meetings of the Audit Committee were convened on May 13, 2009, June 29, 2009, July 15, 2009, October 16, 2009 and on January 20, 2010. The details of attendance of members at the Committee Meetings are as under:

Name	No. of meetings held	No. of meetings attended
Mr. Manoj Mohanka	5	5
*Mr. G. K. Arora	5	4
Mr. Hari S. Bhartia	5	1
Mr. Sanjay Ray Chaudhuri	5	5

2. SHAREHOLDERS/INVESTOR'S GRIEVANCE COMMITTEE

(a) Composition

The Committee comprises of following three Directors:

Sl. No.	Name	Category of Directorship	Position
1	Mr. Raghav Bahl	Non-Executive Director	Chairman
2	Mr. Sameer Manchanda	Executive Director	Member
3	Mr. Sanjay Ray Chaudhuri	Non-Executive Director	Member

(b) Terms of reference, powers & role of the Committee

The Committee specifically looks into the redressal of shareholders' / investors' complaints.

(c) Number of Committee meetings & attendance

The Committee met four times during the year viz. on April 08, 2009, July 09, 2009, October 8, 2009 and January 05, 2010. The Committee discussed about the complaints received by the Company and steps taken for their redressal. The details of attendance of members at the Committee Meetings are as under:

Name	No. of meetings held	No. of meetings attended
Mr. Raghav Bahl	4	4
Mr. Sameer Manchanda	4	4
Mr. Sanjay Ray Chaudhuri	4	2

(d) Name and designation of Compliance Officer

Mr. Hitesh Kumar Jain
AGM – Corporate Affairs & Company Secretary

(e) Investors' correspondence / complaints & their redressal

The Company received 6 (Six) correspondence(s) / complaints from the Shareholders / Stock Exchange(s) / SEBI during the period from April 1, 2009 to March 31, 2010 which were general in nature. All complaints were redressed / attended to the satisfaction of the shareholders effectively within the statutory time limit and no complaint was pending at the end of financial year March 31, 2010.

REMUNERATION/ COMPENSATION COMMITTEE

(a) Composition

The Remuneration / Compensation Committee of the Board comprises of following three Directors:

1) Mr. Sanjay Ray Chaudhuri
2) Mr. Manoj Mohanka and
3) Mr. Hari S. Bhartia

(b) Terms of reference, powers & role of the Committee

The committee deliberates on the remuneration policy of the Directors including granting options/ equity shares under the Employees Stock Option / Purchase Plans of the Company to the Directors as well as employees of the Company and/or its holding and subsidiaries Companies, if any.

(c) Number of Committee meetings & attendance

The Committee did not meet during the period under review. The details of Committee Meetings are as under:

Name	Category of Directorship	Position
*Mr. G. K. Arora	Non-Executive, Independent Director	Chairman
Mr. Hari S. Bhartia	Non-Executive, Independent Director	Member
Mr. Manoj Mohanka	Non – Executive Independent Director	Member
Mr. Sanjay Ray Chaudhuri	Non-Executive Director	Member

* Mr. G. K. Arora ceased from directorship of the Company due to his demise on November 5, 2009.

Besides above-mentioned Committees, the Company has following other working Committees of the Board:

1 Share Transfer Committee
2 Sub Committee
3 Finance Committee
4 Allotment Committee
5 Preferential Allotment Committee
6 Issue Committee

CODE OF CONDUCT

The Board had laid down a Code of Conduct for all the Director's and Senior Management Executive(s) of the Company as required under Clause 49 (I D) of the Listing Agreement. This code is also posted on the website of the Company **www.ibnlive.com**. All the Board Members and Senior Management Personnel(s) to whom this Code of Conduct is applicable have affirmed compliance with the Code and a declaration of this affirmation from Joint Managing Director of the Company forms a part of this report as Annexure – 'B'.

CODE OF CONDUCT FOR PROHIBITION OF INSIDER TRADING

The Company has also adopted the Code of Conduct for Prohibition of Insider Trading of shares of the Company as provided under 'The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time. This Code has also been posted on the website of the Company **www.ibnlive.com**.

DISCLOSURES

- None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties as set out in Note No. 15 of the Notes on Accounts, forming part of this Annual Report.
- The Company has complied with all the requirements, as applicable to the Company, to the best of its knowledge and understanding, of the Listing Agreement with the Stock Exchange(s), the regulations and guidelines of the Securities and Exchange Board of India (SEBI) and Uplinking and Downlinking Guidelines issued by the Ministry of Information and Broadcasting. SEBI, Stock Exchange(s) or any other statutory authorities have imposed no penalties or strictures on matters relating to capital markets from the date of listing i.e. February 8, 2007.
- The Company has complied with all the mandatory requirements under Clause 49, as applicable. The Board reviews adoption of non-mandatory requirements of Clause 49 of the Listing Agreement by the Company from time to time.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published else where in this Annual Report.
- In preparation of the financial statements, the Company has followed the Accounting Standards as issued by 'The Institute of the Chartered Accountants of India', to the extent applicable.
- Business Risk Evaluation and Management is an ongoing process within the Company. The objective of the Company's risk management is to identify the potential areas that may affect the affairs of the Company and then ensuring the reasonable assurances to avoid any possible damage to the assets and properties of the Company.
- The Jt. Managing Director and the General Manager- Finance have furnished to the Board, a certificate in respect of the financial statements and the Cash Flow Statement of the Company for the financial year ended March 31, 2010, which forms part of this report as Annexure – 'C'.

GENERAL BODY MEETINGS

The details of last three Annual General Meetings of the Company are as follows:

Meeting	2nd AGM	3rd AGM	4th AGM
Date	September 7th, 2007	September 15th, 2008	August 28th, 2009
Time	1.30 P.M.	11.00 A.M.	11.00 A.M.
Venue	Kamani Auditorium, 1, Copernicus Marg, New Delhi – 110001	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi - 110054	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi – 110054
Sl. No.	Special Resolution(s)	Special Resolution(s)	Special Resolution(s)
1.	Alteration in Articles of Association of the Company to insert new Article no. 100A thereby enabling the TV18 Group along with its Subsidiaries / Associates / Affiliates to exercise control over the Company.	NIL	NIL
2.	Approval for GBN Employees Stock Option Plan 2007 for employee(s) and Director(s) of the Company.	NIL	NIL
3.	Approval for GBN Employees Stock Option Plan 2007 for employees of Holding or Subsidiary Company(ies) of the Company.	NIL	NIL
4	Approval to offer, more than 1% but not more than 3% of issued capital in any one year to any employee or Director of Company or of Holding or Subsidiary Company under the GBN Employees Stock Option Plan 2007	NIL	NIL

POSTAL BALLOT:

During the financial year 2009-10, Company has conducted a Postal Ballot process for seeking the approval of members of the Company on an Ordinary Resolution under section16, 94 and other applicable provisions of the Companies Act, 1956 to increase the authorized share capital and alteration of capital clause of the Memorandum of Association of the Company. Postal Ballot notice dated September 24, 2009 was dispatched to the members on October 12, 2009 under the Companies (Passing of Resolution by Postal Ballot) Rules, 2001. Mr. Anil K. Bhayana, a Practicing Company Secretary was appointed as Scrutinizer and Mr. Pankaj Kumar, Corporate Advisor was appointed as Alternate Scrutinizer for overseeing the Postal Ballot process. The resolution was passed with 99.999% votes casted in favour.

The Company has dispatched Postal Ballot notice dated 23 April 2010 on 10th May 2010 for the approval of shareholders on the following business items mentioned in the postal ballot notice:

1) Special resolution for Alteration of Articles of Association of the Company;
2) Special resolution to combine all or any two calls on the partly paid-up equity shares issued by the Company on rights basis;
3) Special Resolution to constitute any employee welfare plan(s) for employees of the company;
4) Special Resolution to constitute any employee welfare plan(s) for employees of holding company and subsidiary companies and
5) Special Resolution under Section 372A of the Companies Act, 1956 to make Inter- corporate Loans, Investments, give guarantee or provide security (directly or indirectly) to Viacom18 Media Private Limited and other subsidiaries/ associates.

The result of the aforesaid Postal Ballot will be announced on June 10, 2010.

MEANS OF COMMUNICATION

- Financial results at the end of every quarter and audited annual financial results are published regularly within the prescribed time limit in 'Financial Express/ Business Standard' (English Newspapers) and 'Jansatta/ Business Standard' (Hindi News papers).
- In compliance with the Listing Agreement, the Company promptly submits the financial results and other business updates to the Stock Exchange(s) to enable them to display these on their websites.
- The Financial results and other shareholders information(s) are also displayed on the website of the Company - **www.ibnlive.com.**

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Day & Date	Tuesday, the 27th day of July 2010
Time	10.30 A.M.
Venue	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi - 110054

Financial Calendar: [Tentative and subject to change]

Financial Reporting for the 1st quarter ending June 30, 2010	By Second week of August 2010
Financial Reporting for the 2nd quarter ending September 30, 2009	By Second week of November 2010
Financial Reporting for the 3rd quarter ending December 31, 2009	By Second week of February 2011
Financial Reporting for the last Quarter ending March 31, 2010	By Second week of May 2011

Date of Book Closure

As given in the Notice of fifth Annual General Meeting of the Company.

Listing on Stock Exchange(s) and Stock Code(s)

The Equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) under scrip code 532800 and on National Stock Exchange of India Limited (NSE) with scrip code 'IBN18'.

The Annual Listing fee for 2010-11 has been paid to the aforesaid Stock Exchange(s) within the stipulated time period.

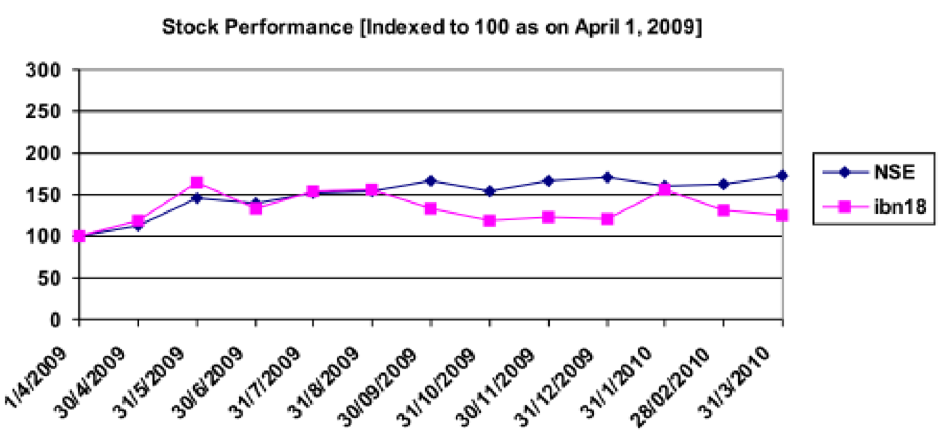
The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE886H01027. The New International Securities Identification Number (ISIN) for 5,44,95,443 partly paid-up Equity Shares issued under Rights Issue of the Company is IN9886H01017 and the scrip Code on BSE is 890134 and on NSE is IBN18-E1.

Market Price Data

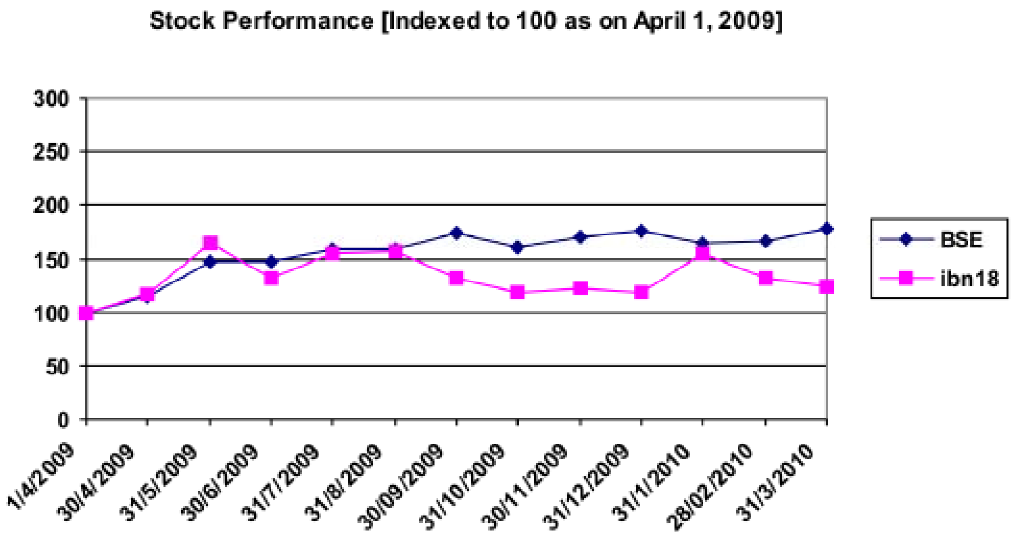
Equity Shares of the Company are listed and traded on BSE and NSE and the High Low rates of the shares of the Company during the year ended March 31, 2010 are as follows:

Month	High		Low	
	NSE	BSE	NSE	BSE
April 2009	100.40	101	71.10	67.20
May 2009	136	137.50	87.50	84
June 2009	138	138	92.25	93.20
July 2009	122.70	122.60	85	85
August 2009	132.20	132	101.10	102
September 2009	124.90	124.25	97.20	97.10
October 2009	101.95	102.40	83.95	83.50
November 2009	96.50	96.90	75.60	75.10
December 2009	95.80	95.95	87.25	88.50
January 2010	122.75	123	89.65	89.50
February 2010	128.40	119	94.10	94.40
March 2010	110	110	91.50	90.05

Stock performance in comparison with NSE NIFTY



Stock performance in Comparison with BSE SENSEX



Address of the Registrar & Share Transfer Agent:
M/s Link Intime India Private Limited
A-40, 2nd Floor,
Naraina Industrial Area, Phase - II
Near Batra Banquet Hall,
New Delhi - 110 028
Phone Nos. - 011- 41410592-94
Fax No. - 011-41410591
Email: delhi@linkintime.co.in

Name and designation of Compliance Officer
Hitesh Kumar Jain
AGM – Corporate Affairs & Company Secretary
Ph # (+91 – 120) 434 1818
Fax # (+91 – 120) 432 4110
Email **:** hitesh.jain@network18online.com

Share Transfer System
M/s Link Intime India Private Limited is appointed as the Registrar & Share Transfer Agent of the Company. The transfer of shares is approved at the meetings of Share Transfer Committee which met thirteen (13) times during the year 2009 – 10.

Approximate time taken for share transfer, if documents are in order in all respects: 15days

Total No. of shares transferred during 2009 – 2010 : 859
Number of Shares pending for Transfer as on 31.03.2010 : NIL

Redressal of Investors Complaints
The philosophy of the Company is to give utmost importance to the redressal of investor's grievances. In terms of Clause 47(f) of the Listing Agreement the Company has designated a separate e-mail address as mentioned hereunder, for investors to lodge their complaints: investors.ibn18@network18online.com

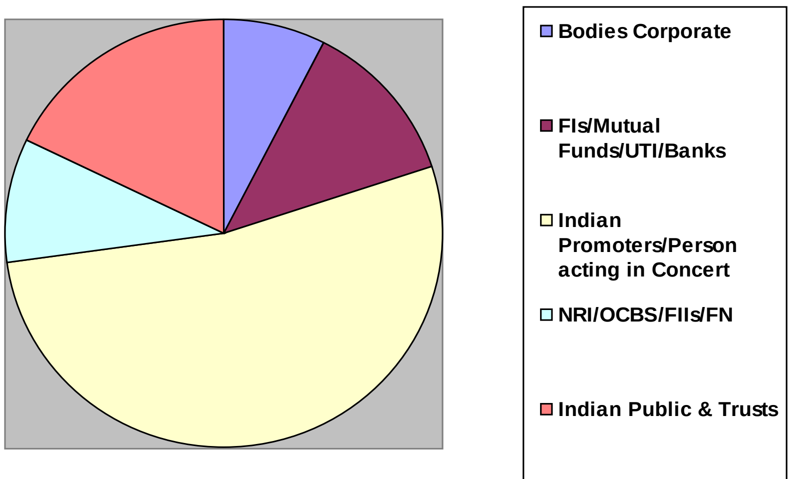
Dematerialization of shares and Liquidity
The shares of the Company are compulsorily traded in dematerialized mode and are registered for trading with both the depository participants i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The status of holding in dematerialized and physical mode, as on March 31, 2010 is as under:

Sl. No.	Mode of Holding	No. of shares	% of total share capital
1	Demat	181393833	99.86
2	Physical	257645	0.14
	TOTAL	181651478	100.00

Distribution of Shareholding as on 31.03.2010

S. No.	Category	No. of Shareholders	No. of Shares	%
1	Indian Public	14462	32078193	17.66
2	Bodies Corporates	370	13828465	7.61
3	FIs / Mutual Funds / UTI / Banks	38	22481041	12.38
4	Indian Promoters / Person Acting in Concert	12	95683084	52.67
5	NRIs / OCBs / FIIs / FN	104	17579195	9.68
6	Trust	6	1500	0.00
	Total	14992	181651478	100.00

Graphic presentation of the Shareholding Pattern as on 31.03.2010



Distribution Schedule as on 31.03.2010

S. No.	Amount (Rs.)	No. of Shareholders	% of Shareholders	Amount of Shares (Rs.)	% of Shareholding
1.	1 – 5000	14742	98.332	3971758	1.094
2.	5001 – 10000	72	0.480	558670	0.154
3.	10001 – 20000	29	0.193	423880	0.117
4.	20001 – 30000	6	0.040	154592	0.043
5.	30001 – 40000	12	0.080	425148	0.117
6.	40001 – 50000	3	0.020	135924	0.037
7.	50001 – 100000	29	0.193	2137960	0.588
8.	100001 and Above	99	0.660	355495024	97.851
	Total	14992	100.00	363302956	100.00

Outstanding GDRs/ADRs/ Warrants/ Convertible Instruments

- The Company has not issued any ADRs/ GDRs during the year under review.
- The Company has no outstanding Convertible warrants as on March 31, 2010.
- 'The GBN Employee Stock Option Plan ("ESOP 2007") was implemented to reward the employees and Directors of Company and its subsidiaries for their dedication, hard work and support. The Company has allotted 6,68,842 fully paid-up equity shares on 19th April 2010 consequent to the exercise of options by the Employees. 31,92,242 options are outstanding under the ESOP Scheme as on March 31, 2010.

Plant Locations
Not applicable

Registered Office Address:
ibn18 Broadcast Limited
503, 504 & 507, 5th Floor, Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi-110001

Address for Correspondence- Corporate Office:
ibn18 Broadcast Limited
Express Trade Tower, Plot No. 15-16,
Sector-16A, Noida, U. P.
Phone Nos. : (+91 – 120) 434 1818
Fax No. : (+91 – 120) 432 4110

Annexure 'A'

CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

To the Members
ibn18 Broadcast Limited,
503, 504 & 507, 5th Floor,Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi-110001

1. We have reviewed the implementation of the Corporate Governance procedures by ibn18 Broadcast Limited (the Company) during the year ended March 31st, 2010, with the relevant records and documents maintained by the Company, furnished to us for our review and report on Corporate Governance, as approved by the Board of Directors.
2. The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanations given to us, the company has been complying with the conditions of Corporate Governance, as stipulated in the Clause 49 of the Listing Agreement with the Stock Exchange(s), as in force.

For N.K.J. & Associates,
Company Secretaries

Sd/-
Neelesh Kr. Jain
Proprietor
Membership No. FCS 5593
Certificate of Practice No. 5233

Place: New Delhi
Date : May 28, 2010

Annexure 'B'

DECLERATION UNDER CLAUSE 49-I (D) OF THE LISTING AGREEEMENT

Dear Members,
ibn18 Broadcast Limited,

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

It is hereby certified that all the members of the Board and senior management personnel have confirmed to and complied with the "Code of Conduct" during the financial year 2009-10 and there has been no instances of violation of the Code.

For ibn18 Broadcast Limited

Sd/-
Sameer Manchanda
Jt. Managing Director

Place: Noida
Date : May 25, 2010

Annexure 'C'

CEO AND CFO CERTIFICATION

Dear Members,
ibn18 Broadcast Limited,

We, Sameer Manchanda, Joint Managing Director and Gurdeep Singh Puri, General Manager – Finance, responsible for the finance function and the compliance of the Code of Conduct of the Company certify that:

1. We have reviewed financial statements and the cash flow statement for the year and to the best of our knowledge and belief:
   i) These statements do not contain any material untrue statement or omit any material fact or contains statements that might be misleading.
   ii) These statements together represent a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or volatile of the Company's Code of Conduct.

3. We accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.

4. During the year there were no –
   (i) Changes in internal control.
   (ii) Changes in accounting policies; and
   (iii) Instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For ibn18 Broadcast Limited
Sd/-
Sameer Manchanda
Jt. Managing Director

For ibn18 Broadcast Limited
Sd/-
Gurdeep Singh Puri
General Manager - Finance

Place: Noida
Date : May 25, 2010

AUDITORS' REPORT

TO THE MEMBERS OF
ibn18 BROADCAST LIMITED

1. We have audited the attached Balance Sheet of **ibn18 Broadcast Limited**, ('the Company') as at 31 March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
   a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
   b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
   d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956;
   e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
      i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2010;
      ii. in the case of the Profit and Loss Account, of the loss of the Company for the year ended on that date; and
      iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from the Directors as on 31 March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2010 from being appointed as a director in terms of Section 274(1)(g) of the Companies Act, 1956.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125N)

JITENDRA AGARWAL
Partner
(Membership No. 87104)

Gurgaon
28 May, 2010

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 3 of our report of even date)

i. Having regard to the nature of the Company's business, clauses xii, xiii, xiv, xviii, and xix of Companies (Auditor's Report) Order, 2003 are not applicable.

ii. In respect of its fixed assets:
   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   b. According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified by the management in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
   c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

iii. a. As explained to us all inventories have been physically verified during the year at reasonable intervals by the management.
   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
   c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.

iv. a. The Company has not granted any loans, secured or unsecured to parties listed in the register maintained under Section 301 of the Companies Act, 1956.
   b. The Company has taken an unsecured loan from one party listed in the register maintained under Section 301 of the Companies Act, 1956. The year end balance of these loans aggregate to Rs. 450,414,247 and the maximum amount outstanding during the year was Rs. 1,046,827,823.
   c. The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.
   d. The payments of principal amounts and interest in respect of such loans are regular/as per stipulations.

v. In our opinion, and according to the information and explanations given to us, having regard to the explanation that some of the fixed assets purchased are of a special nature and suitable alternative sources do not exist for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of services. We have not observed any major weakness in the internal control system during the course of the audit. The Company's operations during the year did not give rise to any sale of goods.

vi. To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that:
   a. The particulars of contracts or arrangements referred to

in section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section; and

b. According to information and explanations given to us, having regard to the explanation that some of the services purchased are of a specialised nature for which there are no alternate sources of supply to enable comparison of prices, transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and exceeding the value of Rs. 5 lakhs in respect of any party during the year have been made at prices which are reasonable to prevailing market prices at the relevant time.

vii. According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year, within the meaning of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.

viii. In our opinion, the Company has an adequate internal audit system commensurate with the size of the Company and nature of its business.

ix. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for the Company.

x. According to the information and explanations given to us in respect of statutory dues:

a. The Company has been generally regular in depositing its undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Work Contract Tax, Cess and other material statutory dues within the prescribed time with the appropriate authorities during the year and there are no undisputed amounts payable in respect of these dues which have remained outstanding as at 31 March, 2010 for a period of more than six months from the date they became payable. We are informed that the Company's operations did not give rise to any Excise Duty or Investor Education and Protection Fund.

b. According to the information and explanations given to us, there are no amounts of Income Tax, Sales Tax, Customs Duty, Service Tax and Cess which have not been deposited on account of any disputes.

xi. Clause 4(x) of the Companies (Auditor's Report) Order, 2003 regarding accumulated losses of the Company at the end of the financial year exceeding fifty percent of its net worth is not applicable to the Company since the Company has been registered for a period less than five years.

xii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. The Company has not issued any debentures.

xiii. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by others from banks and financial institutions are not prima facie prejudicial to the interests of the Company.

xiv. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.

xv. In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet, we report that funds raised on short term basis have not been used during the year for long term investment.

xvi. The Company has raised money by way of right issue of equity share during the year. As at 31 March, 2010 the money raised is lying as share application money in the bank accounts.

xvii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and fraud on the Company has been noticed or reported during the year.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Registration No. 015125N)

JITENDRA AGARWAL
Partner
(Membership No. 87104)

Gurgaon
28 May, 2010

BALANCE SHEET AS AT 31 MARCH, 2010

	Schedule Reference	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a. Share capital	1	**363,302,956**	358,302,956
b. Share application money received (pending allotment)		**1,688,218,345**	229,500,000
c. Optionally convertible equity warrants issued and subscribed (see note 5b)		**-**	25,500,000
d. Employee stock options outstanding	2	**48,907,559**	29,614,474
e. Reserves and surplus	3	**3,666,657,214**	3,416,657,214
2. LOAN FUNDS			
a. Secured loans	4	**2,220,140,952**	831,625,042
b. Unsecured loans	5	**2,184,749,466**	361,283,349
		10,171,976,492	5,252,483,035
APPLICATION OF FUNDS			
3. FIXED ASSETS			
a. Gross block		**1,255,483,533**	1,223,165,477
b. Less: Depreciation		**500,800,685**	370,957,626
c. Net block		**754,682,848**	852,207,851
4. INVESTMENTS	7	**4,651,091,511**	2,530,718,497
5. CURRENT ASSETS, LOANS & ADVANCES	8		
a. Inventories		**810,145**	648,583
b. Sundry debtors		**749,671,148**	577,573,543
c. Cash and bank balances		**2,035,203,373**	134,372,183
d. Loans and advances		**886,886,471**	961,537,524
		3,672,571,137	1,674,131,833
6. LESS: CURRENT LIABILITIES AND PROVISIONS	9		
a. Current liabilities		**740,410,215**	715,523,741
b. Provisions		**46,367,458**	59,157,497
		786,777,673	774,681,238
7. NET CURRENT ASSETS (5-6)		**2,885,793,464**	899,450,595
8. PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)	10	**1,791,095,787**	970,106,092
9. MISCELLANEOUS EXPENDITURE		**89,312,882**	-
		10,171,976,492	5,252,483,035
Notes to the accounts	15		
The schedules referred to above form an integral part of the Balance Sheet			

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

JITENDRA AGARWAL
Partner
Membership No. 87104

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Gurgaon
28 May, 2010

Noida
28 May, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31 MARCH, 2010

		Schedule Reference	**Year ended 31.03.2010 (Rs.)**	Year ended 31.03.2009 (Rs.)
1.	**INCOME**			
	a. Income from operations		**2,095,027,618**	1,808,578,771
	b. Other income	11	**542,164,915**	129,859,204
			2,637,192,533	1,938,437,975
2.	**EXPENDITURE**			
	a. Production, administrative and other costs	12	**1,527,566,246**	1,513,967,268
	b. Personnel expenses	13	**707,374,485**	742,654,586
	c. Interest and financial charges	14	**433,922,633**	191,500,171
	d. Depreciation	6	**130,380,937**	156,512,511
	e. Provision in dimunition in value of investment (see note 8 (c))		**658,937,927**	-
			3,458,182,228	2,604,634,536
3.	Profit/(Loss) before tax		**(820,989,695)**	(666,196,561)
4.	Provision for taxes		-	16,007,516
5.	Profit/(Loss) after tax carried to balance sheet		**(820,989,695)**	(682,204,077)
	Earning per equity share (See note 10) (Face Value of Rs. 2 per share)			
	Basic		**(4.56)**	(4.66)
	Diluted		**(4.56)**	(4.66)
	Notes to the accounts	15		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

For and on behalf of the Board

JITENDRA AGARWAL
Partner
Membership No. 87104

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Gurgaon
28 May, 2010

Noida
28 May, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

		Year Ended 31.03.2010 (Rs.)	Year Ended 31.03.2009 (Rs.)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**(820,989,695)**	(666,196,561)
	Adjustments for :		
	Depreciation	**130,380,937**	156,512,511
	Loss on sale/disposal of assets	**344,133**	518,226
	Employee stock compensation expenses	**19,293,085**	16,859,598
	Interest expenses	**433,922,633**	191,500,171
	Foreign exchange loss / (gain)	**(3,596,429)**	14,497,979
	Dividend income	**-**	(707,324)
	Profit on sale of short term investments	**(4,125,780)**	(11,726,446)
	Provisions written back	**(7,781,076)**	(93,964,105)
	Interest income	**(12,007,327)**	(23,434,918)
	Income from sale of ibn18 shares by ibn18 trust	**(514,600,000)**	-
	Provision in dimunition in value of investment	**658,937,927**	-
	Operating profit before working capital changes	**(120,221,592)**	(416,140,869)
	Adjustments for :		
	Decrease/(Increase) in Current assets	**(192,506,414)**	158,765,942
	Increase/(Decrease) in Current liabilities	**5,887,148**	278,741,411
	Cash generated from/ (used in) operations	**(306,840,858)**	21,366,484
	Tax paid (including Fringe benefit tax)	**(21,206,074)**	(64,925,123)
	Net cash from/ (used in) operating activities	**(328,046,932)**	(43,558,639)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	**(33,285,931)**	(114,019,488)
	Sale of assets/claim received	**546,564**	3,679,620
	Investments purchased		
	- in subsidary/affiliates (including share application money)	**(2,659,429,620)**	(3,003,400,982)
	- in mutual funds and others (net)	**4,125,780**	13,188,112
	Interest received	**11,366,109**	24,570,893
	Dividend received	**-**	707,324
	Income from sale of ibn18 shares by ibn18 trust	**514,600,000**	-
	Net cash from/ (used in) investing activities	**(2,162,077,098)**	(3,075,274,521)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest paid	**(425,669,490)**	(183,937,864)
	Proceeds from issue of share warrants	**-**	25,500,000
	Share application money received	**1,688,218,345**	229,500,000
	Proceeds from issue of equity shares (Net)	**-**	3,296,979,816
	Merger / Demerger and QIP / rights issue expenses	**(89,312,882)**	(67,674,166)
	Increase / (Decrease) in loans	**3,217,719,247**	(222,441,257)
	Net cash from/ (used in) financing activities	**4,390,955,220**	3,077,926,529
	Net increase/ (decrease) in cash and cash equivalents	**1,900,831,190**	(40,906,631)
	Cash and cash equivalents as at the beginning of the year	**134,372,183**	134,366,483
	Cash and cash equivalents acquired on merger	**-**	40,912,331
	Cash and cash equivalents as at the end of the year	**2,035,203,373**	134,372,183

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Cash and cash equivalents includes Rs. 152,212,768 (Previous year Rs. 116,520,291) under lien with banks which are not available for use by the Company
4. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

Gurgaon
28 May, 2010

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Noida
28 May, 2010

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
275,000,000 (Previous year 200,000,000) Equity shares of Rs. 2 each (Previous year Rs. 2 each)	**550,000,000**	400,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
181,651,478 (Previous year 179,151,478) Equity shares of Rs. 2 each fully paid up (Previous year Rs. 2 each)	**363,302,956**	358,302,956
Of the above 47,724,140 (Previous year 47,724,140) Equity shares of Rs. 2 each (Previous year Rs. 2 each) fully paid up are held by Network18 Media & Investments Limited (Formerly Network18 Fincap Limited), the holding company.		
Of the above, 47,384,140 shares were issued for consideration received other than cash pursuant to scheme of amalgamation between the company and SRH Broadcast News Holdings Private Limited		
SCHEDULE 2		
EMPLOYEE STOCK OPTIONS OUTSTANDING		
a. Employees stock options outstanding	**56,991,187**	59,743,968
b. Less: Deferred employee compensation	**8,083,628**	30,129,494
c. Net balance	**48,907,559**	29,614,474
SCHEDULE 3		
RESERVES AND SURPLUS		
a. Securities Premium Account		
i. Opening balance	**3,237,938,873**	1,838,504,633
ii. Add:		
- Premium arising on conversion of warrants	**250,000,000**	2,215,800,000
- Amount received during the year through QIP	-	1,120,450,800
iii. Less:		
- QIP and merger expenses	-	67,674,166
- Adjustments pursuant to Scheme of Arrangement (see note 3)		
- Profit and loss account balance as at 30 September, 2007	-	659,525,644
- On account of merger of ibn 7 News Undertaking of Jagran TV Private Limited (JTV) (see note 3a)	-	673,197,375
- On account of merger of BK Fincap Private Limited (see note 3b)	-	6,094,375
- Investment in Jagran TV Private Limited of BK Fincap Private Limited	-	329,925,000
- Investment in Jagran TV Private Limited of the Company	-	200,400,000
iv. Closing balance	**3,487,938,873**	3,237,938,873
b. General Reserve	**9,998,341**	9,998,341
c. Capital Reserve	**168,720,000**	168,720,000
	3,666,657,214	3,416,657,214
SCHEDULE 4		
SECURED LOANS (from banks)		
a. Cash credit (see note 6a)	**568,476,987**	412,482,577
b. Term loan (see note 6b)*	**1,651,663,965**	419,142,465
	2,220,140,952	831,625,042
* Term Loans repayable within one year	**1,517,477,400**	142,477,400
SCHEDULE 5		
UNSECURED LOANS		
a. Short term loan from a bank	-	200,000,000
b. Short term loan from others	**2,184,749,466**	161,283,349
	2,184,749,466	361,283,349

SCHEDULES FORMING PART OF BALANCE SHEET

SCHEDULE 6
FIXED ASSETS

(All amounts in Rupees)

Particulars	GROSS BLOCK AT COST					DEPRECIATION					NET BLOCK	
	As at 01.04.2009	Additions	Merger Additions	Sale/ Adjustment	**As at 31.03.2010**	As at 01.04.2009	For the Year	Merger Additions	Sale/ Adjustment	**As at 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
Tangible Assets												
Freehold Land	-	490,064	-	-	**490,064**	-	-	-	-	**-**	**490,064**	-
Leasehold improvements	185,336,099	25,865,893	-	-	**211,201,992**	64,742,524	30,923,397	-	-	**95,665,921**	**115,536,071**	120,593,575
Plant & machinery	802,331,544	4,345,692	-	189,203	**806,488,033**	179,850,777	60,489,790	-	36,945	**240,303,622**	**566,184,411**	622,480,767
Electrical installation	12,577,684	-	-	-	**12,577,684**	3,333,570	857,049	-	-	**4,190,619**	**8,387,065**	9,244,114
Computers	67,294,171	2,088,664	-	40,040	**69,342,795**	39,463,612	11,078,115	-	9,558	**50,532,169**	**18,810,626**	27,830,559
Furniture & fixtures	18,141,298	232,117	-	-	**18,373,415**	6,934,823	1,260,674	-	-	**8,195,497**	**10,177,918**	11,206,475
Vehicles	16,820,603	-	-	1,199,332	**15,621,271**	5,285,490	1,554,815	-	491,375	**6,348,930**	**9,272,341**	11,535,113
Intangible Assets												
Computers software	120,664,078	724,201	-	-	**121,388,279**	71,346,830	24,217,097	-	-	**95,563,927**	**25,824,352**	49,317,248
Total	1,223,165,477	33,746,631	-	1,428,575	**1,255,483,533**	370,957,626	130,380,937	-	537,878	**500,800,685**	**754,682,848**	852,207,851
Previous year	659,339,149	163,926,346	450,302,688	50,402,706	1,223,165,477	147,088,674	156,512,511	113,561,301	46,204,860	370,957,626	852,207,851	512,250,475

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 7		
INVESTMENTS		
Unquoted - Long term (trade) (at cost) (See note 8)		
a. in equity shares of subsidiary company		
i. 10,000 (Previous year 10,000) equity shares of RVT Media Private Limited of Rs 10 each fully paid up	**100,000**	100,000
ii. 100 (Previous year Nil) equity share of ibn18 (Mauritius) Limited of USD 1 each	**5,081**	-
iii. 1,34,58,950 (Previous year 1,34,58,950) equity shares of IBN18 Media & sofware Limited of Rs. 10 each fully paid up (see note 4)	**1,000,000**	1,000,000
b. in equity shares of joint venture		
i. 8,625,000 (Previous year 8,625,000) equity shares of IBN Lokmat News Private Limited of Rs. 10 each fully paid up	**86,250,000**	86,250,000
ii. 28,746,028 (Previous year 15,511,361) equity share of Viacom18 Media Private Limited of Rs. 10 each fully paid up	**4,558,892,675**	2,434,019,661
c. in equity shares of other companies		
i. 12,163,717 (Previous year 12,163,717) Class A Ordinary shares of Web18 Holdings Limited of USD 0.00374 (Previous year USD 0.00374) each fully paid up	**1,848,836**	1,848,836
d. in equity warrants of joint venture		
i. Nil (Previous year 4,500,000) share warrants of Series "B" of Viacom18 Media Private Limited of Rs. 1 each fully paid up	-	4,500,000
ii. 3,000,000 (Previous year 3,000,000) share warrants of Series "C" of Viacom18 Media Private Limited of Rs. 1 each fully paid up	**3,000,000**	3,000,000
e. in debentures of subsidiary company		
i. 13,249,900 (Previous year Nil) Debenture in ibn18 Mauritius Limited of USD 1 each	**658,932,846**	-
Less: Provision for Diminution in Value of ibn18 Mauritius Limited (see note 8 (c))	**(658,937,927)**	-
Aggregate of unquoted long term investments	**4,651,091,511**	2,530,718,497
	4,651,091,511	2,530,718,497

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 8		
CURRENT ASSETS, LOANS AND ADVANCES		
a. Inventories		
i. Tapes and compact discs	**810,145**	648,583
b. Sundry debtors (Unsecured)		
i. Debts outstanding for more than 6 months		
- considered good	**48,030,779**	47,684,655
- considered doubtful	**8,414,095**	12,737,895
ii. Other debts	**701,640,369**	529,888,888
	758,085,243	590,311,438
iii. Less: Provision for doubtful debtors	**8,414,095**	12,737,895
	749,671,148	577,573,543
c. Cash and bank balances		
i. Cash on hand	**844,205**	730,277
ii. Balance with scheduled banks :		
- in current accounts	**141,159,995**	15,890,836
- in deposit accounts*	**152,427,313**	117,751,070
- in rights issue accounts**	**1,740,771,860**	-
	2,035,203,373	134,372,183
* Includes fixed deposits under lien with bankers for Bank Guarantee and Letter of Credit	**152,212,768**	116,520,291
** Includes Rs. 52,553,515 in respect of Share application money received under Rights issue to be refunded		
d. Loans & advances		
(Unsecured, considered good)		
i. Advances recoverable in cash or in kind or for value to be received	**166,172,267**	186,543,243
ii. Share application money paid	**454,000,000**	573,881,321
iii. Advance to vendors*	**29,442,458**	11,108,776
iv. Income tax deducted at source	**139,269,107**	118,063,033
v. Interest accrued but not due	**1,719,873**	1,078,655
vi. Security and other deposits	**95,313,766**	69,893,496
vii. Fringe benefit tax [net of provision of Rs. 53,493,195 (Previous year Rs. 53,493,195)]	**969,000**	969,000
	886,886,471	961,537,524
* Includes Capital advances	**95,000**	555,700
SCHEDULE 9		
CURRENT LIABILITIES & PROVISIONS		
a. Current liabilities		
i. Sundry creditors		
- Micro and small enterprises (see note 19)	-	-
- Others	**496,663,346**	563,446,135
ii. Interest accured but not due	**16,221,291**	7,968,148
iii. Other liabilities	**97,003,413**	89,467,800
iv. Advance from customers	**77,968,650**	54,641,658
v. Share application money to be refunded	**52,553,515**	-
	740,410,215	715,523,741
b. Provisions		
i. Retirement benefits (see note 13)	**46,367,458**	59,157,497
	46,367,458	59,157,497
	786,777,673	774,681,238

SCHEDULES FORMING PART OF BALANCE SHEET

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 10		
PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)		
a. Opening balance	**970,106,092**	854,296,502
b. Add:		
- Loss for IBN 7 News Undertaking for the period 1 October, 2007 to 31 March, 2008 transferred pursuant to the Scheme of Arrangement (see note 3a)	-	93,094,889
- Loss for BK Fincap Private Limited for the period 1 October, 2007 to 31 March, 2008 transferred pursuant to the Scheme of Arrangement (see note 3b)	-	36,268
- Loss brought forward from Profit and loss account	**820,989,695**	682,204,077
c. Less:		
Profit and loss balance adjusted from Securities Premium account pursuant to Scheme of Arrangement	-	(659,525,644)
	1,791,095,787	970,106,092

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
SCHEDULE 11		
OTHER INCOME		
a. Income from sale of ibn18 shares by ibn18 trust	**514,600,000**	-
b. Loan balance written back	**5,737,220**	90,000,000
c. Interest on		
- Inter company balances [Including tax deducted at source Rs. 191,448 (Previous year : Rs. Nil)]	**1,914,483**	-
- Fixed deposits [including tax deducted at source Rs. 1,023,444] (Previous year Rs. 5,213,475)]	**10,092,844**	23,434,918
d. Dividend on short term investments	-	707,324
e. Profit on sale of short term investments	**4,125,780**	11,726,446
f. Excess provision written back	**2,043,856**	3,964,105
g. Profit on exchange rate fluctuation	**3,596,429**	-
h. Miscellaneous income	**54,303**	26,411
	542,164,915	129,859,204
SCHEDULE 12		
PRODUCTION, ADMINISTRATIVE AND OTHER COSTS		
a. Studio and equipment hire charges	**60,462,385**	62,465,476
b. Telecast and uplinking fees	**59,997,162**	59,974,649
c. Tapes consumed	**4,540,627**	5,526,701
d. Content and franchise expenses	**105,317,353**	108,777,474
e. Media professional fees	**61,944,710**	71,787,127
f. Other production expenses	**20,988,068**	24,000,428
g. Rent	**62,668,477**	76,474,245
h. Electricity expenses	**27,519,263**	28,315,900
i. Insurance	**4,452,684**	3,991,000
j. Travelling and conveyance	**98,540,076**	135,841,943
k. Vehicle running and maintenance	**60,552,479**	55,366,222
l. Communication expenses	**34,579,496**	38,953,646
m. Distribution, advertising and business promotion	**793,415,393**	702,466,104
n. Repairs and maintenance		
- Plant & machinery	**38,671,029**	45,072,864
- Others	**6,826,288**	5,097,342
o. Legal and professional expenses (see note 9)	**28,011,945**	16,086,354
p. Rate, fees and taxes	**12,292**	122,753
q. Office upkeep and maintenance	**32,985,349**	34,804,686
r. Directors sitting fees	**345,000**	198,500
s. Loss on sale / disposal of assets	**344,133**	518,226
t. Loss on exchange rate fluctuation (net)	-	14,497,979
u. Bad debts written off/ provided for	**10,353,245**	7,495,630
v. Miscellaneous expenses	**15,038,792**	16,132,019
	1,527,566,246	1,513,967,268

SCHEDULES FORMING PART OF PROFIT AND LOSS ACCOUNT

		Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
SCHEDULE 13			
PERSONNEL EXPENSES			
a.	Salaries and bonus	**600,814,064**	611,537,909
b.	Contribution to provident fund and other funds	**32,503,603**	32,328,919
c.	Staff welfare expenses	**52,810,604**	51,299,664
d.	Retirement benefits	**1,953,129**	30,628,496
e.	Employee stock compensation expenses	**19,293,085**	16,859,598
		707,374,485	742,654,586
SCHEDULE 14			
INTEREST AND FINANCIAL CHARGES			
a.	Interest on:		
	-Term loans	**142,710,784**	99,886,129
	-Cash credit	**56,330,485**	55,052,687
	-Others	**199,306,405**	11,800,121
b.	Other financial charges	**35,574,959**	24,761,234
		433,922,633	191,500,171

SCHEDULE 15
NOTES TO THE ACCOUNTS

1. **Background**

ibn18 Broadcast Limited ("The Company") was incorporated on 6 June, 2005 as Global Broadcast News Private Limited. The Company was converted into a public limited Company and a revised Certificate of Incorporation was issued to give effect to this change w.e.f. 12 December, 2005. Later, the name of the Company was changed to ibn18 Broadcast Limited (hereinafter referred as "ibn18") and a revised Certificate of Incorporation was issued to give effect to this change on 02 April, 2008. The Company is in the business of broadcasting, telecasting, relaying and transmitting general news programmes and operates the news channels "CNN IBN" (consequent to a licensing and content sharing agreement with Turner Broadcasting System Asia Pacific, Inc.). The commercial operations of the Company commenced on 17 December, 2005. Further, after merger of ibn7 undertaking of ibn18 Media & software Limited (formerly Jagran TV Private limited), ibn18 is broadcasting, telecasting, relaying and transmitting hindi general news programmes and operates the news channel "IBN7".

Of the total equity share capital of the company, 47,724,140 equity shares of face value of Rs. 2 each (Previous year 47,724,140 equity shares of face value of Rs. 2 each) are held by Network 18 Media & Investments Limited (Formerly known as Network 18 Fincap Limited). Network 18 Media & Investments Limited is also the holding company by virtue of management control over the company's operations.

2. **Significant Accounting Policies**

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with the provisions of the Companies Act, 1956 as adopted consistently by the Company.

The significant accounting policies adopted in presentation of the financial statements are:

a. Revenue Recognition

i. Income from media operations includes:

➢ Advertisement revenue comprising:

- Revenue from sale of advertising time, which is recognised on the accrual basis when advertisements are telecast in accordance with contractual obligations.
- Revenue from sponsorship contracts, which is recognised proportionately over the term of the sponsorship.

➢ Subscription revenue which is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency.

➢ Facility and equipment rental is accounted for on the accrual basis for the period of use of equipment by the customers.

ii. Dividends on investments are accounted for when the right to receive dividend is established.

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

b. Fixed Assets

Fixed assets are stated at their original cost of acquisition/installation less depreciation. All direct expenses attributable to acquisition/installation of assets are capitalised.

c. Depreciation

Depreciation on all assets other than leasehold improvements and computer software is charged on straight line basis over the estimated useful lives, using rates (including double/ triple shift depreciation rates wherever applicable) prescribed by Schedule XIV of the Companies Act, 1956.

Cost of leasehold improvements is being amortised over the remaining period of lease (including renewal options) of the premises.

Computer software is depreciated over a period of 5 years. These rates are higher than those prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on additions is charged proportionately from the date of acquisition/ installation. Assets costing Rs. 5,000 or less individually have been fully depreciated in the year of purchase.

d. Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

e. Inventories

Inventories consist of blank betacam tapes and are stated at cost on First in First out (FIFO) basis.
Stocks of other tapes are written off at the time of purchase.

f. Investments

Long term investments are stated at cost less 'other than temporary' diminution in the value of such investments. Current investments are carried at lower of cost or fair value.

g. Employee Benefits

i. The Company's employee's provident fund scheme is a defined contribution plan. The Company's contribution to the employees' provident fund is charged to the profit and loss account during the period in which the employee renders the related service.

ii. Short term employee benefits (Medical, Leave travel allowance, etc.) expected to be paid in exchange for the services rendered are recognised on undiscounted basis.

iii. The Company provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date. Actuarial gains/losses are recognised immediately in the profit and loss account.

iv. Benefits comprising long term compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end. Actuarial gains and losses are recognised immediately in the profit and loss account.

h. Foreign Currency Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transactions settled during the year are recognised in the profit and loss account.

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing at the date of balance sheet, the resultant exchange differences are recognised in the profit and loss account.

i. Taxation

Income tax comprises current tax, deferred tax and fringe benefit tax. Current tax and fringe benefit tax are determined in accordance with the provisions of Income Tax Act, 1961. Advance taxes and provisions for current taxes are presented in the balance sheet after off setting advance taxes paid and income tax provisions.

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal, subject to consideration of prudence, in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

j. Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with AS-20, Accounting Standard on Earnings Per Share. Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year ending 31 March, 2010. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year ending 31 March 2010 and except where the results would be anti-dilutive.

k. Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

l. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

m. Employee Stock Option Scheme (ESOS)

Stock options granted to the employees under the stock options schemes are accounted at intrinsic value as per the accounting treatment prescribed by the guidance note on Employee share based payments issued by the Institute of Chartered Accountants of India. Accordingly, the excess of market price, determined as per the guidance note, of underlying equity shares (market value), over the exercise price of the options is recognised as deferred stock compensation expense and is charged to profit and loss account on a straight line basis over the vesting period of the options. The amortised portion of the cost is shown under reserves and surplus.

n. Provisions and Contingencies

A provision is recognised when the Company has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

o. Leases

i. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

ii. Finance Lease

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and the interest component is charged to profit and loss account.

p. Barter Transactions

Barter transactions are recognised at the fair value of consideration receivable or payable. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred.

q. Segment Information

i. Business Segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Company operates in the media business segment mainly comprising media and related operations.

ii. Geographic Segments

Secondary segmental reporting is performed on the basis of the geographical location of customers i.e. within India and overseas.

3. Scheme of arrangement between Jagran TV Private Limited, BK Fincap Private Limited and ibn18 Broadcast Limited

The Company's Scheme of Arrangement had been approved by the Honorable High Court of Delhi on 15 September, 2008 and filed with the Registrar of Companies on 22 November, 2008. The scheme was to:

- merge IBN 7 News Undertaking of Jagran TV Private Limited (JTV) into ibn18 with effect from 1 October, 2007 (Appointed date); and
- merge B K Fincap Private Limited (BK Fincap) with ibn18 with effect from 2 October, 2007 (Appointed date).

Consequent upon these mergers, BK Fincap Private Limited stands dissolved and Jagran TV Private Limited continue to exist to carry on the other activities.

a. Merger of ibn7 News Undertaking of JTV into ibn18 (Scheme A)

i. News Business Undertaking of JTV comprising the business activities of running the 'IBN7' channel along with all related assets, liabilities and employees was transferred on a going concern basis at book value to the Company from the appointed date of 1 October 2007. The Company without any further payment has issued 24.23 fully paid up equity shares of face value of Rs. 10 each (121.15 fully paid up equity shares of face value of Rs. 2 each) to shareholders of Jagran TV Private Limited for every 100 Equity shares of face value of Rs. 10 each held in Jagran TV Private Limited.

ii. The scheme became effective on approval by the Honorable High Court of Delhi and its filing with the Registrar of Companies on 22 November, 2008. The following assets and liabilities of ibn 7 News Undertaking were transferred to the Company at book value as on the appointed date:

Particulars		**Amount (Rs.)**
1.	Fixed assets (Net)	334,249,738
2.	Current assets, loans and advances:	
	- Sundry Debtors	156,582,786
	- Cash and Bank Balances	30,739,299
	- Loan and advances	59,968,752
		247,290,837
3.	Less: Current liabilities and provisions:	
	- Current Liabilities	150,492,933
	- Provisions	10,045,176
		160,538,109
4.	Net current assets	**86,752,728**

Particulars		Amount (Rs.)
5.	Total assets (1+4)	**421,002,466**
6.	Total liabilities	
	Secured Loan	322,215,806
	Unsecured Loan	719,371,726
		1,041,587,532
7.	Net value of assets transferred on demerger (5-6)	**(620,585,066)**
8.	Share application money paid cancelled (see note v. below)	20,000,000
9.	Share capital issued as part of purchase consideration	
	- to outside shareholders	3,262,377
	- to BK Fincap (squared off on amalgamation of BK Fincap with ibn 18) (See note 3 b.(vi))	29,349,932
		32,612,309
	Balance debited to securities premium (7-8-9)	**673,197,375**

iii. As per the scheme, during the intervening period, JTV shall be deemed to have been carrying on all business and activities relating to the merged undertaking on behalf of the ibn18 and all profits accruing to the Transferor Company, or losses arising or incurred by them relating to the merged undertaking shall be treated as the profits or losses of the ibn18.

iv. Debit balance of profit and loss account of Rs. 93,094,889 of IBN 7 News Undertaking for the period 1 October, 2007 to 31 March, 2008 was adjusted from the opening balance of the profit and loss account of the year ended 31 March 2009.

v. Share application money pending allotment inter-se between the Company and IBN 7 News Undertaking amounting to Rs. 20,000,000 appearing in the books of accounts of the Company and division stands cancelled.

b. Merger of BK Fincap Limited

i. BK Fincap Private Limited which is a holding company of JTV, along with all related assets, liabilities and employees has been merged on a going concern basis at book value to the company from the appointed date of 2 October, 2007. In consonance to the abovementioned scheme, ibn18 has issued 1,662.76 fully paid up equity shares of face value of Rs. 10 each (8,313.80 fully paid up equity shares of face value of Rs. 2 each) to shareholders of BK Fincap Private Limited for every 100 Equity shares of face value of Rs. 10 each held in BK Fincap Private Limited.

ii. The scheme became effective on approval by the Honorable High Court of Delhi and its filing with the Registrar of Companies on 22 November, 2008. On the scheme becoming effective, the following assets and liabilities of BK Fincap Limited were transferred to the Company at book value:

Particulars		Amount (Rs.)
1.	Investments	332,346,700
2.	Current assets, loans and advances:	
	- Cash and Bank Balances	87,321
	- Loan and advances	464,000,000
		464,087,321
3.	Less: Current liabilities and provisions:	
	- Current Liabilities	105,656
	- Provisions	10,000
		115,656
4.	Net current assets	463,971,665
5.	Net value of assets transferred on merger (1+4)	796,318,365
6.	Share application money paid cancelled (see note iii below)	115,000,000
7.	Shares issued to BK Fincap on demerger of ibn 7 News Undertaking of JTV into ibn18 adjusted (see note iv. below)	29,349,932
		651,968,433
8.	Cancellation of investment by ibn18 in the equity shares of BK Fincap (see note iv. below)	(687,412,740)
9.	Share capital issued as part of purchase consideration(see note iv. below)	29,349,932
		(658,062,808)
	Balance debited to securities premium (5-6-7-8-9)	**(6,094,375)**

iii. Share application money pending allotment inter-se between the Company and BK Fincap amounting to Rs. 115,000,000 appearing in the books of accounts of the respective Companies was cancelled in previous year.

iv. Pursuant to the Scheme of Arrangement, the amount representing the difference between:

- Assets and liabilities transferred pursuant to the amalgamation of BK Fincap and consequent cancellation of New Equity shares on Demerger issued to BK Fincap, and
- Aggregate value of New Equity Shares on Amalgamation and cancellation of investment by ibn18 in the equity shares of BK Fincap;

shall be debited to the Securities Premium Account of ibn18.

v. Debit balance of profit and loss account of Rs. 36,268 of BK Fincap for the period 2 October, 2007 to 31 March, 2008 was adjusted from the opening balance of the profit and loss account of the year ended 31 March 2009.

4. Capital commitment, contingent liabilities and litigations

a. Estimated amounts of contracts remaining to be executed on capital account (net of advances) Rs. 0.86 million (Previous year Rs. 1.38 million).

b. The Company has purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, the Company has undertaken to achieve an export commitment of Rs. 740.64 million (Previous year Rs. 740.64 million) over a period of 8 years commencing from 10 August, 2005. In the event the Company is unable to execute its export obligations, the Company shall be liable to pay customs duty of Rs. 92.58 million (Previous year Rs. 92.58 million) and interest on the same at the rate of 15 per cent compounded annually. The banks have given a guarantee amounting to Rs. 115.30 million (Previous year Rs. 115.30 million) on behalf of the Company to the custom authorities for the same. The Company is hopeful of meeting the required export obligation.

c. The bank has given a guarantee amounting to Rs. 25.00 million (Previous year Rs. Nil) on behalf of the Company to The Listing Department, Bombay Stock Exchange Limited.

d. The Company has given corporate guarantees of Rs. 272.5 million (Previous year Rs. 272.5 million) towards credit facility given by banks to IBN Lokmat. As at the year end Rs. 182.34 million was outstanding in respect of such loans.

e. The Company has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, objectionable contents and defamation suits in relation to the programmes produced by it, the aggregate claim being Rs. 3,124.11 million (Previous year Rs. 8,841.22 million). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits.

5. Equity warrants

a. The Company, through postal ballot dated 7 September 2007, the results of which were declared on 13 October 2007 approved the issue and allotment of 3,000,000 convertible warrants (warrants) of Rs. 888 each in accordance with the provisions of Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000 to Network 18 India Holdings Private Limited (N-18 Holding), a fellow subsidiary of the Company. The Company has allotted the warrants on 15 October, 2007 pursuant to which the Company received Rs. 266.4 million being 10% of the total amount of Rs. 2,664 million in respect thereof.

Subsequent to the stock split of 1:5, held through postal ballot dated 19 December 2007, the results of which were declared on 25 January 2008, each warrant held by N-18 Holding was convertible into one fully paid up equity shares of face value of Rs. 2 each at a premium of Rs. 175.60 per share on exercise of the option to convert the warrants into equity shares.

N-18 Holding had in the previous year applied for conversion of 5,500,000 warrants. Pursuant to which the Company had allotted 5,500,000 equity shares upon conversion of warrants at a premium of Rs 175.60 per share as per the terms of warrants.

During the previous year, the Company had received a letter from N-18 Holdings expressing its unwillingness to exercise the balance 9,500,000 warrants due to adverse market conditions. Consequently Rs. 168.72 million representing 10% amount of issue price received pursuant to the allotment of such warrants was forfeited and had been transferred to Capital Reserve.

b. The shareholders of the Company at the Extra Ordinary General Meeting held on 22 December, 2008 had approved the issue and allotment of 15,000,000 Convertible Warrants (Warrants) at a price of Rs.102/- each in accordance with the provisions of Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 to RVT Investments Private Limited (RVT Investments), a promoter group company. The Company had allotted the aforesaid Warrants on 13 January, 2009 pursuant to which the Company received Rs. 153 Million being 10% of the total amount of Rs. 1,530 million in respect thereof.

RVT Investments had in the previous year applied for conversion of 12,500,000 Warrants and paid Rs. 1,147.50 million towards balance amount payable (Rs. 91.80 per share). The Company had allotted 12,500,000 equity shares of face value of Rs. 2/- each upon conversion of Warrants at a premium of Rs 100/- per equity share as per the terms of issue of Warrants.

As at the beginning of the year, 2,500,000 fully paid up Warrants amounting to Rs. 25.50 Million were outstanding for conversion into equity shares. The Company has received the share application money against these Warrants for conversion into equity shares.

During the year, the Company has allotted 2,500,000 equity shares of face value of Rs. 2/- each upon conversion of remaining Warrants at a premium of Rs 100/- per equity share as per the terms of issue of Warrants. The amount received was used for the working capital requirement of the Company.

6. Secured Loans

a. Cash credit from banks of Rs 568.48 million are secured as follows:

i. Cash credit from banks of Rs 434.34 million are secured as follows:

- First pari passu charge on all the current assets of the company.
- Additionally secured by unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited
- Cash credit facility of Rs. 274.34 million is additionally secured by second charge on the Company's movable fixed assets.

ii. Cash credit facility of Rs. 134.14 million is secured by hypothecation of book debts.

b. The term loan of Rs. 1,651.66 million taken from banks is secured as follows:

i. Term loan of Rs. 120 million is secured by:

- First charge on the Company's movable assets, subject to the charges on current assets created/to be created in favour of the Company's bankers for securing borrowings for working capital requirements.

- Unconditional and irrevocable personal guarantee of a Director.
- Letter of comfort from Television Eighteen India Limited (TV18) whereby TV18 undertakes to take all necessary steps to ensure that the Company fulfils all necessary obligations under the agreement including arrangement of funds for payment to the bank in accordance with the terms and conditions of the loan agreement.

ii. Term loan of Rs. 123.76 million is secured by:
- First charge over entire fixed assets pool of IBN7 amounting to Rs 320.40 million as on 31 March 2009
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited

iii. Term loan of Rs. 32.90 million is secured by:
- First charge on all movable assets including plant and machinery and equipment acquired / to be acquired out of the proceeds of the term loan of IBN7
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited

iv. Term loan of Rs. 375 million is secured by:
- Subservient charge on Company's movable fixed assets
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investment Limited
- Letter of comfort from a Director

v. Term loan of Rs. 1,000.00 million is secured by:
- Second parri passu charge on all current assets and fixed assets of the Company
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investment Limited
- Fixed Deposit of Network18 Media & Investment Limited worth Rs. 250 million is pledged with the bank, in lieu of pledge of listed / quoted shares held by Network18 Media & Investment Limited.

7. The details of purchase and sales of investments during the year are as follows:

Particulars	Purchases		Sales	
	Units	Rs.	Units	Rs.
Reliance Mutual Fund	89,62,782	120,000,000	8,962,782	120,794,093
UTI Mutual Fund	68,411	100,000,000	68,411	100,234,095
Tata Mutual Fund	60,839	100,000,000	60,839	100,394,452
Birla Mutual Fund	42,461,993	605,000,000	42,461,993	606,369,996
IDFC MutualFund	13,826,745	150,000,000	13,826,745	151,333,145

8. Investments

a. Investments in Viacom18 Media Private Limited (Viacom18)

The Company has subscribed to 12 million 'Investor Warrants' of USD 3.33 (Rs. 150.47 approximately) per warrant aggregating to USD 40 million (Rs. 1,805.60 million approximately) in Viacom18 as follows:

i. Series "A" - 4,500,000 warrants
ii. Series "B" - 4,500,000 warrants
iii. Series "C" - 3,000,000 warrants

and has paid Rs. 1 each for these warrants aggregating to Rs. 12 million.

Each warrant is convertible into one fully paid up equity share of Viacom18 on exercise of options and on payment of the balance of the stipulated warrant consideration price. The option is exercisable during a period of 12, 24 and 36 months from the date of allotment of warrants of "A", "B", and "C" series respectively.

As at the year end, the Company has a commitment towards the balance consideration price (i.e. approximately Rs. 149.47 per warrant) aggregating to approximate Rs. 1,793.60 million for the subscribed and allotted warrants. The Company intends to fulfil its commitment within the stipulated time period.

Further, during the year, the Company has made following investments in equity shares of Viacom18.

	(Rs. In million)
Particulars	**Amount**
7,500,100 shares purchased from BK Holdings Limited, Mauritius	1,219.57
4,500,000 shares on conversion of Series "B" Investor Warrants	705.30
1,234,567 shares in direct allotment by Viacom18	200.00
Total	**2,124.87**

In addition, the Company has given an advance of Rs 200 million towards share application money.

As at 31 March 2010, Viacom18 has significant accumulated losses and its net worth has been substantially eroded. Having regard to the long term investment and strategic involvement with the Company, no provision is considered necessary for diminution in the value of investment and advance for share application paid.

b. Investments in IBN Lokmat Private Limited (IBN Lokmat)

The Company has invested Rs 340.25 million (including amount paid for share application money) in IBN Lokmat. As at 31 March 2010, IBN Lokmat has significant accumulated losses and its net worth has been substantially eroded. Having regard to the long term investment and strategic involvement with the Company, no provision is considered necessary for diminution in the value of investment and advance for share application paid.

c. Investment in ibn18 Mauritius Limited (ibn18 Mauritius)

The Company has invested Rs. 658.94 million (including amount paid for Debentures) in ibn18 Mauritius. For the year ending 31 March,2010 ibn18 mauritius has significant accumulated losses and its networth has been completely eroded. Accordingly, the Company has made a provision of Rs. 658.94 million towards diminution in the value of total investment.

9. Additional Information required to be given pursuant to Part II of Schedule VI of the Companies Act, 1956

Particulars		Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
a.	**Remuneration paid to Directors**		
	i. Salary and bonus	**13,275,539**	14,091,494
	ii. Contribution to provident and other funds	**8,64,000**	8,64,000
	Total*	**14,139,539**	14,955,494
	The Joint Managing Director was appointed vide a resolution passed by the board of directors on 1 July, 2005 when the Company was a private limited company. Subsequently, the Company become a public company w.e.f. 12 December, 2005. The Managing Director's remuneration being in excess of that specified under Schedule XIII of the Companies Act, 1956, the Company made an application to the Central Government for approval of the same. The Central Government has accorded its approval for annual remuneration of Rs. 15 million as remuneration for the period 12 December, 2005 to 31 June, 2010 and one time ex-gratia payment of Rs. 30 million for financial year 2006-07 vide its letter dated 25 September, 2007. * Excludes provision for compensated absences and gratuity since the provision is based on an actuarial valuation for the Company as a whole.		
b.	**Expenditure in foreign exchange**		
	i. Content and franchise expenses	**93,686,968**	96,779,966
	ii. Other production expenses	**15,821,993**	23,763,943
	iii. Travelling and conveyance	**4,513,842**	9,459,013
		114,022,803	130,002,922
c.	**CIF value of imports**		
	i. Capital goods	**4,006,821**	67,336,660
	ii. Tapes Purchased	**920,823**	684,251
		4,927,644	68,020,911
d.	**Tapes consumed**		
	i. Domestic	**2,964,480**	4,105,713
	ii. Imported	**1,576,147**	1,420,987
		4,540,627	5,526,700
e.	**Earnings in foreign exchange**		
	Income from operations	**1,303,257**	22,376,773
f.	**Auditors' remuneration (excluding service tax)**		
	i. Audit fees:		
	a. Statutory audit	**2,000,000**	2,000,000
	b. Quarterly limited reviews/audits	**3,650,000**	1,750,000
	ii. Certification for the QIP / Rights issue	**4,500,000**	2,750,000
	iii. Out of pocket expenses	**31,120**	-
		10,181,120	6,500,000

10. Earnings per share (EPS)

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year ended 31 March, 2010. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The details are:

Particulars		Units	Year ended 31.03.2010	Year ended 31.03.2009
a.	Net profit/(loss) after tax	Rs.	**(820,989,695)**	(682,204,077)
b.	Weighted average of number of equity shares used in computing basic earnings per share (Nominal value is Rs 2/- per share)	No. of shares	**180,165,177**	146,389,276
c.	Basic earnings per share (a/b)*	Rs.	**(4.56)**	(4.66)
d.	Weighted average of the number of shares issued under Options	No. of shares	**3,192,242**	2,894,524
e.	Adjustment for number of shares that would have been issued at the fair value	No. of shares	**(2,414,545)**	(2,170,399)
f.	Weighted average of number of equity shares used in computing diluted earnings per share (b+d+e)	No. of shares	**180,942,874**	147,113,401
g.	Diluted earnings per share (a/f)*	Rs.	**(4.56)**	(4.66)
*	Since the effect of dilution is anti-dilutive the diluted EPS is same as basic EPS.			

11. Deferred tax

The Company has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 – 'Accounting for Taxes on Income' referred in Companies (Accounting Standards) Rules, 2006. In view of its significant accumulated losses, the Company has not provided for deferred tax assets as there is no virtual certainty that there will be sufficient future taxable income available to realise such assets. In accordance with the same no deferred tax asset / liability was required at the year end.

12. Segmental reporting

The Company is engaged in the business of production and telecast of news and current affairs programmes primarily in India. As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by paragraphs 39 to 51 of Accounting Standard 17 - Segment Reporting, have not been provided in these financial statements.

13. Employee Benefits

a. Description of the Gratuity plan

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service subject to completion of five years service.

b. Defined Benefit Plans

The present value of defined benefit obligations and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuation being carried at each balance sheet date. The details are set out as under:

Particulars		Year ended 31.03.2010		Year ended 31.03.2009	
		Gratuity benefits	Compensated absences	Gratuity benefits	Compensated absences
		(Rs.)	(Rs.)	(Rs.)	(Rs.)
Change in benefit obligations:					
i.	Present value of obligation at the year beginning	**25,992,612**	**33,164,885**	9,002,744	12,596,267
ii.	Current service cost	**6,891,980**	**5,304,763**	8,615,178	11,556,590
iii.	Interest cost	**2,079,409**	**2,653,191**	630,192	881,739
iv.	Actuarial (gain)/loss	**(7,042,350)**	**(7,933,864)**	7,744,498	10,717,725
v.	Benefits paid	**(395,371)**	**(14,347,797)**	-	(2,587,436)
vi.	Present value of obligation at the year end	**27,526,280**	**18,841,178**	25,992,612	33,164,885
The fair value of plan assets is nil since both gratuity plan and long term compensated absences plan are wholly unfunded as on 31 March, 2010.					
Expenses recognised in the profit and loss account:					
i.	Current service Cost	**6,891,980**	**5,304,763**	8,615,178	11,556,590
ii.	Interest cost	**2,079,409**	**2,653,191**	630,192	881,739
iii.	Net actuarial (gain)/loss	**(7,042,350)**	**(7,933,864)**	7,744,498	10,717,725
iv.	Net cost	**1,929,039**	**24,090**	16,989,868	23,156,054
Actuarial assumptions used:					
i.	Discount rate	**8%**	**8%**	7%	7%
ii.	Expected salary escalation rate	**6%**	**6%**	6%	6%
iii.	Expected rate of return	**-**	**-**	-	-
iv.	Mortality table	**LIC (1994-96) duly modified**		LIC (1994-96) duly modified	
v.	Retirement age	**60 Yrs**		60 Yrs	
vi.	Withdrawal rates	**Age**	**%**	Age	%
		Upto 30 Year	**3**	Upto 30 Year	3
		31 to 44 Year	**2**	31 to 44 Year	2
		Above 44 year	**1**	Above 44 year	1

Notes:

1. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
2. The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

Year Ended / Period	the present value of the Gratuity benefits Rs.	the experience adjustments arising on the Gratuity benefits Rs.
31.03.2010	27,526,280	(7,042,350)
31.03.2009	25,992,612	7,744,498
31.03.2008	9,002,744	(109,656)
31.03.2007	4,696,941	224,315
31.03.2006*	1,595,132	**-**

*In accordance with the revised AS-15 issued by The Institute of Chartered Accountants of India, retirement and short term employee benefits as at 31 March, 2006 have been recomputed. The difference between the amount so computed and the liability with respect to the same as at 31 March 2006 had been accordingly adjusted in the opening debit balance of profit and loss account.

The Company's best estimate of contributions expected to be paid during the annual year beginning after the balance sheet date is Rs. 9,202,849.

14. GBN Employees Stock Option Plan 2007 ("ESOP 2007")

a. The Company had established an Employee Stock Option Plan (ESOP 2007) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the shareholders. A remuneration/ compensation committee comprising independent, non executive members of the Board of Directors administers the ESOPs. All options under the ESOPs are exercisable for equity shares. The Company had declared stock split of 1 equity share of face value of Rs. 10 each in 5 equity share of Rs. 2 each through postal ballot dated 19 December 2007, the results of which were declared on 25 January 2008. The Company plans to grant upto 1,700,000 (8,500,000 options pursuant to split of 1 share of face value of Rs. 10 in 5 shares of face value of Rs. 2 each) options to eligible employees and directors of the Company and its subsidiaries and holding company of the Company.

b. Options which have been granted under ESOP 2007 shall vest with the grantee equally over a four year period from the date of grant. The exercise period of the options is a period of two years after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each (for one equity share of Rs 2 each after split) fully paid up on payment of exercise price (as determined by the remuneration/compensation committee) of share determined with respect to the date of grant. The Company has granted 3,920,642 options upto 31 March, 2010.

c. The movement in the scheme is set out as under:

	Particulars	**ESOP 2007**		ESOP 2007	
		Year ended 31.03.10		Year ended 31.03.09	
		Options (Numbers)	**Weighted Average Price (Rs.)**	Options (Numbers)	Weighted Average Price (Rs.)
a.	Outstanding at the beginning of year	**3,350,192**	**55.00**	2,236,250	55.00
b.	Granted during the year	**-**	**55.00**	1,494,392	55.00
c.	Exercised during the year	**-**	**-**	-	-
d.	Forfeited during the year	**157,950**	**55.00**	380,450	55.00
e.	Expired during the year	**-**	**-**	-	-
f.	Outstanding at the end of the year	**3,192,242**	**55.00**	3,350,192	55.00
g.	Exercisable at the end of the year	**1,974,871**	**-**	-	-
h.	Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	**3,192,242**	**NA**	3,350,192	NA
i.	Weighted average share price at the date of exercise	**NA**	**NA**	NA	NA
j.	Weighted average remaining contractual life (years)	**0.51**	**NA**	1.59	NA

d. The Finance Act 2009 has abolished Fringe Benefit Tax (FBT) on Employees' Stock Option Plan, hence there is no charge in these financial results.

e. Pro forma Accounting for Stock Option Grants

The Company applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plan. Had the compensation cost been determined using the fair value approach, the Company's net income and basic and diluted earnings per share as reported would have reduced to the pro forma amounts as indicated:

Particulars	**Year ended 31.03.2010 (Rs.)**	Year ended 31.03.2009 (Rs.)
Net Profit/ (Loss) as reported (a)	**(820,989,695)**	(682,204,077)
Add: Stock based employee compensation expense debited to Profit and Loss account (i)	**19,293,085**	16,859,598
Less: Stock based employee compensation expense based on fair value (ii)	**53,443,643**	54,305,197
Difference between (i) and (ii)	**(34,150,558)**	(37,445,599)
Adjusted pro forma Profit/(Loss) (b)	**(855,140,253)**	(719,649,676)
Difference between (a) and (b)	**(34,150,558)**	(37,445,599)
Basic earnings per share as reported	**(4.56)**	(4.66)
Pro forma basic earnings per share	**(4.75)**	(4.92)
Diluted earnings per share as reported	**(4.56)**	(4.66)
Pro forma diluted earnings per share	**(4.75)**	(4.92)

f. The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions

Particulars	**Year ended 31.03.2010**	Year ended 31.03. 2009
Risk free interest rates (in %)	**6.05%**	6.05%
Expected life (in years)	**4.84 years**	4.84 years
Volatility (in %)	**65.67%**	65.67%
Dividend yield (in %)	**0%**	0%

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares are publicly traded, which may be shorter than the term of the options.

g. Details of weighted average exercise price and fair value of the stock options granted at price below market price

Particulars	**Year ended 31.03.2010**	Year ended 31.03 2009
Total options granted	-	1,494,392
Weighted average exercise price (in Rs.)	-	55.00
Weighted average fair value (in Rs.)	-	49.37

15. Related Party disclosures

a. Related parties and their relationships

Holding Company	
i.	Network 18 Media & Investments Limited (Network18) (formerly Network 18 Fincap Limited)
Subsidiary Companies	
i.	RVT Media Private Limited (RVT Media)
ii.	ibn18 Media and Software Limited (ibn18 Media) (Formerly Jagran TV Private Limited (Jagran TV)
iii.	ibn18 (Mauritius) Ltd w.e.f 1 April, 2009
Joint Venture	
i.	IBN Lokmat News Private Limited (IBN Lokmat) (formerly RVT Finhold Private Limited)
ii.	Viacom18 Media Private Limited (Viacom18) w.e.f 1 April, 2009
Associates	
i.	Viacom18 Media Private Limited (Viacom18) w.e.f. 4 March, 2009 till 31 March, 2009
ii.	BK Fincap Private Limited (BK Fincap)
Fellow Subsidiaries	
i.	Television Eighteen India Limited (TV18)
ii.	Network 18 India Holdings Private Limited (N-18 Holding)
iii.	Setpro18 Distribution Limited (Setpro18), formerly Setpro 18 Distribution Private Limited
iv.	Television Eighteen Mauritius Limited, Mauritius (TEML) [Subsidiary of TV 18]
v.	NewsWire18 Limited (Newswire), formerly News Wire 18 India Private Limited till 27 February, 2009 [Subsidiary of TV 18]
vi.	RVT Investments Private Limited (RVT) [Subsidiary of TV 18]
vii.	Infomedia 18 Limited (Infomedia) w.e.f 21 August, 2008 [Subsidiary of TV 18]
viii.	Web 18 Holdings Limited, Cayman Islands (Web 18 Holding) [Subsidiary of TEML]
ix.	BK Holdings Limited, Mauritius (BKH) [Subsidiary of TEML]
x.	TV18 UK Limited (TV 18 UK) [Subsidiary of TEML]
xi.	E-18 Limited, Cyprus (E 18, Cyprus) [Subsidiary of Web 18 Holding]
xii.	e-Eighteen.com Limited (E-18) [Subsidiary of E 18, Cyprus]
xiii.	Television Eighteen Commoditiescontrol.com Limited (TECCL) [Subsidiary of E 18, Cyprus]
xiv.	Web18 Software Services Limited (Web 18) [Subsidiary of E 18, Cyprus]
xv.	Care Websites Private Limited (Care) w.e.f. 14 February, 2008 [Subsidiary of E 18, Cyprus]
xvi.	Moneycontrol Dot Com India Limited (MCD) [subsidiary of E-18]
xvii.	TV18 Home Shopping Network Limited (TV18 HSN)
xviii.	Bigtree Entertainment Private Limited (Bigtree)
Individual exercising control	
i.	Raghav Bahl (RB)
Key management personnel and their relatives	
i.	Sameer Manchanda (SM)
ii.	Rajdeep Sardesai (RS)
iii.	Sagarika Ghose (SG)
Entity under significant influence	
i.	SGA News Limited (SGA News)
ii.	Greycells 18 Media Limited (Greycells)
iii.	Digital18 Media Limited (Digital18)
iv.	Jagran TV Private Limited (Jagran TV) till 30 September, 2007

b. **Balances outstanding/transactions with related parties:**

Particulars	Holding	Entity under significant influence (Note 1)	Subsidiary	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
i. Transactions during the year						
Income from operations and other income						
1. Network18	5,033,047 (1,770,659)	- (-)	- (-)	- (-)	- (-)	- (-)
2. TV 18	- (-)	- (-)	- (-)	4,450,667 (12,407,594)	- (-)	- (-)
3. Web 18	- (-)	- (-)	- (-)	20,219,689 (8,633,697)	- (-)	- (-)
4. TV 18 HSN	- (-)	- (-)	- (-)	52,500 (7,240,600)	- (-)	- (-)
5. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	- (16,684,415)
6. IBN 18 Media	- (-)	- (-)	1,380,000 (-)	- (-)	- (-)	- (-)
7. Digital18	- (-)	129,819 (-)	- (-)	- (-)	- (-)	- (-)
8. Others	- (-)	- (-)	- (-)	609,045 (2,038,414)	- (-)	- (-)
Total	**5,033,047 (1,770,659)**	**129,819 (-)**	**1,380,000 (-)**	**25,331,901 (30,320,305)**	**- (-)**	**- (16,684,415)**
Expenditure for services received						
1. Setpro18	- (-)	- (-)	- (-)	356,905,058 (317,308,821)	- (-)	- (-)
2. TV 18	- (-)	- (-)	- (-)	66,079,980 (64,604,614)	- (-)	- (-)
3. SM	- (-)	- (-)	- (-)	- (-)	14,139,539 (14,955,494)	- (-)
4. RS	- (-)	- (-)	- (-)	- (-)	14,497,973 (13,864,000)	- (-)
5. Network18	24,683,536 (2,313,990)	- (-)	- (-)	- (-)	- (-)	- (-)
6. IBN 18 Media	- (-)	- (-)	1,721,000 (157,500)	- (-)	- (-)	- (-)
7. Others	- (-)	- (-)	- (-)	13,169,574 (20,472,252)	1,613,280 (1,546,635)	- (-)
Total	**24,683,536 (2,313,990)**	**- (-)**	**1,721,000 (157,500)**	**436,154,612 (402,385,687)**	**30,250,792 (30,366,129)**	**- (-)**
Interest (Paid)						
1. N-18 Holding	- (-)	- (-)	- (-)	- (6,328,767)	- (-)	- (-)
2. Network18	48,016,903 (150,727)	- (-)	- (-)	- (-)	- (-)	- (-)
3. TV 18	- (-)	- (-)	- (-)	11,684,215 (-)	- (-)	- (-)
4. RVT investment	- (-)	- (-)	- (-)	111,660,137 (-)	- (-)	- (-)
Total	**48,016,903 (150,727)**	**- (-)**	**- (-)**	**123,344,352 (6,328,767)**	**- (-)**	**- (-)**
Reimbursement of expenses (paid)						
1. Network18	46,939,931 (77,368,340)	- (-)	- (-)	- (-)	- (-)	- (-)
2. SGA News	- (-)	- (14,846)	- (-)	- (-)	- (-)	- (-)

Particulars	Holding	Entity under significant influence (Note 1)	Subsidiary	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
3. TV 18	- (-)	- (-)	- (-)	158,403,726 (152,976,796)	- (-)	- (-)
4. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	5,152,555 (3,418,854)
5. Setpro18	- (-)	- (-)	- (-)	257,040,475 (231,612,402)	- (-)	- (-)
6. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	2,112,868 (-)
7. Greycell	- (-)	363,000 (-)	- (-)	- (-)	- (-)	- (-)
8. Others	- (-)	4,375 (-)	- (-)	986,731 (1,741,842)	- (-)	- (-)
Total	**46,939,931 (77,368,340)**	**367,375 (14,846)**	**- (-)**	**416,430,932 (386,331,040)**	**- (-)**	**7,265,423 (3,418,917)**
Expenses incurred towards fixed assets on behalf of the Company						
1. Network 18	25,808,968 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Reimbursement of expenses (received)						
1. Network 18	9,084,254 (21,826,889)	- (-)	- (-)	- (-)	- (-)	- (-)
2. IBN 18 Media	- (-)	- (-)	- (128,455)	- (-)	- (-)	- (-)
3. Setpro 18	- (-)	- (-)	- (-)	21,085,247 (6,988,848)	- (-)	- (-)
4. TV 18	- (-)	- (-)	- (-)	64,475,004 (165,681,076)	- (-)	- (-)
5. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	28,317,022 (34,077,259)
6. Greycells 18	- (-)	- (120,000)	- (-)	- (-)	- (-)	- (-)
7. Digital18	- (-)	357,765 (19,389)	- (-)	- (-)	- (-)	- (-)
8. Infomedia	- (-)	- (-)	- (-)	23,763,050 (-)	- (-)	- (-)
9. Viacom	- (-)	- (-)	- (-)	- (-)	- (-)	4,962,037 (-)
10. Others	- (-)	- (-)	- (-)	6,887,452 (14,371,714)	- (-)	- (-)
Total	**9,084,254 (21,826,889)**	**357,765 (139,389)**	**- (128,455)**	**116,210,753 (187,041,638)**	**- (-)**	**33,279,059 (34,077,259)**
Loan taken						
1. N-18 Holding	- (-)	- (-)	- (-)	- (500,000,000)	- (-)	- (-)
2. RVT Investment	- (-)	- (-)	- (-)	1,885,000,000 (-)	- (-)	- (-)
3. Network 18	1,450,000,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total	**1,450,000,000 (-)**	**- (-)**	**- (-)**	**1,885,000,000 (500,000,000)**	**- (-)**	**- (-)**
Loan repaid						
1. N-18 Holding	- (-)	- (-)	- (-)	- (500,000,000)	- (-)	- (-)
2. RVT Investment	- (-)	- (-)	- (-)	500,000,000 (-)	- (-)	- (-)

Particulars	Holding	Entity under significant influence (Note 1)	Subsidiary	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
3. Network 18	1,000,000,000 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
Total	**1,000,000,000** **(-)**	**-** **(-)**	**-** **(-)**	**500,000,000** **(500,000,000)**	**-** **(-)**	**-** **(-)**
Investment in equity shares						
1. ibn18 (Mauritius)	- (-)	- (-)	5,081 (-)	- (-)	- (-)	- (-)
2. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	2,124,873,014 (2,434,019,661)
Total	**-** **(-)**	**-** **(-)**	**5,081** **(-)**	**-** **(-)**	**-** **(-)**	**2,124,873,014** **(2,434,019,661)**
Investment in debentures						
1. ibn18 (Mauritius)	- (-)	- (-)	658,932,846 (-)	- (-)	- (-)	- (-)
Guarantees given						
1. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	- (45,000,000)
Guarantees taken						
1. Network18	2,039,600,000 (260,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)
ii. Balances at the year end						
Loans/advances						
1. Greycells 18	- (-)	- (134,832)	- (-)	- (-)	- (-)	- (-)
2. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	24,446,741 (18,191,398)
3. TV 18 HSN	- (-)	- (-)	- (-)	- (6,809,632)	- (-)	- (-)
4. Web 18	- (-)	- (-)	- (-)	2,893,413 (14,825,434)	- (-)	- (-)
5. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	7,514,218 (42,124,102)
6. Infomedia	- (-)	- (-)	- (-)	26,970,535 (-)	- (-)	- (-)
7. Digital18	- (-)	191,865 (-)	- (-)	- (-)	- (-)	- (-)
8. Others	- (-)	- (-)	- (-)	1,052,720 (1,869,303)	- (-)	- (-)
Total	**-** **(-)**	**191,865** **(134,832)**	**-** **(-)**	**30,916,668** **(23,504,369)**	**-** **(-)**	**31,960,959** **(60,315,500)**
Creditors						
1. Network18	22,517,106 (59,529,365)	- (-)	- (-)	- (-)	- (-)	- (-)
2. Setpro18	- (-)	- (-)	- (-)	103,905,181 (174,043,930)	- (-)	- (-)
3. TV 18	- (-)	- (-)	- (-)	37,094,867 (49,443,087)	- (-)	- (-)
4. ibn18 Media	- (-)	- (-)	- (30,265)	- (-)	- (-)	- (-)
5. Others	- (-)	- (-)	- (-)	3,206,068 (4,396,734)	- (-)	- (-)
Total	**22,517,106** **(59,529,365)**	**-** **(-)**	**(30,265)**	**144,206,116** **(227,883,751)**	**-** **(-)**	**-** **(-)**
Loan Repayable						

Particulars	Holding	Entity under significant influence (Note 1)	Subsidiary	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
1. Network18	450,414,247 (-)	- (-)	- (-)	- (-)	- (-)	- (-)
2. RVT Investment	- (-)	- (-)	- (-)	1,474,718,781 (-)	- (-)	- (-)
Total	**450,414,247 (-)**	**- (-)**	**(-)**	**1,474,718,781 (-)**	**- (-)**	**- (-)**
Share application money paid pending allotment						
1. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	254,000,000 (69,000,000)
2. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	200,000,000 (200,000,146)
Total	**- (-)**	**- (-)**	**- (-)**	**- (-)**	**- (-)**	**454,000,000 (269,000,146)**
Guarantees given outstanding						
1. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	272,500,000 (272,500,000)
Guarantees taken outstanding						
1. Network18	2,719,600,000 (880,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)
Investments at year end						
1. ibn18 Media	- (-)	- (-)	1,000,0000 (1,000,000)	- (-)	- (-)	- (-)
2. ibn18 (Mauritius)	- (-)	- (-)	658,937,927 (-)	- (-)	- (-)	- (-)
3. RVT Media	- (-)	- (-)	100,000 (100,000)	- (-)	- (-)	- (-)
4. Web18 Holding	- (-)	- (-)	- (-)	1,848,836 (1,848,836)	- (-)	- (-)
5. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	4,561,892,675 (2,441,519,661)
6. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	86,250,000 (86,250,000)
Total	**- (-)**	**- (-)**	**660,037,927 (1,100,000)**	**1,848,836 (1,848,836)**	**- (-)**	**4,648,142,675 (2,527,769,66)**

Figures in brackets indicate amounts pertaining to the previous year.

Notes:

1. includes entity under significant influence of individuals having direct/indirect significant influence, their relative, KMP and their relatives.
2. includes subsidiaries of fellow subsidiary
3. also see note 8(a)

16. Rights issue

During the year, the Company has made a rights issue of 54,495,443 equity shares of Rs. 2 each at a premium of Rs. 91.50 per share aggregating to Rs. 5,095.32 million to the existing shareholders of the Company. The rights issue opened on 10 March, 2010 and closed on 25 March, 2010.

The Company has received Rs. 1,740.77 million as against share application money from its equity shareholders under the Rights issue as on 31st March 2010. As at 31st March 2010, the Company has not utilized any amount out of the proceeds received of the above said Rights issue and the amount is set aside in the bank account.

17. Barter Transactions

During the year ended 31 March 2010, the Company had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The Income from operations for the year ended 31 March, 2010 has been net of, to reflect revenue from barter transactions of Rs. 87.53 million and expenditure of Rs. 89.44 million being the fair value of barter transactions provided and received.

18. Transfer Pricing

As per the Transfer Pricing Rules of the Income tax Act, 1961 every company is required to get a transfer pricing study conducted to determine whether the international transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2010 is currently in progress and hence adjustments if any which may arise there from have not been taken into account in these financial statements for the year ended

31 March, 2010 and will be effective in the financial statements for the year ended 31 March, 2011. However in the opinion of the Company's management, adjustments, if any, are not expected to be material.

19. Disclosures as per Micro, Small and Medium Enterprises Development Act, 2006 (MSMED)

Based on the information available with the Company, the balance due to micro and small enterprises as defined under the MSMED Act, 2006 is Rs. Nil (Previous year Rs. Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006.

20. Foreign exchange forward contracts

The Company does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as on 31 March, 2010 is as follows:

Particulars	**Currency**	**Amount**	
		Foreign Currency	**INR**
Payable	USD	571,270	25,787,127
	GBP	22,361	1,521,193

21. Obligation on long term, non-cancellable operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account. The Company has taken various residential/ commercial premises under cancelable/non cancelable operating leases. The cancellable lease agreements are normally renewed on expiry. Rent amounting to Rs. 62,668,477 (Previous year Rs. 76,474,245) has been debited to the profit and loss account during the year. The details of future minimum lease payments under leases are as under:

Particulars	**Year ended 31.03.2010**	Year ended 31.03.2009
Not later than one year	**76,909,578**	69,312,555
Later than one year but not later than five years	**83,769,924**	189,832,281
More than five years	**1,196,489**	9,376,760

22. The financial statement for the year ended 31 March 2010 has not been signed by the Joint Managing Director due to his urgent visit outside India. Accordingly, two other directors have signed the financial statements.

23. Previous year's amounts have been reclassified/ regrouped to conform to the current year's presentation.

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Noida
28 May, 2010

STATEMENT PURSUANT TO SECTION 215(2) OF THE COMPANIES ACT, 1956

The Balance Sheet and Profit & Loss Account for the Financial Year ended on March 31, 2010 of ibn18 Broadcast Limited (the 'Company') has not been signed by the Joint Managing Director of the Company due to his urgent visit outside India. Accordingly, two other Directors, as authorized by the Board of Directors of the Company, have signed aforesaid Balance Sheet and Profit & Loss Account, for and on behalf of the Board of Directors of the Company.

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Noida
28 May, 2010

(Currency : Indian Rupees in Thousands)

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956, of India

Balance Sheet Abstract & Company's General Business Profile

I. Registration Details :

Registration No. 1 3 7 2 1 4

State code 5 5

Balance sheet Date : 3 1 0 3 2 0 1 0

II. Capital raised during the year **(All amounts in Rs. thousands)**

Public Issue N I L

Rights Issue N I L

Bonus Issues N I L

Private Placement N I L

Preferential allotment 5 0 0 0

III. Position of Mobilisation and Deployment of Funds **(All Amount in Rs. thousands)**

Total Liabilities (including Shareholders' Funds) 1 0 9 5 8 7 5 4

Total Assets 1 0 9 5 8 7 5 4

Sources of Funds

Paid up Capital 3 6 3 3 0 3

Reserves & Surplus 1 9 2 4 4 6 9

Secured Loans 2 2 2 0 1 4 1

Unsecured Loans 2 1 8 4 7 4 9

Deferred Tax Liability N I L

Application of Funds

Net Fixed Assets (including capital work in progress) 7 5 4 6 8 3

Investment 4 6 5 1 0 9 2

Net Current Assets 2 8 8 5 7 9 3

Miscellaneous Expenditure 8 9 3 1 3

IV. Performance of Company **(All amounts in Rs. thousands except per share data)**

Turnover (including Other Income) 2 6 3 7 1 9 3

Total Expenditure 3 4 5 8 1 8 2

(Please tick approriate box + for Profit, - for Loss)

Profit/Loss Before Tax + - ✓ 8 2 0 9 9 0

Profit/Loss After Tax + - ✓ 8 2 0 9 9 0

(Please tick apprroriate box + for Profit, - for Loss)

Earning per Share (in Rs.) - Annualised + - ✓ 4 . 5 6

Dividend Rate % N I L

(Please tick apprroriate box + for Positive, - for Negative)

V. Generic names of principal products/services of the company

Item Code No. (ITC Code) -

Product Description Broadcasting/Telecasting services

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Noida
28 May, 2010

AUDITORS' REPORT

TO THE BOARD OF DIRECTORS
ibn18 BROADCAST LIMITED

1. We have audited the attached Consolidated Balance Sheet of **ibn18 Broadcast Limited,** ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31 March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of Rs. 3,117,971,190 as at 31 March, 2010, total revenues of Rs. 4,246,285,835 and net cash outflows amounting to Rs. 231,170,749 for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of other auditors.
4. *As set out in Note 3 a iv of Schedule 15 to the Consolidated Financial Statements the Group has not consolidated two subsidiaries of its 50% joint venture. The Group's share of total assets and total revenues in these subsidiaries of its joint venture is Rs. 6,645,338 as at 31 March, 2010 and Rs. 12,935,819 respectively for the year ended on that date. This is not in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures).*
5. *Subject to our comments in paragraph 4 above,* we report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 'Financial Reporting of Interests in Joint Ventures' as notified under the Companies (Accounting Standards) Rules, 2006.
6. Based on our audit and on consideration of separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures, and to the best of our information and according to the explanations given to us, *subject to the adjustments that may arise pursuant to our comments in paragraph 4 above,* in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2010;

ii. in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the year ended on that date; and

iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants
(Registration No. 015125N)

JITENDRA AGARWAL
Partner
(Membership No. 87104)

Gurgaon
28 May, 2010

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2010

	Schedule Reference	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a. Share capital	1	**582,980,456**	358,302,956
b. Share application money (pending allotment)		**1,688,218,345**	229,500,000
c. Optionally convertible equity warrants issued and subscribed (see note 6)		-	25,500,000
d. Employee stock options outstanding	2	**48,907,559**	29,614,474
e. Reserves and surplus	3	**3,666,657,214**	3,416,657,214
2. LOAN FUNDS			
a. Secured loans	4	**2,534,759,005**	947,216,245
b. Unsecured loans	5	**2,184,749,466**	361,283,349
		10,706,272,045	5,368,074,238
APPLICATION OF FUNDS			
3. FIXED ASSETS	**6**		
a. Gross block		**1,649,442,469**	1,362,354,856
b. Less: Depreciation		**710,720,197**	393,184,219
c. Net block		**938,722,272**	969,170,637
d. Capital work in progress		**6,347,417**	-
		945,069,689	969,170,637
4. GOODWILL		**3,539,938,138**	162,405
5. INVESTMENTS	7	**3,584,764**	2,359,953,955
6. CURRENT ASSETS, LOANS & ADVANCES	8		
a. Inventories		**370,080,484**	922,608
b. Sundry debtors		**2,281,694,259**	587,538,910
c. Cash and bank balances		**2,568,680,275**	139,296,208
d. Loans and advances		**1,033,838,547**	921,414,277
		6,254,293,565	1,649,172,003
7. LESS: CURRENT LIABILITIES AND PROVISIONS	9		
a. Current liabilities		**2,407,265,407**	791,675,391
b. Provisions		**56,998,490**	61,456,883
		2,464,263,897	853,132,274
8. NET CURRENT ASSETS (6-7)		**3,790,029,668**	796,039,729
9. PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)	10	**2,338,336,904**	1,242,747,512
10. MISCELLANEOUS EXPENDITURE		**89,312,882**	-
		10,706,272,045	5,368,074,238
Notes to the accounts	15		

The schedules referred to above form an integral part of the Balance Sheet

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

Gurgaon
28 May 2010

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Noida
28 May 2010

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31 MARCH, 2010

	Schedule Reference	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
1. INCOME			
a. Income from operations		**6,035,042,976**	1,827,222,318
b. Other income	11	**553,652,326**	129,868,204
		6,588,695,302	1,957,090,522
2. EXPENDITURE			
a. Production, administrative and other costs	12	**5,232,511,758**	1,612,817,021
b. Personnel expenses	13	**1,130,209,143**	783,440,958
c. Interest and financial charges	14	**476,526,234**	205,145,225
d. Depreciation	6	**186,247,509**	175,335,260
e. Option premium paid		**658,113,750**	-
		7,683,608,394	2,776,738,464
3. Profit/(Loss) before tax		**(1,094,913,092)**	(819,647,942)
4. Provision for taxes		**676,300**	16,945,478
5. Profit/(Loss) after tax carried to balance sheet		**(1,095,589,392)**	(836,593,420)
Add: Share in losses of associate		-	(83,414,542)
6. Profit/(Loss) after tax carried to balance sheet		**(1,095,589,392)**	(920,007,962)
Earning per equity share (See note 9)			
(Face Value of Rs. 2 per share)			
Basic		**(6.08)**	(1.75)
Diluted		**(6.08)**	(1.75)
Notes to the accounts	15		

The schedules referred to above form an integral part of the Profit and Loss Account

As per our report of even date attached
For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

Gurgaon
28 May 2010

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Noida
28 May 2010

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

		Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**(1,094,913,092)**	(819,647,942)
	Adjustments for :		
	Depreciation	**186,247,509**	175,335,260
	Loss on sale/disposal of assets	**723,028**	518,226
	Employee stock compensation expenses	**19,293,085**	16,859,598
	Finance expenses	**476,526,234**	205,145,225
	Foreign exchange loss / (gain)	**(2,815,975)**	15,127,512
	Dividend income	-	(707,324)
	Profit on sale of short term investments	**(4,125,780)**	(11,726,446)
	Provisions written back	**(8,929,804)**	(97,928,210)
	Interest income	**(12,397,447)**	(23,434,918)
	Option premium paid (paid last year)	**304,881,029**	-
	Operating profit before working capital changes	**(135,511,213)**	(540,459,019)
	Adjustments for :		
	Decrease/(Increase) in Current assets	**(573,135,208)**	127,030,175
	Increase/(Decrease) in Current liabilities	**147,116,510**	328,174,343
	Cash generated from/ (used in) operations	**(561,529,911)**	(85,254,501)
	Tax paid (including Fringe benefit tax)	**(142,519,806)**	(64,655,060)
	Net cash from/ (used in) operating activities	**(704,049,717)**	(149,909,561)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	**(80,144,300)**	(139,451,224)
	Sale of assets/claim received	**3,276,001**	3,679,619
	Investments sale / (purchased)		
	- in subsidary/affiliates (including share application money)	**(1,680,237,325)**	(2,259,488,242)
	- in mutual funds and others (net)	**4,125,780**	13,188,112
	Interest received	**11,643,211**	24,570,893
	Dividend received	-	707,324
	Net cash from/ (used in) investing activities	**(1,741,336,633)**	(2,356,793,518)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest paid	**(468,446,446)**	(196,755,818)
	Share application money received	**1,740,771,860**	-
	Proceeds from issue of equity shares	-	2,864,567,076
	Rights issue expenses	**(89,312,882)**	(67,674,166)
	Increase / (Decrease) in loans	**3,394,375,757**	(161,097,193)
	Net cash from/ (used in) financing activities	**4,577,388,289**	2,439,039,899
	Net increase/ (decrease) in cash and cash equivalents	**2,132,001,939**	(67,663,180)
	Cash and cash equivalents as at the beginning of the year	**139,296,208**	165,954,447
	Cash and cash equivalents acquired on merger	-	41,004,941
	Opening Cash and cash equivalents of Viacom18	**297,382,128**	-
	Cash and cash equivalents as at the end of the year	**2,568,680,275**	139,296,208

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Cash and cash equivalents includes Rs. 152,712,768 (Previous year Rs. 119,205,662) under lien with banks which are not available for use by the Company
4. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

As per our report of even date attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner
Membership No. 87104

Gurgaon
28 May 2010

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Noida
28 May 2010

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
275,000,000 (Previous year 200,000,000) Equity shares of Rs. 2 each (Previous year Rs. 2 each)	**550,000,000**	400,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
181,651,478 (Previous year 179,151,478) Equity shares of Rs. 2 each fully paid up (Previous year Rs. 2 each)	**363,302,956**	358,302,956
Of the above, 47,724,140 (Previous year 47,724,140) Equity shares of Rs. 2 each (Previous year Rs. 2 each) fully paid up are held by Network18 Media & Investments Limited (Formerly Network18 Fincap Limited), the holding company.		
Of the above, 47,384,140 shares were issued for consideration received other than cash pursuant to scheme of amalgamation between the company and SRH Broadcast News Holdings Private Limited		
24,217,750 (Previous year Nil) 0.01% Convertible Redeemable Cumulative Preference shares of Rs.10 each fully paid up by Viacom18 Media Private Limited (50%)	**219,677,500**	-
	582,980,456	358,302,956
SCHEDULE 2		
EMPLOYEE STOCK OPTIONS OUTSTANDING		
a. Employees stock options outstanding	**56,991,187**	59,743,968
b. Less: Deferred employee compensation	**8,083,628**	30,129,494
c. Net balance	**48,907,559**	29,614,474
SCHEDULE 3		
RESERVES AND SURPLUS		
a. Securities Premium Account		
i. Opening balance	**3,237,938,873**	1,838,504,633
ii. Add:		
- Premium arising on conversion of warrants	**250,000,000**	2,215,800,000
- Amount received during the year through QIP	-	1,120,450,800
iii. Less:		
- QIP and merger expenses	-	67,674,166
- Adjustments pursuant to Scheme of Arrangement (see note 4)		
- Profit and loss account balance as at 30 September, 2007	-	659,525,644
- On account of merger of ibn 7 News Undertaking of Jagran TV Private Limited (JTV) (see note 4a)	-	673,197,375
- On account of merger of BK Fincap Private Limited (see note 4b)	-	6,094,375
- Investment in Jagran TV Private Limited of BK Fincap Private Limited	-	329,925,000
- Investment in Jagran TV Private Limited of the Company	-	200,400,000
iv. Closing balance	**3,487,938,873**	3,237,938,873
b. General Reserve	**9,998,341**	9,998,341
c. Capital Reserve	**168,720,000**	168,720,000
	3,666,657,214	3,416,657,214
SCHEDULE 4		
SECURED LOANS (from banks)		
a. Cash credit (see note 7a)	**792,350,676**	414,728,671
b. Term loan (see note 7b and 7c)	**1,742,338,673**	532,267,465
c. Other loans (see note 7d)	**69,656**	220,109
	2,534,759,005	947,216,245
SCHEDULE 5		
UNSECURED LOANS		
a. Short term loan from a bank	-	200,000,000
b. Short term loan from Others	**2,184,749,466**	161,283,349
	2,184,749,466	361,283,349

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

SCHEDULE 6
FIXED ASSETS

(All amounts in Rupees)

Particulars	GROSS BLOCK AT COST					DEPRECIATION					NET BLOCK	
	As at 01.04.2009	Additions	Additions on Acquisition of JV	Sale/ Adjustment	**As at 31.03.2010**	As at 01.04.2009	For the year	Additions on Acquisition of JV	Sale/ Adjustment	**As at 31.03.2010**	**As at 31.03.2010**	As at 31.03.2009
Tangible Assets												
Freehold Land	-	490,064	-	-	**490,064**	-	-	-	-	-	**490,064**	-
Leasehold improvements	219,477,482	28,359,755	29,098,158	412,714	**276,522,681**	72,588,572	44,888,207	17,369,139	62,109	**134,783,809**	**141,738,872**	146,888,910
Plant & machinery	866,072,578	29,519,920	119,743,734	521,773	**1,014,814,459**	186,875,790	78,950,047	86,323,437	157,114	**351,992,160**	**662,822,299**	679,196,788
Electrical installation	20,026,422	564,700	-	1,885,816	**18,705,306**	3,941,796	1,316,547	-	179,413	**5,078,930**	**13,626,376**	16,084,626
Computers	84,254,422	8,273,354	43,904,156	2,748,906	**133,683,026**	42,560,780	24,000,228	21,785,702	1,905,141	**86,441,569**	**47,241,457**	41,693,642
Furniture & fixtures	21,656,645	475,990	4,590,096	-	**26,722,731**	7,787,721	2,222,774	1,573,371	-	**11,583,866**	**15,138,865**	13,868,924
Vehicles	18,759,762	411,082	761,216	1,986,186	**17,945,874**	5,394,332	1,770,034	761,214	1,252,589	**6,672,991**	**11,272,883**	13,365,430
Intangible Assets												
Computers software	132,107,545	6,688,661	18,471,389	-	**157,267,595**	74,035,228	32,825,471	7,031,972	-	**113,892,671**	**43,374,924**	58,072,317\
Rights	-	3,290,733	-	-	**3,290,733**	-	274,201	-	-	**274,201**	**3,016,532**	-
Total	1,362,354,856	78,074,259	216,568,749	7,555,395	**1,649,442,469**	393,184,219	186,247,509	134,844,835	3,556,366	**710,720,197**	**938,722,272**	969,170,637
Previous year	772,195,001	640,562,561	-	50,402,706	1,362,354,856	150,327,381	289,061,699	-	46,204,861	393,184,219	969,170,637	621,867,620

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 7		
INVESTMENTS		
Unquoted - Long term (trade) (at cost)		
(See note 10)		
a. in equity shares of other companies		
i. 12,163,717 (Previous year 12,163,717) Class A Ordinary shares of Web18 Holdings Limited of USD 0.00374 each fully paid up	**1,848,836**	1,848,836
ii. Nil (Previous year 15,511,361) equity share of Viacom18 Media Private Ltd	-	2,350,605,119
iii. 1,475 (Previous year Nil) equity share of Viacom 18 Media (UK) Ltd of GBP 1 each fully paid up (100% subsidiary of Viacom18 Media Private Limited)	**117,964**	-
iv. 50 (Previous year Nil) equity share of Viacom 18 Media US Inc of USD 0.01 each fully paid up (100% subsidiary of Viacom18 Media Private Limited)	**117,964**	-
b. in equity warrants of other companies		
i. Nil (Previous year 4,500,000) share warrants of Series “B” of Viacom18 Media Private Limited of Rs. 1 each fully paid up	-	4,500,000
ii. 1,500,000 (Previous year 3,000,000) share warrants of Series “C” of Viacom18 Media Private Limited of Rs. 1 each fully paid up	**1,500,000**	3,000,000
Aggregate of unquoted long term investments	**3,584,764**	2,359,953,955
	3,584,764	2,359,953,955

SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 8		
CURRENT ASSETS, LOANS & ADVANCES		
a. Inventories		
i. Tapes and compact discs	**1,022,423**	922,608
ii. Unamortised Cost of Completed Films, Shows & Events and Rights	**366,788,206**	-
iii. Projects in progress	**2,269,855**	-
	370,080,484	922,608
b. Sundry debtors (Unsecured)		
i. Debts outstanding for more than 6 months		
- considered good	**526,684,217**	51,011,279
- considered doubtful	**24,998,000**	12,737,895
ii. Other debts		
- considered good	**1,755,010,042**	536,527,631
- considered doubtful	**9,157,263**	-
	2,315,849,522	600,276,805
iii. Less: Provision for doubtful debtors	**34,155,263**	12,737,895
	2,281,694,259	587,538,910
c. Cash and bank balances		
i. Cash on hand	**1,189,644**	976,055
ii. Cheques on hand	**218,862,524**	-
iii. Balance with scheduled banks:		
- in current accounts	**422,580,566**	20,569,083
- in deposit accounts	**185,275,681**	117,751,070
- in rights issue accounts	**1,740,771,860**	-
	2,568,680,275	139,296,208
d. Loans & advances		
(Unsecured, considered good)		
i. Advances recoverable in cash or in kind or for value to be received	**481,378,485**	198,424,863
ii. Share application money paid	**122,500,000**	517,381,321
iii. Advance to vendors	**33,181,218**	15,405,909
iv. Income tax deducted at source	**261,166,998**	118,063,033
v. Interest accrued but not due	**1,832,891**	1,078,655
vi. Security and other deposits	**132,795,796**	70,091,496
vii. Fringe benefit tax paid	**983,159**	969,000
	1,033,838,547	921,414,277
SCHEDULE 9		
CURRENT LIABILITIES & PROVISIONS		
a. Current liabilities		
i. Sundry creditors	**1,955,307,741**	612,891,231
ii. Interest accured but not due	**17,256,705**	9,176,917
iii. Other liabilities	**272,105,456**	114,958,565
iv. Advance from customer	**110,041,990**	54,648,678
v. Share application money to be refunded	**52,553,515**	-
	2,407,265,407	791,675,391
b. Provisions		
i. Retirement benefits	**55,144,006**	60,862,858
ii. Fringe benefit tax payable	**1,854,484**	594,025
	56,998,490	61,456,883
	2,464,263,897	853,132,274
SCHEDULE 10		
PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)		
a. Opening balance	**1,242,747,512**	1,020,080,160
b. Add:		
- Loss for IBN 7 News Undertaking for the period 1 October, 2007 to 31 March, 2008 transferred pursuant to the Scheme of Arrangement (see note 4a)	-	93,063,415
- Loss for BK Fincap Private Limited for the period 1 October, 2007 to 31 March, 2008 transferred pursuant to the Scheme of Arrangement (see note 4b)	-	36,268
- Loss brought forward from Profit and loss account	**1,095,589,392**	920,007,962
c. Less:		
- Profit and loss balance adjusted from Securities Premium account pursuant to Scheme of Arrangement	-	(659,525,644)
- Share in losses of associate from BK Fincap adjusted	-	(130,914,649)
	2,338,336,904	1,242,747,512

SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT

		Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
SCHEDULE 11			
OTHER INCOME			
a.	Income from sale of ibn18 shares by ibn18 trust	**514,600,000**	-
b.	Loan balance written back	**5,737,220**	90,000,000
c.	Interest on		
	- Inter company balances	**1,914,483**	-
	- Fixed deposits	**12,397,447**	23,434,918
d.	Dividend on short term investments	-	707,324
e.	Profit on sale of short term investments	**4,125,780**	11,726,446
f.	Excess provision written back	**3,192,584**	3,964,105
g.	Foreign exchange fluctuation income	**2,815,975**	-
h.	Miscellaneous income	**8,868,837**	35,411
		553,652,326	129,868,204
SCHEDULE 12			
PRODUCTION, ADMINISTRATIVE AND OTHER COSTS			
a.	Cost of Shows	**1,731,021,471**	-
b.	Cost of Film rights	**279,777,102**	-
c.	Cost of Music rights	**46,580,107**	-
d.	Film and production shoot expenses	**91,025,006**	-
e.	Studio and equipment hire charges	**76,537,506**	68,235,404
f.	Telecast and uplinking fees	**119,591,779**	71,535,141
g.	Tapes consumed	**10,899,699**	6,320,131
h.	Content and franchise expenses	**105,336,886**	108,777,474
i.	Media professional fees	**175,916,888**	76,531,049
j.	Other production expenses	**38,148,434**	24,954,599
k.	Rent	**106,107,895**	84,955,777
l.	Electricity expenses	**40,772,190**	32,092,713
m.	Insurance	**12,383,806**	5,750,392
n.	Travelling and conveyance	**130,505,908**	138,247,507
o.	Vehicle running and maintenance	**66,367,743**	63,461,683
p.	Communication expenses	**48,534,196**	42,983,604
q.	Distribution, advertising and business promotion	**1,963,001,902**	742,670,058
r.	Repairs and maintenance		
	- Building	**4,477,314**	-
	- Plant & machinery	**42,174,057**	45,111,553
	- Others	**11,350,260**	5,515,681
s.	Legal and professional expenses	**53,412,524**	17,289,304
t.	Rate, fees and taxes	**3,101,709**	124,503
u.	Office upkeep and maintenance	**35,500,494**	37,757,468
v.	Directors sitting fees	**345,000**	198,500
w.	Loss on sale / disposal of assets	**723,028**	518,226
x.	Loss on exchange rate fluctuation (net)	-	15,127,512
y.	Bad debts written off/ provided for	**18,320,326**	7,495,630
z.	Miscellaneous expenses	**20,598,528**	17,163,112
		5,232,511,758	1,612,817,021
SCHEDULE 13			
PERSONNEL EXPENSES			
a.	Salaries and bonus	**1,003,019,897**	645,892,021
b.	Contribution to provident fund and other funds	43,051,985	34,218,737
c.	Staff welfare expenses	**64,740,925**	54,421,553
d.	Retirement benefits	**103,251**	32,049,049
e.	Employee stock compensation expenses	**19,293,085**	16,859,598
		1,130,209,143	783,440,958
SCHEDULE 14			
INTEREST AND FINANCIAL CHARGES			
a.	Interest on:		
	- Term loans	**174,192,830**	112,548,088
	- Cash credit	**59,184,641**	55,052,687
	- Others	**199,306,405**	12,011,739
b.	Other financial charges	**43,842,358**	25,532,711
		476,526,234	205,145,225

SCHEDULE 15
NOTES FORMING PART OF THE ACCOUNTS (CONSOLIDATED)

1. These financial statements comprise a consolidation of the accounts of ibn18 Broadcast Limited, the Parent, and following:

Company	Relation	Country of Incorporation	Percentage stake of the Parent (% age)
RVT Media Private Limited	Subsidiary	India	100.00
Ibn18 Media & Software Limited (formerly known as Jagran TV Private Limited)	Subsidiary	India	100.00
Ibn18 Mauritius Limited	Subsidiary	Mauritius	100.00
IBN Lokmat News Private Limited	Joint Venture	India	50.00
Viacom18 Media Private Limited	Joint Venture	India	50.00

2. **Background**

The parent company ibn18 Broadcast Limited (Formerly known as Global Broadcast News Limited) was incorporated on 6 June, 2005 as Global Broadcast News Private Limited. The parent company was converted into a public limited Company and a revised Certificate of Incorporation was issued to give effect to this change w.e.f. 12 December, 2005. Later, the name of the parent company was changed to ibn18 Broadcast Limited (hereinafter referred as "ibn18") and a revised Certificate of Incorporation was issued to give effect to this change on 02 April, 2008. ibn18 is in the business of broadcasting, telecasting, relaying and transmitting general news programmes and operates the news channel "CNN IBN" (consequent to a licensing and content sharing agreement with Turner Broadcasting System Asia Pacific, Inc.). The commercial operations of the Company commenced on 17 December, 2005. Further, after merger of ibn7 undertaking of Jagran TV Private limited, ibn18 is broadcasting, telecasting, relaying and transmitting hindi general news programmes and operates the news channel "IBN7".

RVT Media Private Limited (RVT Media), a 100% subsidiary of ibn18, is engaged in the business of broadcasting, telecasting, transmitting or distributing in any manner, any audio, video or other programmes or software.

Ibn18 Media & Software Limited (Jagran TV) has become 100% subsidiary of ibn18 with effect from 1 October 2007, pursuant to Scheme of Arrangement approved by the High Court Order dated 22 November, 2008.

ibn18 Mauritius Limited (Ibn18 Mauritius) has become a 100% subsidiary of ibn18 and is engaged in the principal activity of media business and investment in media undertaking.

IBN Lokmat News Private Limited (IBN Lokmat), a 50% joint venture with Lokmat Newspapers Private Limited, is in the business of broadcasting, telecasting, relaying and transmitting general news programmes and operates the news channel "IBN Lokmat".

Viacom18 Media Private Limited (Viacom18), a joint venture of ibn18 (50% shareholding), operates four TV channels ("Colors", "MTV" (India), "Nick" (India) and "VH1"), and has a films division ("Studio18") and sells merchandise related to its brands. Till March 31, 2009 Viacom18 was consolidated as an Associate with 33.71% holding. With effect from April 01, 2009, Viacom18 was consolidated as a joint venture with 33.71% holding till 14th July 2010 and thereafter at 50% holding.

Excess of Purchase consideration over the Parent company's share in the networth of Viacom18 is considered as Goodwill.

Hereinafter ibn18 Broadcast Limited, RVT Media Private Limited, IBN Lokmat News Private Limited and Viacom18 Media Private Limited, ibn18 Mauritius Limited and Ibn18 Media & Software Limited are collectively termed as "the Group".

Of the total equity share capital of the Parent, 47,724,140 equity shares of face value of Rs. 2 each (Previous year 47,724,140 equity shares of face value of Rs. 2 each) are held by Network 18 Media & Investments Limited (Formerly known as Network 18 Fincap Limited). Network 18 Media & Investments Limited is also the holding company by virtue of management control over the Group's operations.

3. **Significant Accounting Policies**

The consolidated financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles (GAAP) in India and comply with the Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 to the extent applicable and in accordance with the provisions of the Companies Act, 1956 as adopted consistently by the Group to the extent practicable.

The significant accounting policies adopted in presentation of the consolidated financial statements are:

a. **Basis of consolidation**

The financial statements of the subsidiary, joint venture and associate used in the consolidation are drawn up to the same reporting dates as that of the Parent.

The Consolidated Financial Statements have been prepared on the following basis:

i. The financial statements of the Parent, its subsidiary company and joint venture have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.

ii. Interest in a jointly controlled entity is reported using proportionate consolidation.

iii. The consolidated financial statements include the share of profit/loss of associates companies, which are accounted under the 'Equity method' as per which the share of loss of the associate company has been reduced to the cost of investment. Goodwill/ Capital reserve arising on the date of acquisition is included in the cost of investments. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

iv. The Group has not consolidated two of the subsidiaries of its 50% joint venture. The Group's share of total assets and total revenues in these subsidiaries of its joint venture is Rs. 6,645,338 as at 31 March, 2010 and Rs. 12,935,819 for the year ended on that date. This is not in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures). The management is of the view that the volume of transactions in these companies is not significant for the group as a whole and non-consolidation of these subsidiaries of joint venture will not result in the Consolidated Financial Statements to be materially misstated.

b. Revenue Recognition

i. Income from media operations includes:

➢ Advertisement revenue comprising:

- Revenue from sale of advertising time, which is recognised on the accrual basis when advertisements are telecast in accordance with contractual obligations.
- Revenue from sponsorship contracts, which is recognised proportionately over the term of the sponsorship.

➢ Subscription revenue which is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency.

➢ Revenue from export of television programmes are recognised when the programmes are dispatched to the customer.

➢ Facility and equipment rental is accounted for on the accrual basis for the period of use of equipment by the customers.

➢ Commission

- Advertisement sales commission from acting as an advertising agent is recognised when the advertisement is transmitted and the necessary intimation is received from the principal.
- Revenues from production and supervision commission are recognised on the basis of completion of milestone of the movies under production

➢ Licensing and Merchandising

Licensing and merchandising revenue is recognised as per the terms of the arrangement.

➢ Other Sales and Service Income

- Brand Solutions and Marketing Partnership revenue is recognised as per the terms of the arrangement.
- Revenues from distribution commission are recognized on the date of release of the movie.

➢ Licensing of Film Rights

- Revenues from theatrical distribution of movies are recognised on the theatrical release of the movie

➢ Revenues from sale of rights of movies are recognised in accordance with the licensing agreement. In case of the in-house distribution of DVDs/VCDs revenue is recognized on delivery.

ii. Dividends on investments are accounted for when the right to receive dividend is established.

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

c. Fixed Assets

Fixed assets are stated at their original cost of acquisition/installation less depreciation. All direct expenses attributable to acquisition/installation of assets are capitalised.

d. Depreciation

Depreciation on all assets other than leasehold improvements and computer software is charged on straight line basis over the estimated useful lives, using rates (including double/ triple shift depreciation rates wherever applicable) prescribed by Schedule XIV of the Companies Act, 1956.

Cost of leasehold improvements is being amortised over the remaining period of lease (including renewal options) of the premises. Computer software is depreciated over a period of 5 years. These rates are higher than those prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on additions is charged proportionately from the date of acquisition/ installation. Assets costing Rs. 5,000 or less individually have been fully depreciated in the year of purchase.

Viacom18 is providing depreciation / amortisation of fixed assets on straight line method on a prorata basis at the following rates:

Black berry and mobile phone handsets	100.00%
Furniture and fixtures, Office equipment, Integrated Receiver Decoder, Studio equipment, Audio video equipment and Motor Vehicles	20.00%
Computer hardware	33.33%
Computer software, Leasehold improvements (* 3 years or licence / lease period whichever is less)	33.33%*

e. Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss.

Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

f. Inventories

Inventories consist of blank betacam videotapes and are stated at cost on First in First out (FIFO) basis. Stocks of other tapes are written off at the time of purchase.

Viacom18 amortizes the cost of motion picture rights acquired by it, on first theatrical release of the movie, for the film production and distribution business division. The said amortization is made proportionately on domestic Theatrical Rights. Television Rights, Music Rights and Video Rights, as applicable to each case, based on Management estimate of revenue from each of these rights. In case of aforesaid rights being not exploited along with or prior to the first theatrical release, proportionate appropriated cost of the said right in carried forward to be written off as and when such right is commercially exploited or at the end of the one year from the date of first theatrical release, whichever occurs earlier.

Inventory, thus comprises unamortized cost of such movie rights along with amounts paid for motion pictures under production / in process.

Viacom18 evaluates the realizable value and /or revenue potential of inventory on an annual basis and appropriate write down is made in cases where accelerated write down is warranted.

Viacom18 evaluates the realizable value and / or revenue potential of inventory of its general entertainment channel based on the type of programming assets. The program costs are expensed over the license period or as determined in this policy as mentioned hereunder:

i. Under the fiction and non-fiction category for local and / or foreign shows, the amortisation would be 90% in the first year of telecast and the balance 10 % amortised evenly in the second year.
ii. For events, in case of multiple run rights, the amortization would be 60%, 20% and 20% in the first, second and third years respectively, for a three years right and 60% and 40% in the first and second years respectively, for a two years right.
iii. For movies, in case of multiple run rights, the amortization would be 50%, 30% and 20% in the first, second and third years respectively, for a three years right and 50% each in the first and second years, for a two years right. Movies having either a single or multiple run rights and costing up to Rs.1.5 million would be fully amortised on the first airing.
iv. Work-in-progress (program under preparation) is valued at cost in Viacom18. Finished goods (Completed program) are valued at cost or net realisable value, whichever is less.

g. Investments

Long term investments are stated at cost less other than temporary diminution in the value of such investments. Current investments are carried at lower of cost or fair value.

h. Employee Benefits

i. The Group's Employee's Provident Fund scheme is a defined contribution plan. The Group's contribution to the Employees' Provident Fund is charged to the profit and loss account during the period in which the employee renders the related service.
ii. Short term employee benefits (Medical, Leave travel allowance, etc.) expected to be paid in exchange for the services rendered are recognised on undiscounted basis.
iii. The Group provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the projected unit credit method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date. Actuarial gains/losses are recognised immediately in the profit and loss account. The expected rate of return of plan assets is the Group's expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations. Plan assets are measured at fair value as at the Balance Sheet date.

iv. Benefits comprising long term compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year end except for Viacom18 wherein liability is nil as at year end since there is no leave encashment or carried forward. Actuarial gains and losses are recognised immediately in the profit and loss account.

i. Goodwill on consolidation

The Group accounts for goodwill arising on consolidation at cost and recognises where applicable, any impairment

j. Foreign Currency Translation

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transactions settled during the year are recognised in the profit and loss account.

Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing at the date of balance sheet, the resultant exchange differences are recognised in the profit and loss account.

In respect of foreign integral operations, monetary assets and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. Non-monetary items are translated at the historical rate, The items in the profit and loss account are translated at the average rate during the year. The differences arising out of the translation are recognised in the profit and loss account.

In respect of foreign non integral operations, asset and liabilities are translated at the exchange rate prevailing at the date of the balance sheet. The items in the profit and loss account are translated at the average exchange rate during the year. The differences arising out of the translation are transferred to the exchange translation reserve.

k. Taxation

Income tax comprises current tax and deferred tax Current tax is determined in accordance with the provisions of Income Tax Act, 1961. Advance taxes and provisions for current taxes are presented in the balance sheet after off setting advance taxes paid and income tax provisions.

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal, subject to consideration of prudence, in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Tax provisions for overseas subsidiaries/ joint ventures is determined in accordance with the tax laws of their respective country of incorporation.

l. Earnings Per Share

The Group reports basic and diluted earnings per equity share in accordance with AS-20, Accounting Standard on Earnings Per Share. Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year ending 31 March, 2010. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year ending 31 March 2010 except where the results would be anti-dilutive.

m. Borrowing Costs

Borrowing costs that are directly attributable to acquisition, construction or production of a qualifying asset are capitalised as part of the cost of that asset when it is probable that they will result in future economic benefits to the enterprise and the costs can be measured reliably.

Other borrowing costs are recognised as an expense in the period in which they are incurred.

n. Use of estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reporting balances of assets and liabilities and disclosures relating to contingent assets and liabilities as at the date of the financial statements and reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, foreseeable estimated contract losses and useful life of fixed and intangible assets. Contingencies are recorded when it is probable that a liability will be incurred, and the amount can be reasonably estimated. Actual results could differ from such estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

o. Employee Stock Option Scheme (ESOS)

Stock options granted to the employees under the stock options schemes are accounted at intrinsic value as per the accounting treatment prescribed by the guidance note on Employee share based payments issued by the Institute of Chartered Accountants of India. Accordingly, the excess of market price, determined as per the guidance note, of underlying equity shares (market value), over the exercise price of the options is recognised as deferred stock compensation expense and is charged to profit and loss account on a straight line basis over the vesting period of the options. The amortised portion of the cost is shown under reserves and surplus.

p. Provisions and Contingencies

A provision is recognised when the Group has a present obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

q. Leases

i. Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account on a straight-line basis over the lease term.

ii. Finance Lease

Leases under which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. The lower of fair value of asset and present value of minimum lease rentals is capitalised as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rentals is adjusted against the lease liability and the interest component is charged to profit and loss account.

r. Barter Transactions

Barter transactions are recognised at the fair value of consideration receivable or payable. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred.

s. Segment Information

i. Business Segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Company operates in the media business segment mainly comprising media and related operations.

ii. Geographic Segments

Secondary segmental reporting is performed on the basis of the geographical location of customers i.e. within India and overseas.

4. Scheme of arrangement between Jagran TV Private Limited, BK Fincap Private Limited and ibn18 Broadcast Limited

ibn18's Scheme of Arrangement had been approved by the Honorable High Court of Delhi on 15 September, 2008 and filed with the Registrar of Companies on 22 November, 2008. The scheme was to:

- merge IBN 7 News Undertaking of Jagran TV Private Limited (JTV) into ibn18 with effect from 1 October, 2007 (Appointed date); and
- merge B K Fincap Private Limited (BK Fincap) with ibn18 with effect from 2 October, 2007 (Appointed date).

Consequent upon these mergers, BK Fincap Private Limited was dissolved and Jagran TV Private Limited continues to exist to carry on the other activities.

a. Merger of ibn7 News Undertaking of JTV into ibn18 (Scheme A)

i. News Business Undertaking of JTV comprising the business activities of running the 'IBN7' channel along with all related assets, liabilities and employees had been transferred on a going concern basis at book value to ibn18 from the appointed date of 1 October 2007. ibn18, without any further payment, had issued 24.23 fully paid up equity shares of face value of Rs. 10 each (121.15 fully paid up equity shares of face value of Rs. 2 each) to shareholders of Jagran TV Private Limited for every 100 Equity shares of face value of Rs. 10 each held in Jagran TV Private Limited.

ii. The scheme became effective on approval by the Honorable High Court of Delhi and its filing with the Registrar of Companies on 22 November, 2008. The following assets and liabilities of ibn 7 News Undertaking were transferred to ibn18 at book value as on the appointed date:

Particulars		Amount (Rs.)
1.	Fixed assets (Net)	334,249,738
2.	Current assets, loans and advances:	
	- Sundry Debtors	156,582,786
	- Cash and Bank Balances	30,739,299
	- Loan and advances	59,968,752
		247,290,837
3.	Less: Current liabilities and provisions:	
	- Current Liabilities	150,492,933
	- Provisions	10,045,176
		160,538,109

Particulars		Amount (Rs.)
4.	Net current assets	86,752,728
5.	Total assets (1+4)	421,002,466
6.	Total liabilities	
	Secured Loan	322,215,806
	Unsecured Loan	719,371,726
		1,041,587,532
7.	Net value of assets transferred on demerger (5-6)	(620,585,066)
8.	Share application money paid cancelled (see note v. below)	20,000,000
9.	Share capital issued as part of purchase consideration	
	- to outside shareholders	3,262,377
	- to BK Fincap (squared off on amalgamation of BK Fincap with ibn 18) (See note 3 b.(vi))	29,349,932
		32,612,309
10.	Balance debited to securities premium (7-8-9)	673,197,375

iii. As per the scheme, during the intervening period, JTV was deemed to have been carrying on all business and activities relating to the merged undertaking on behalf of the ibn18 and all profits accruing to the Transferor Company, or losses arising or incurred by them relating to the merged undertaking were treated as the profits or losses of the ibn18.

iv. Debit balance of profit and loss account of Rs. 93,094,889 of IBN 7 News Undertaking for the period 1 October, 2007 to 31 March, 2008 was adjusted from the opening balance of the profit and loss account of the previous year.

v. Share application money pending allotment inter-se between ibn18 and IBN 7 News Undertaking amounting to Rs. 20,000,000 appearing in the books of accounts of the Company and division was cancelled.

b. Merger of BK Fincap Limited

i. BK Fincap Private Limited which was a holding company of JTV, along with all related assets, liabilities and employees had been merged on a going concern basis at book value to ibn18 from the appointed date of 2 October, 2007. In consonance to the above mentioned scheme, ibn18 had issued 1,662.76 fully paid up equity shares of face value of Rs. 10 each (8,313.80 fully paid up equity shares of face value of Rs. 2 each) to shareholders of BK Fincap Private Limited for every 100 Equity shares of face value of Rs. 10 each held in BK Fincap Private Limited.

ii. The scheme became effective on approval by the Honorable High Court of Delhi and its filing with the Registrar of Companies on 22 November, 2008. On the scheme becoming effective, the following assets and liabilities of BK Fincap Limited were transferred to ibn18 at book value:

Particulars		Amount (Rs.)
1.	Investments	332,346,700
2.	Current assets, loans and advances:	
	- Cash and Bank Balances	87,321
	- Loan and advances	464,000,000
		464,087,321
3.	Less: Current liabilities and provisions:	
	- Current Liabilities	105,657
	- Provisions	10,000
		115,657
4.	Net current assets	463,971,664
5.	Net value of assets transferred on merger (1+4)	796,318,365
6.	Share application money paid cancelled (see note iii below)	115,000,000
7.	Shares issued to BK Fincap on demerger of ibn 7 News Undertaking of JTV into ibn18 adjusted (see note iv. below)	29,349,932
		651,968,433
8.	Cancellation of investment by ibn18 in the equity shares of BK Fincap (see note iv. below)	(687,412,740)
9.	Share capital issued as part of purchase consideration(see note iv. below)	29,349,932
		(658,062,808)
	Balance debited to securities premium (5-6-7-8-9)	(6,094,375)

iii. Share application money pending allotment inter-se between ibn18 and BK Fincap amounting to Rs. 115,000,000 appearing in the books of accounts of the respective Companies was cancelled.

iv. Pursuant to the Scheme of Arrangement, the amount representing the difference between:

- Assets and liabilities transferred pursuant to the amalgamation of BK Fincap and consequent cancellation of New Equity shares on Demerger issued to BK Fincap, and
- Aggregate value of New Equity Shares on Amalgamation and cancellation of investment by ibn18 in the equity shares of BK Fincap;

was debited to the Securities Premium Account of ibn18.

v. Debit balance of profit and loss account of Rs. 36,268 of BK Fincap for the period 2 October, 2007 to 31 March, 2008 was adjusted from the opening balance of the profit and loss account of the previous year.

5. Contingent liabilities and litigations

a. The Parent has purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, the Parent has undertaken to achieve an export commitment of Rs. 740.64 million (Previous year Rs. 740.64 million) over a period of 8 years commencing from 10 August, 2005. In the event the Parent is unable to execute its export obligations, the Parent shall be liable to pay customs duty of Rs. 92.58 million (Previous year Rs. 92.58 million) and interest on the same at the rate of 15 per cent compounded annually. The banks have given a guarantee amounting to Rs. 115.30 million (Previous year Rs. 115.30 million) on behalf of the Parent to the custom authorities for the same. The Parent is hopeful of meeting the required export obligation.

b. The Parent has given corporate guarantees of Rs. 272.50 million (Previous year Rs. 272.50 million) towards credit facility given by banks to IBN Lokmat. As at the year end Rs. 182.34 million was outstanding in respect of such loans.

c. The Parent has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, objectionable contents and defamation suits in relation to the programmes produced by it, the aggregate claim being Rs. 3,124.11 million (Previous year Rs. 8,841.22 million). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits.

d. Viacom18 has following contingent liabilities:

(Rs. In million)

Particulars	Total	Group's share
Claims against the Viacom18 not acknowledge as debts	1.88	0.94
Guarantee given by Viacom18	1.00	0.50

6. Equity warrants

a. The Parent, through postal ballot dated 7 September 2007, the results of which were declared on 13 October 2007 approved the issue and allotment of 3,000,000 convertible warrants (warrants) of Rs. 888 each in accordance with the provisions of Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000 to Network 18 India Holdings Private Limited (N-18 Holding), a fellow subsidiary of the Company. The Parent has allotted the warrants on 15 October, 2007 pursuant to which the Parent received Rs. 266.4 million being 10% of the total amount of Rs. 2,664 million in respect thereof.

Subsequent to the stock split of 1:5, held through postal ballot dated 19 December 2007, the results of which were declared on 25 January 2008, each warrant held by N-18 Holding are convertible into one fully paid up equity shares of face value of Rs. 2 each at a premium of Rs. 175.60 per share on exercise of the option to convert the warrants into equity shares.

N-18 Holding had applied for conversion of 5,500,000 warrants. The Parent had allotted 5,500,000 equity shares upon conversion of warrants at a premium of Rs 175.60 per share as per the terms of warrants.

As at 31 March, 2009 the Parent had received a letter from N-18 Holdings expressing its unwillingness to exercise the balance 9,500,000 warrants due to adverse market conditions. Consequently Rs. 168.72 million representing 10% amount of issue price received pursuant to the allotment of such warrants was forfeited and had been transferred to Capital Reserve.

b. The shareholders of the Parent at the Extra Ordinary General Meeting held on 22 December, 2008 had approved the issue and allotment of 15,000,000 Convertible Warrants (Warrants) at a price of Rs.102/- each in accordance with the provisions of Chapter XIII of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 to RVT Investments Private Limited (RVT Investments), a promoter group company. The Parent had allotted the aforesaid Warrants on 13 January, 2009 pursuant to which the Parent had received Rs. 153 Million being 10% of the total amount of Rs. 1,530 million in respect thereof.

RVT Investments had applied for conversion of 12,500,000 Warrants and paid Rs. 1,147.50 million towards balance amount payable (Rs. 91.80 per share). The Parent had allotted 12,500,000 equity shares of face value of Rs. 2/- each upon conversion of Warrants at a premium of Rs 100/- per equity share as per the terms of issue of Warrants.

As at the beginning of the year, 2,500,000 fully paid up Warrants amounting to Rs. 25.50 Million were outstanding for conversion into equity shares. The Parent has received the share application money against these Warrants for conversion into equity shares.

During the year, the Parent has allotted 2,500,000 equity shares of face value of Rs. 2/- each upon conversion of remaining Warrants at a premium of Rs 100/- per equity share as per the terms of issue of Warrants. The amount received was used for the working capital requirement of the Parent.

7. Secured Loans

a. Cash credit from banks of Rs. 792.35 million are secured as follows:

i. Cash credit of Rs. 434.33 million are secured as follows:

- First pari passu charge on all the current assets of the Parent.
- Additionally secured by unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited (Formerly Network 18 Fincap Limited).
- Cash credit facility of Rs. 274.34 million is additionally secured by second charge on the Parent's movable fixed assets.

ii. Cash credit facility of Rs. 134.14 million is secured by hypothecation of book debts of IBN7 (Parent's division).

iii. Cash credit facility of Rs. 0.50 million is secured by only charge on the IBN Lokmat's machineries present and future, collateral security of all other fixed assets of the IBN Lokmat and corporate guarantee from Parent and Lokmat Newspapers Private Limited.

iv. Cash credit facility of Rs. 223.38 million is secured only by hypothecation on the Viacom18's Stock and book debts.

b. The term loans of Rs. 1,742.33 million taken from banks are secured as follows:

i. Term loan of Rs. 120 million is secured by:

- First charge on the Parent's movable assets, subject to the charges on current assets created/to be created in favour of the Parent's bankers for securing borrowings for working capital requirements.
- Unconditional and irrevocable personal guarantee of a Director.
- Letter of comfort from Television Eighteen India Limited (TV18) whereby TV18 undertakes to take all necessary steps to ensure that the Parent fulfils all necessary obligations under the agreement including arrangement of funds for payment to the bank in accordance with the terms and conditions of the loan agreement.

ii. Term loan of Rs. 123.76 million is secured by:

- First charge over entire fixed assets pool of IBN7 (Parent's division) amounting to Rs 320.40 million as on 31 March 2009.
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited

iii. Term loan of Rs. 32.90 million is secured by:

- First charge on all movable assets including plant and machinery and equipment acquired / to be acquired out of the proceeds of the term loan of ibn7 (Parent's division).
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited.

iv. Term loan of Rs. 375 million is secured by:

- Subservient charge on the Parent's movable fixed asset.
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited.
- Letter of comfort from a Director

v. Term loan of Rs. 1,000 million is secured by:

- Second parri passu charge on all current assets and fixed assets of the Parent
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investment Limited
- Pledge of shares of listed / quoted shares of Network18 Media & Investment Limited, Television18 India Limited, Infomedia18 Limited and ibn18 Broadcast Limited worth Rs 50 crores (based on market value). As at 31 March 2010, Fixed Deposit of Network18 Media & Investment Limited worth Rs. 250 million is pledged, in lieu of pledge of aforesaid shares, with the bank.

vi. Term loan of Rs. 90.67 million is secured by:

- Charge on the IBN Lokmat's machineries present and future.
- Collateral Security of all other fixed assets of the IBN Lokmat.
- Corporate Guarantee from ibn18 and Lokmat Newspapers Private Limited

c. Other loans from banks are secured by hypothecation of vehicles.

8. Investments

a. Investments in Viacom18 Media Private Limited (Viacom18)

The Parent had subscribed to 12 million 'Investor Warrants' of USD 3.33 (Rs. 150.47 approximately) per warrant aggregating to USD 40 million (Rs. 1,805.60 million approximately) as follows:

i. Series "A" - 4,500,000 warrants
ii. Series "B" - 4,500,000 warrants
iii. Series "C" - 3,000,000 warrants

and had paid Rs. 1 each for these warrants aggregating to Rs. 12 million.

Each warrant is convertible into one fully paid up equity share of Viacom18 on exercise of options and on payment of the balance of the stipulated warrant consideration price. The option is exercisable during a period of 12, 24 and 36 months from the date of allotment of warrants of "A", "B", and "C" series respectively.

As at the current year end, the Parent has a commitment towards the balance consideration price (i.e. approximately Rs. 149.47 per warrant) aggregating to approximate Rs. 1,793.60 million for the subscribed and allotted warrants. The Parent intends to fulfil its commitment within the stipulated time period.

Further, during the year, the Parent has made following investments in equity shares of Viacom18 Media Private Limited.

	(Rs. In million)
Particulars	**Amount**
7,500,100 shares purchased from BK Holdings Limited, Mauritius	1,219.57
4,500,000 shares on conversion of Series "B" Investor Warrants	705.30
1,234,567 shares in direct allotment by Viacom18	200.00
Total	2,124.87

In addition, the Parent has given an advance of Rs 200 million towards share application money.

9. Earnings per share

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year ended 31 March, 2010. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The details are:

Particulars		Units	Year ended 31.03.2010	Year ended 31.03.2009
a.	Net profit/(loss) after tax	Rs.	**(1,095,589,392)**	(920,007,962)
b.	Weighted average of number of equity shares used in computing basic earnings per share (Nominal value is Rs 2/- per share)	No. of shares	**180,165,177**	146,389,276
c.	Basic earnings per share (a/b)	Rs.	**(6.08)**	(6.28)
d.	Weighted average of the number of shares issued under Options	No. of shares	**3,192,242**	2,894,524
e.	Adjustment for number of shares that would have been issued at the fair value	No. of shares	**(2,414,545)**	(2,170,399)
f.	Weighted average of number of equity shares used in computing diluted earnings per share (b+d+e)	No. of shares	**180,942,874**	147,113,401
g.	Diluted earnings per share (a/f)*	Rs.	**(6.08)**	(6.28)
*	Since the effect of dilution is anti-dilutive the diluted EPS is same as basic EPS.			

10. Deferred tax

The Group has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 – 'Accounting for Taxes on Income' referred in Companies (Accounting Standards) Rules, 2006. In view of significant accumulated losses the Group has not provided for deferred tax assets as there is no virtual certainty that there will be sufficient future taxable income available to realise such assets. In accordance with the same no deferred tax asset / liability was required at the year end.

11. Segmental reporting

The Group is engaged in the business of television media operation primarily in India. As the Group operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by paragraphs 39 to 51 of Accounting Standard 17 - Segment Reporting, have not been provided in these financial statements.

12. Employee Benefits

a. Description of the Gratuity plan

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of fifteen days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service subject to completion of five years service.

b. Defined Benefit Plans

The present value of defined benefit obligations and the related current service cost are measured using the Projected Unit Credit Method with actuarial valuation being carried at each balance sheet date. The details are set out as under:

Particulars		Year ended 31.03.2010		Year ended 31.03.2009	
		Gratuity benefits	**Compensated absences**	Gratuity benefits	Compensated absences
Change in benefit obligations:					
i.	Present value of obligation at the year beginning	**26,642,846**	**34,220,013**	9,124,375	12,842,041
ii.	Opening Liabilities of Viacom18	**6,139,839**	**4,644,536**	-	-
iii.	Current service cost	**9,752,307**	**4,907,036**	9,100,838	12,365,821
iv.	Interest Cost	**2,364,907**	**2,737,601**	638,706	898,943
v.	Actuarial (Gain)/Loss	**(7,472,867)**	**(8,457,729)**	7,778,927	10,783,240
vi.	Benefits paid	**(1,263,672)**	**(14,426,276)**	-	2,670,033
vii.	Present value of obligation at the year end	**36,163,360**	**23,625,181**	26,642,846	34,220,012
* Gratuity plan and long term compensated absences plan are wholly unfunded as on 31 March, 2010 for the Group entities except for Viacom18 for which changes in plan assets for Gratuity are as follows:					
i.	Fair value of plan assets at the beginning of the year (Viacom18)	**4,127,646**	**-**	-	-
ii.	Expected return on plan assets	**156,962**	**-**	-	-
iii.	Employer's contributions	**934,865**	**-**	-	-
iv.	Benefits paid	**(868,301)**	**-**	-	-
v.	Actuarial gain/ (loss)	**267,793**	**-**	-	-
vi.	Fair value of plan assets at the year end	**4,618,965**	**-**	-	-
Net liability:					
	Present value of obligation at the year end	**36,163,360**	**23,625,181**	26,642,846	34,220,012

	Particulars	Year ended 31.03.2010		Year ended 31.03.2009	
	Fair value of plan assets at the year end	**4,618,965**	**-**	-	-
	Net liability	**31,544,396**	**23,625,181**	26,642,846	34,220,012
Expenses recognised in the profit and loss account:					
i.	Current service Cost	**9,752,307**	**4,907,036**	9,100,838	12,365,821
ii.	Viacom18's opening liability Reversal	**-**	**(3,303,250)**	-	-
iii.	Interest Cost	**2,364,907**	**2,737,601**	638,706	898,943
iv.	Net actuarial (gain)/loss	**(7,740,660)**	**(8,457,729)**	7,778,927	10,783,240
v.	Expected Return on plan assets	**(156,962)**	**-**	-	-
vi.	Net cost	**4,219,592**	**(4,116,342)**	17,518,471	24,048,004
Actuarial assumptions used:					
i	Discount Rate	**8%**	**8%**	7%	7%
ii.	Expected Salary Escalation Rate	**6%**	**6%**	6%	6%
iii.	Expected Rate of Return	**8%**	**-**	-	-
iv.	Mortality Table	**LIC (1994-96) duly modified**		LIC (1994-96) duly modified	
v.	Retirement Age	**60 Yrs**		60 Yrs	
vi	Withdrawal Rates	**Age**	**Percentage**	Age	
		Upto 30 Year	**3**	Upto 30 Year	
		30 to 44 Year	**2**	30 to 44 Year	
		Above 44 year	**1**	Above 44 year	

Notes:

1. Liabilities for Leave encashment in Viacom18 has been provided on the accrual basis as at the Balance Sheet date since Viacom18 does not allow encashment of leaves and no balance of unavailed leaves are allowed to be carried forward either during the tenure of service or at the time of leaving the company.
2. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.
3. The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.
4. The estimates of future salary increases considered takes into account the, inflation seniority, promotion and other relevant factors.
5. All plan assets are invested in debt instruments.

Particulars	Year Ended		
	31.03.2010 Rs.	31.03.2009 Rs.	31.03.2008 Rs.
the present value of the Gratuity benefits (a)	**36,163,360**	26,642,846	9,124,375
the fair value of the plan assets (b)	**4,618,965**	-	-
the surplus or deficit in the plan (a-b)	**31,544,395**	26,642,846	9,124,375
the experience adjustments arising on the Gratuity benefits	**(7,472,867)**	7,778,927	(44,199)

The Groups's best estimate of contributions expected to be paid during the annual year beginning after the balance sheet date is Rs. 13,231,604.

13. (i) GBN Employees Stock Option Plan 2007 ("ESOP 2007")

a. The Parent had established an Employee Stock Option Plan (ESOP 2007) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which had been approved by the Board of Directors and the shareholders. A remuneration/ compensation committee comprising independent, non executive members of the Board of Directors administers the ESOPs. All options under the ESOPs are exercisable for equity shares. The Parent had declared stock split of 1 equity share of face value of Rs. 10 each in 5 equity share of Rs. 2 each through postal ballot dated 19 December 2007, the results of which were declared on 25 January 2008. The Parent plans to grant upto 1,700,000 (8,500,000 options pursuant to split of 1 share of face value of Rs.10 in 5 shares of face value of Rs.2 each) options to eligible employees of the Group and directors of the company and its subsidiaries and holding company of the Parent.

b. Options which have been granted under ESOP 2007 shall vest with the grantee equally over a four years period from the date of grant. The exercise period of the options is a period of two years after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each (for one equity share of Rs 2 each after split) fully paid up on payment of exercise price (as determined by the remuneration/compensation committee) of share determined with respect to the date of grant. The Parent has granted 3,920,642 options upto 31 March, 2010.

c. The movement in the scheme is set out as under:

	Particulars	**ESOP 2007**		ESOP 2007	
		Year ended 31.03.10		Year ended 31.03.09	
		Options (Numbers)	**Weighted Average Price (Rs.)**	Options (Numbers)	Weighted Average Price (Rs.)
a.	Outstanding at the beginning of year	**3,350,192**	**55.00**	2,236,250	55.00
b.	Granted during the year	**-**	**55.00**	1,494,392	55.00
c.	Exercised during the year	**-**	**-**	-	-
d.	Forfeited during the year	**157,950**	**55.00**	380,450	55.00
e.	Expired during the year	**-**	**-**	-	-
f.	Outstanding at the end of the year	**3,192,242**	**55.00**	3,350,192	55.00
g.	Exercisable at the end of the year	**1,974,871**	**-**	-	-
h.	Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	**3,192,242**	**NA**	3,350,192	NA
i.	Weighted average share price at the date of exercise	**NA**	**NA**	NA	NA
j.	Weighted average remaining contractual life (years)	**0.51**	**NA**	1.59	NA

d. Proforma Accounting for Stock Option Grants

The parent applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plan. Had the compensation cost been determined using the fair value approach, the Company's net income and basic and diluted earnings per share as reported would have reduced to the pro forma amounts as indicated:

Particulars	**Year ended 31.03.2010**	Year ended 31.03.2009
Net Profit/ (Loss) as reported (a)	**(1,095,589,392)**	(920,007,962)
Add: Stock based employee compensation expense debited to Profit and Loss account (i)	**19,293,085**	16,859,598
Less: Stock based employee compensation expense based on fair value (ii)	**53,443,643**	54,305,197
Difference between (i) and (ii)	**(34,150,558)**	(37,445,599)
Adjusted pro forma Profit/(Loss) (b)	**(1,129,739,950)**	(957,453,561)
Difference between (a) and (b)	**(34,150,558)**	(37,445,599)
Basic earnings per share as reported	**(6.08)**	(6.28)
Pro forma basic earnings per share	**(6.27)**	(6.54)
Diluted earnings per share as reported	**(6.08)**	(6.28)
Pro forma diluted earnings per share	**(6.27)**	(6.54)

e. The fair value of the options, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions

Particulars	**Year ended 31.03.2010**	Year ended 31.03.2009
Risk free interest rates (in %)	**6.05%**	6.05%
Expected life (in years)	**4.84 years**	4.84 years
Volatility (in %)	**65.67%**	65.67%
Dividend yield (in %)	**0%**	0%

The volatility of the options is based on the historical volatility of the share price since the Parent's equity shares are publicly traded, which may be shorter than the term of the options.

f. Details of weighted average exercise price and fair value of the stock options granted at price below market price

Particulars	**Year ended 31.03.2010**	Year ended 31.03.2009
Total options granted	**-**	1,494,392
Weighted average exercise price (in Rs.)	**-**	55.00
Weighted average fair value (in Rs.)	**-**	49.37

(ii) ESOP 2008 Policy of Viacom18

The Board of Directors of Viacom18 at its meeting held on September 23, 2008 approved the "ESOP 2008 Policy" under which the total options proposed to be granted to the employees are 3,700,000. The options would be granted at the fair market value prevailing at the time of grant and would vest and become exercisable over four years. In the first tranche, Viacom18 has granted 1,175,535 numbers of options in September 2008 at an exercise price of Rs. 131.77. In tranche two, Viacom18 has granted 1,132,191 numbers of options in September 2009 at an exercise price of Rs. 162.00 for each option. Since the options have been granted at the prevailing fair market value, there is no charge to the profit and loss account. Currently none of the options have vested or lapsed.

14. **Related Party disclosures**

a. **Related parties and their relationships**

Holding Company	
i.	Network 18 Media & Investments Limited (Network18) (formerly Network 18 Fincap Limited)
Joint Venture	
i.	IBN Lokmat News Private Limited (IBN Lokmat) (formerly RVT Finhold Private Limited)
ii.	Viacom18 Media Private Limited (Viacom18) w.e.f 1 April, 2009
iii.	Viacom 18 Media US Inc. (Viacom 18 Media US) w.e.f 1 April, 2009 (see note 21)
iv.	Viacom 18 Media UK Limited (Viacom 18 Media UK) w.e.f 1 April, 2009 (see note 21)
Associates	
i.	Viacom18 Media Private Limited (Viacom18) w.e.f. 4 March, 2009 till 31 March, 2009
ii.	BK Fincap Private Limited (BK Fincap) till 1 October, 2007
Subsidiaries	
i.	IBN18 Media & Software Limited
ii.	RVT Media Private Limited
iii.	IBN18 Mauritius Limited
Fellow Subsidiaries	
i.	Television Eighteen India Limited (TV18)
ii.	Network 18 India Holdings Private Limited (N-18 Holding)
iii.	Setpro18 Distribution Limited (Setpro18), formerly Setpro Holdings Private Limited
iv.	Television Eighteen Mauritius Limited, Mauritius (TEML) [Subsidiary of TV 18]
v.	NewsWire18 Limited (Newswire), formerly News Wire 18 India Private Limited till 27 February, 2009 [Subsidiary of TV 18]
vi.	RVT Investments Private Limited (RVT) [Subsidiary of TV 18]
vii.	Infomedia 18 Limited (Infomedia) w.e.f 21 August, 2008 [Subsidiary of TV 18]
viii.	Web 18 Holdings Limited, Cayman Islands (Web 18 Holding) [Subsidiary of TEML]
ix.	BK Holdings Limited, Mauritius (BKH) [Subsidiary of TEML]
x.	TV18 UK Limited (TV 18 UK) [Subsidiary of TEML]
xi.	E-18 Limited, Cyprus (E 18, Cyprus) [Subsidiary of Web 18 Holding]
xii.	e-Eighteen.com Limited (E-18) [Subsidiary of E 18, Cyprus]
xiii.	Television Eighteen Commoditiescontrol.com Limited (TECCL) [Subsidiary of E 18, Cyprus]
xiv.	Web18 Software Services Limited (Web 18) [Subsidiary of E 18, Cyprus]
xv.	Care Websites Private Limited (Care) w.e.f. 14 February, 2008 [Subsidiary of E 18, Cyprus]
xvi.	Moneycontrol Dot Com India Limited (MCD) [subsidiary of E-18]
xvii.	TV18 Home Shopping Network Limited (TV18 HSN)
xviii.	IFC Distribution Private Limited (IFC Distribution)
xix.	The Indian Film Co. (Cyprus) Ltd (TIFC,Cyprus)
Individual exercising control	
i.	Raghav Bahl (RB)
Key management personnel	
i.	Sameer Manchanda (SM)
ii.	Rajdeep Sardesai (RS)
iii.	Sagarika Ghose (SG)
Entity under significant influence	
i.	SGA News Limited (SGA News)
ii.	Greycells 18 Media Limited (Greycells)
iii.	Digital18 Media Limited (Digital18)
iv.	Jagran TV Private Limited (Jagran TV) till 30 September, 2007 (Now known as ibn18 Media and Software Ltd)
v.	Web Chutney Studio Private Limited (Web Chutney)
vi.	Colosceum Media Private Limited (Colosceum Media)
vii.	Den Digital Entertainment Networks Private Limited (Den Digital Entertainment)
viii.	Den Digital Cable Network Private Limited (Den Digital Cable)
ix.	Den Networks Limited (Den Networks)
x.	Network 18 Publications Limited (Network 18 Publications)
xi.	Den Digital Entertainment Bangalore Private Limited (Den Digital Entertainment Bangalore)
xii.	Den Bellary City Cable Private Limited (Den Bellary City)
xiii.	Den Manoranjan Satellite Private Limited (Den Manoranjan)
xiv.	Den Nashik City Cable Network Private Limited (Den Nashik City)
xv.	Den Supreme Satellite Vision Private Limited (Den Manoranjan)
xvi.	Tangerine Digital Entertainment Private Limited (Tangerine Digital)

b. Balances outstanding/transactions with related parties:

Particulars	Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	**(Rs.)**	**(Rs.)**	**(Rs.)**	**(Rs.)**
i. Transactions during the year					
Income from operations and Other income					
1. Network18	9,727,299 (1,770,659)	- (-)	- (-)	- (-)	- (-)
2. TV 18	- (-)	- (-)	5,223,960 (12,407,594)	- (-)	- (-)
3. Web 18	- (-)	- (-)	22,057,432 (9,201,555)	- (-)	- (-)
4. TV 18 HSN	- (-)	- (-)	675,574 (7,240,600)	- (-)	- (-)
5. Viacom18	- (-)	- (-)	- (-)	- (-)	- (16,684,415)
6. Digital18	- (-)	2,663,953 (-)	- (-)	- (-)	- (-)
7. IFC Distribution	- (-)	- (-)	9,955,625	- (-)	- (-)
8. Den Networks	- (-)	10,000,000 (-)	- (-)	- (-)	- (-)
9. TIFC,Cyprus	- (-)	- (-)	37,696,346	- (-)	- (-)
10. Others	- (-)	52,853 (-)	609,045 (2,038,414)	- (-)	- (-)
Total	**9,727,299 (1,770,659)**	**12,716,806 (-)**	**76,217,982 (30,888,163)**	**- (-)**	**- (16,684,415)**
Expenditure for services received					
1. Setpro18	- (-)	- (-)	358,155,058 (318,558,821)	- (-)	- (-)
2. TV 18	- (-)	- (-)	122,815,637 (73,174,927)	- (-)	- (-)
3. SM	- (-)	- (-)	(-)	14,139,539 (14,955,494)	- (-)
4. RS	- (-)	- (-)	- (-)	14,497,973 (13,864,000)	- (-)
5. Network18	26,315,673 (2,313,990)	- (-)	- (-)	- (-)	- (-)
6. TIFC, Cyprus	- (-)	- (-)	81,823,347 (-)	- (-)	- (-)
7. Den Networks	- (-)	107,007,623 (-)	- (-)	- (-)	- (-)
8. Others	- (-)	12,009,971 (-)	30,400,727 (20,508,023)	1,613,280 (1,546,635)	- (-)
Total	**26,315,673 (2,313,990)**	**119,017,594 (-)**	**593,194,769 (412,241,771)**	**30,250,792 (30,366,129)**	**- (-)**
Interest (Paid)					
1. N-18 Holding	- (-)	- (-)	- (6,328,767)	- (-)	- (-)
2. Network18	48,018,151 (150,727)	- (-)	- (-)	- (-)	- (-)
3. TV 18	- (-)	- (-)	14,140,228 (-)	- (-)	- (-)
4. RVT Investment	- (-)	- (-)	111,660,137 (-)	- (-)	- (-)
Total	**48,018,151 (150,727)**	**- (-)**	**125,800,365 (6,328,767)**	**- (-)**	**- (-)**
Reimbursement of expenses (paid)					
1. SGA News	- (-)	- (14,846)	- (-)	- (-)	- (-)
2. Network18	51,564,936 (77,403,530)	- (-)	- (-)	- (-)	- (-)

Particulars	Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
3. TV 18	- (-)	- (-)	171,630,889 (164,258,022)	- (-)	- (-)
4. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	2,576,278 (1,709,427)
5. Setpro18	- (-)	- (-)	294,482,975 (259,112,402)	- (-)	- (-)
6. Viacom	- (-)	- (-)	- (-)	- (-)	1,056,434
7. Greycells	- (-)	363,000 (-)	- (-)	- (-)	- (-)
8. Others	- (-)	4,375 (-)	1,867,644 (1,741,842)	- (-)	- (-)
Total	**51,564,936 (77,403,530)**	**367,375 (14,846)**	**467,981,508 (425,112,266)**	**- (-)**	**3,632,712 (1,709,427)**
Expenses incurred towards fixed assets on behalf of the Company					
1. Network 18	25,808,968 (-)	- (-)	- (-)	- (-)	- (-)
Reimbursement of expenses (received)					
1. Network 18	9,084,254 (21,826,889)	- (-)	- (-)	- (-)	- (-)
2. Setpro 18	- (-)	- (-)	21,103,419 (7,048,168)	- (-)	- (-)
3. TV 18	- (-)	- (-)	64,475,004 (165,744,260)	- (-)	- (-)
4. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	14,158,511 (17,038,630)
5. Greycells 18	- (-)	- (120000)	- (-)	- (-)	- (-)
6. Digital18	- (-)	357,765	- (-)	- (-)	- (-)
7. Infomedia	- (-)	- (-)	23,763,050	- (-)	- (-)
8. Viacom	- (-)	- (-)	- (-)	- (-)	2,481,019
9. Others	- (-)	- (19,389)	6,887,452 (14,371,714)	- (-)	- (-)
Total	**9,084,254 (21,826,889)**	**357,765 (139,389)**	**116,228,925 (187,164,142)**	**- (-)**	**16,639,530 (17,038,630)**
Loan taken					
1. N-18 Holding	- (-)	- (-)	- (500,000,000)	- (-)	- (-)
2. RVT	- (-)	- (-)	1,885,000,000 (-)	- (-)	- (-)
3. Network18	1,450,000,000 (-)	- (-)	- (-)	- (-)	- (-)
Total	**1,450,000,000 (-)**	**- (-)**	**1,885,000,000 (500,000,000)**	**- (-)**	**- (-)**
Loan repaid					
1. N-18 Holding	- (-)	- (-)	- (500,000,000)	- (-)	- (-)
2. RVT Investment	- (-)	- (-)	500,000,000 (-)	- (-)	- (-)
3. Network18	1,000,000,000	- (-)	- (-)	- (-)	- (-)
Total	**1,000,000,000 (-)**	**- (-)**	**500,000,000 (500,000,000)**	**- (-)**	**- (-)**
Investment in equity shares					
1. Viacom18	- (-)	- (-)	- (-)	- (-)	- (2,434,019,661)

Particulars	Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
2. Others	- (-)	- (-)	- (-)	- (-)	235,928 (-)
Total	**- (-)**	**- (-)**	**- (-)**	**- (-)**	**235,928 (2,434,019,661)**
Guarantees given					
1. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (45,000,000)
Guarantees taken					
1. Network18	2,039,600,000 (260,000,000)	- (-)	- (-)	- (-)	- (-)
Balances at the year end					
Loans/advances					
1. Network 18	5,177,761 (-)	- (-)	- (-)	- (-)	- (-)
2. Greycells 18	- (-)	- (134,832)	- (-)	- (-)	- (-)
3. Viacom18	- (-)	- (-)	- (-)	- (-)	12,223,371 (18,191,398)
4. TV 18 HSN	- (-)	- (-)	1,539,048 (6,809,632)	- (-)	- (-)
5. Web 18	- (-)	- (-)	4,916,347 (15,464,384)	- (-)	- (-)
6. Setpro18	- (-)	- (-)	- (149,235)	- (-)	- (-)
7. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	3,757,109 (21,062,051)
8. Infomedia	- (-)	- (-)	30,003,202	- (-)	- (-)
9. Digital18	- (-)	2,934,329	- (-)	- (-)	- (-)
10. IFC Distribution	- (-)	- (-)	36,615,734	- (-)	- (-)
11. Den Networks	- (-)	11,030,000	- (-)	- (-)	- (-)
12. TIFC,Cyprus	- (-)	- (-)	19,425,330	- (-)	- (-)
13. Others	- (-)	81,057 (-)	1,092,884 (1,869,303)	- (-)	850,000 (-)
Total	**5,177,761 (-)**	**14,045,386 (134,832)**	**93,592,543 (24,292,554)**	**- (-)**	**16,830,480 (39,253,449)**
Creditors					
1. Network18	482,456,437 (59,533,827)	- (-)	- (-)	- (-)	- (-)
2. Setpro18	- (-)	- (-)	103,917,776 (174,043,930)	- (-)	- (-)
3. TV 18	- (-)	- (-)	65,916,486 (70,929,395)	- (-)	- (-)
4. Den Networks	- (-)	32,654,328	- (-)	- (-)	- (-)
5. TIFC,Cyprus	- (-)	- (-)	56,018,146	- (-)	- (-)
6. Others	- (-)	683,195 (-)	6,046,439 (4,396,734)	- (-)	- (-)
Total	**482,456,437 (59,533,827)**	**33,337,523 (-)**	**231,898,847 (249,370,059)**	**- (-)**	**- (-)**
Loan payable					
1. RVT Investment	- (-)	- (-)	1,474,718,781 (-)	- (-)	- (-)
2. Network18	472,931,353 (-)	- (-)	- (-)	- (-)	- (-)

Particulars	Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
	472,931,353 **(-)**	**-** **(-)**	**1,474,718,781** **(-)**	**-** **(-)**	**-** **(-)**
Share application money paid pending allotment					
1. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	22,500,000 (34,500,000)
2. Viacom18	- (-)	- (-)	- (-)	- (-)	100,000,000 (200,000,146)
Total	**-** **(-)**	**-** **(-)**	**-** **(-)**	**-** **(-)**	**122,500,000** **(234,500,146)**
Guarantees given outstanding					
1. IBN Lokmat	- (-)	- (-)	- (-)		272,500,000 (272,500,000)
Guarantees taken outstanding					
1. Network18	2,719,600,000 (880,000,00)	- (-)	- (-)	- (-)	- (-)
Investments at year end					
1. Web18 Holding	- (-)	- (-)	1,848,836 (1,848,836)	- (-)	- (-)
2. Viacom18	- (-)	- (-)	- (-)	- (-)	1,500,000 (2,358,105,119)
3. BK Fincap	- (-)	- (-)	- (-)	- (-)	- (-)
4. Others	- (-)	- (-)	- (-)	- (-)	235,928 (-)
Total	**-** **(-)**	**-** **(-)**	**1,848,836** **(1,848,836)**	**-** **(-)**	**1,735,928** **(2,358,105,119)**
Security Deposit Paid					
1. Network18	3,391,250 (-)	- (-)	- (-)	- (-)	- (-)

Figures in brackets indicate amounts pertaining to the previous year.

Notes:

1. includes entity under significant influence of individuals having direct/indirect significant influence, their relative, KMP and their relatives.
2. includes subsidiaries of fellow subsidiary
3. also see note 8(a)

15. Rights issue

During the year, the Parent has made a rights issue of 54,495,443 equity shares of Rs. 2 each at a premium of Rs. 91.50 per share aggregating to Rs. 5,095.32 million to the existing shareholders of the Parent. The rights issue opened on 10 March, 2010 and closed on 25 March, 2010.

The Parent has received Rs. 1,740.77 million as against share application money from its equity shareholders under the Rights issue as on 31st March 2010. Equity shares in respect of this issue were allotted subsequent to the year end. As at 31st March 2010, the Parent has not utilized any amount out of the proceeds received of the above said Rights issue and the amount is set aside in the bank accounts.

16. Auditors' remuneration (excluding service tax)

Particulars	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
i. Audit fees:		
a. Statutory audit	**2,000,000**	2,000,000
b. Quarterly limited reviews/audits	**3,650,000**	1,750,000
ii. Certification for the QIP / Rights issue	**4,500,000**	2,750,000
iii. Out of pocket expenses	**31,120**	-
	10,181,120	6,500,000

17. Foreign exchange forward contracts

The Group does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions.

The Group's foreign currency exposure not hedged by a derivative instrument or otherwise as on 31 March, 2010 is as follows:

Particulars	Foreign Currency Denomination	As at March 31, 2010	
		Foreign Currency	Rupee Equivalent
Trade Receivables	USD	419,093	19,012,588
	GBP	714	5,194
Trade Payables	AUD	2,413	99,805
	USD	1,177,592	53,167,397
	SGD	1,519	49,979
	GBP	28,408	1,913,018
Loans and advances	USD	108,500	5,124,810

18. Barter Transactions

During the year ended 31 March 2010, the Parent had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The profit and loss account for the year ended 31 March, 2010 has been netted off to reflect revenue from barter transactions of Rs. 87.53 million and expenditure of Rs. 89.44 million being the fair value of barter transactions provided and received.

19. Transfer Pricing

As per the Transfer Pricing Rules of the Income tax Act, 1961 every Parent is required to get a transfer pricing study conducted to determine whether the international transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2010 is currently in progress and hence adjustments if any which may arise there from have not been taken into account in these financial statements for the year ended 31 March, 2010 and will be effective in the financial statements for the year ended 31 March, 2011. However in the opinion of the Group's management, adjustments, if any, are not expected to be material.

20. Obligation on long term, non-cancellable operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account. The Group has taken various residential/ commercial premises under cancelable/non cancelable operating leases. The cancelable lease agreements are normally renewed on expiry. Rent amounting to Rs. 106,107,895 (Previous year Rs. 35,590,759) has been debited to the consolidated profit and loss account during the year. The details of future minimum lease payments under leases are as under:

Particulars	**Year ended 31.03.2010**	Year ended 31.03.2009
Not later than one year	**76,909,578**	69,312,555
Later than one year but not later than five years	**83,769,924**	189,832,281
More than five years	**1,196,489**	9,376,760

21. Interest in Joint Ventures

The Parent's interest, as a venturer, in jointly controlled entity as at March 31, 2010 is:

Name of the Parent	Country of Incorporation	% Voting power held
IBN Lokmat News Private Limited	India	50%
Viacom18 Media Private Limited	India	50%

The following amounts represent the Parent's share of the assets and liabilities and revenue and expenses of the joint ventures and are included in the consolidated balance sheet and consolidated profit and loss account:

(a) IBN Lokmat

	Particulars	**As at 31.03.2010 (Rs.)**	As at 31.03.2009 (Rs.)
A.	**Assets**		
	Fixed assets	**96,784,348**	116,515,880
	Current assets, loans and advances:		
	- Cash and bank balances	**16,238,732**	4,805,609
	- Accounts receivable	**23,282,902**	9,965,367
	- Loans and advances	**22,640,227**	16,346,487
	- Inventory	**19,714**	61,928
B.	**Profit and loss account (debit balance)**	**294,473,588**	**189,033,311**
C.	**Liabilities**		
	Current liabilities and provisions	**44,449,213**	78,387,379
	Secured loans	**91,240,297**	115,591,202
D.	**Income**		
	Income from operations	**65,152,322**	18,176,973
	Income from others	**1,446,047**	9,000
E.	**Expenditure**		
	Production, administrative and other costs	**98,754,340**	98,230,191
	Personnel costs	**37,923,323**	40,786,372

	Particulars	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
	Interest and finance costs	**15,605,121**	13,645,055
	Depreciation	**19,776,545**	18,781,193
F.	**Profit/(Loss) before tax**	**(105,460,960)**	(153,256,837)
G.	**Profit/(Loss) after tax**	**(105,440,277)**	(154,194,799)
H.	**Other matters**		
	Capital commitments	**-**	-

(b) Viacom18

	Particulars	As at 31.03.2010 (Rs.)
A.	**Assets**	
	Fixed assets	**93,208,501**
	Current assets, loans and advances:	
	- Cash and bank balances	**517,072,008**
	- Accounts receivable	**1,508,740,209**
	- Loans and advances	**469,937,845**
	- Inventory	**369,058,061**
B.	**Profit and loss account (debit balance)**	**1,801,384,195**
C.	**Liabilities**	
	Current liabilities and provisions	**1,646,797,990**
	Secured loans	**223,377,756**
D.	**Income**	
	Income from operations	**3,876,243,036**
	Income from others	**10,992,508**
E.	**Expenditure**	
	Production, administrative and other costs	**3,608,247,692**
	Personnel costs	**384,911,334**
	Interest and finance costs	**26,174,194**
	Depreciation	**36,037,113**
F.	**Profit/(Loss) before tax**	**(168,134,789)**
G.	**Profit/(Loss) after tax**	**(168,831,772)**
H.	**Other matters**	
	Capital commitments	**4,435,000**

22. The financial statement for the current year has not been signed by the Joint Managing Director due to his urgent visit outside India. Accordingly, two other directors have signed the financial statements.

23. Figures pertaining to the subsidiary Parent and joint venture have been reclassified wherever necessary to bring them in line with the Group financial statements.

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Noida
28 May 2010

STATEMENT PURSUANT TO SECTION 215(2) OF THE COMPANIES ACT, 1956

The Consolidated Balance Sheet and Consolidated Profit & Loss Account for the Financial Year ended on March 31, 2010 of ibn18 Broadcast Limited (the 'Company') has not been signed by the Joint Managing Director of the Company due to his urgent visit outside India. Accordingly, two other Directors, as authorized by the Board of Directors of the Company, have signed aforesaid Balance Sheet and Profit & Loss Account, for and on behalf of the Board of Directors of the Company.

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs
& Company Secretary

Noida
28 May 2010

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Third Annual Report of **RVT Media Private Limited** (hereinafter called the Company) on the activities of the Company along with the Audited Annual Accounts for the financial year ended on March 31, 2010.

RESULTS OF OPERATIONS

During the year under review, your Company has incurred a loss of Rs 18,583/- as compared to loss of Rs. 11,630/- in the previous year. Your Company is in the process of reducing losses and revamping its financial position which may reflect in the years to come.

DIVIDEND

In the absence of profits during the financial year under review, the Directors do not recommend any Dividend for the financial year ended March 31, 2010.

PUBLIC DEPOSITS

The Company being a Private Company has not accepted any deposits under section 58A of the Companies Act, 1956 from the public for the financial year ended March 31, 2010.

DIRECTORS

Mr. Karan Thapar, Director of the Company, retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment.

HOLDING COMPANY

During the year under review your Company continues to be a Wholly Owned Subsidiary of M/s ibn18 Broadcast Limited.

AUDITORS AND AUDITORS' REPORT

The term of Statutory Auditor of the Company, M/s. Mohan L. Jain & Co., Chartered Accountants, is expiring on the ensuing Annual General Meeting of the Company. They, being eligible, have expressed their willingness to be appointed as Statutory Auditors of the Company. Your Directors recommend their appointment for the ensuing year.

Your Board has duly examined the Report by the Statutory Auditor's of the Company on the Accounts for the period ended March 31, 2010. The Notes on Accounts as presented in this Annual Report are self explanatory in this regard and hence do not call for any further clarification.

PARTICULARS OF EMPLOYEES

During the year under review none of the employees of the Company is in receipt of the remuneration in excess of the limits as specified in section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, the following information is provided:

A. Conservation of Energy

Your Company is not an energy intensive unit; however possibilities are continuously explored to conserve energy and to reduce energy consumption at workplaces of the Company. Your Company encourages the search and implementation of innovative and alternate sources of energy consumption.

B. Technology absorption

Your Company is conscious of implementation of latest technologies in its key working areas.

C. Foreign Exchange Earnings and Outgo

During the period under review there was no foreign exchange earnings and outgo.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors Responsibility statement, it is hereby confirmed by your Directors:

i) That in the preparation of the annual accounts, the applicable Accounting Standards have been followed and no material departures have been made there from;

ii) That such accounting policies have been selected which have been applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit of the company for the said financial period:

iii) That proper and sufficient care has been taken 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; and

iv) That the annual accounts have been prepared on "going concern basis".

ACKNOWLEDGEMENT

Your Directors would like to express their grateful appreciation for the support and co-operation extended by Holding Company and all other associated person(s), authorities and other stake holders. Your Directors wish to place on record their deep sense of appreciation for the devoted services of consultants and other Associates.

For and on behalf of the Board of Directors
RVT Media Private Limited

Place: Noida
Date: May 10, 2010

Sd/- DIRECTOR   Sd/- DIRECTOR

AUDITOR'S REPORT

To,
The Members of **M/s RVT MEDIA PVT. LTD.**

1. We have audited the annexed Balance Sheet of **M/s RVT MEDIA PVT. LTD** as at 31st March, 2010 and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The company is exempt under Para 1(2) (iv) of CARO 2003. As such the requirements of the Companies (Auditor's Report) Order 2003 issued by the Central Government in terms of section 227(4A) of the companies Act, 1956 are not applicable.
4. Further to our comments in paragraph 1 above, we state 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 such books;
   (c) The Balance Sheet and the annexed Profit and Loss Account referred to in this report are in agreement with the books of accounts;
   (d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the mandatory Accounting standards referred to in Sub-Section 3(c) of section 211 of the Companies Act, 1956.
   (e) As per the information and explanations given to us, and representation obtained by the company none of the Directors of the company are disqualified from being appointed as Directors under clause "g" of sub-section (1) of section 274 of Companies Act, 1956.
   (f) In our opinion and to the best of our information and according to the explanations given to us the said Balance Sheet and annexed Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view,
      i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
      ii) in so far as it relates to the Profit and Loss Account, of the loss for the year ended on that date.
      iii) In so far as it relates to the Cash Flow Statement of the company as at 31st March 2010.

For **Mohan L. Jain & Co.**
Chartered Accountants
Membership No. 509499
Firm Registration No. 005345N

(Amit Kumar Goyal)
Partner

Place: New Delhi
Dated: May 10, 2010

BALANCE SHEET AS AT 31 MARCH, 2010

	Schedule No.	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SOURCES OF FUNDS			
SHARE HOLDERS FUND			
Share Capital	1	100,000	100,000
TOTAL		100,000	100,000
APPLICATION OF FUNDS			
CURRENT ASSETS, LOANS & ADVANCES			
Cash and Bank Balances	2	50,320	68,903
		50,320	68,903
Less: Current Liabilities & Provisions	3	11,030	11,030
NET CURRENT ASSETS		39,230	57,873
Profit & loss Account (Debit balance)		60,710	42,127
TOTAL		100,000	100,000
Notes forming part of the accounts	5		

As per our report of even date attached

For **Mohan L. Jain & Co.** Chartered Acountants

For and on behalf of the Board

(Amit Kumar Goyal) Partner Membership No. 509499

(Sanjay Ray Chaudhuri) Director

(Ritu Kapur) Director

Place: New Delhi Dated: May 10, 2010

Noida May 10, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2010

	Schedule No.	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
INCOME		-	-
TOTAL		-	-
EXPENDITURE			
Administrative & Other Expenses	4	18,583	11,630
TOTAL		18,583	11,630
Profit/(loss) before Income Tax		(18,583)	(11,630)
Provision for Income Tax		-	-
Profit/(loss) after Income Tax		(18,583)	(11,630)
Profit\(loss) brought Forward last year		(42,127)	(30,497)
Profit/(Loss) transferred to Balance Sheet		(60,710)	(42,127)
Notes forming part of the accounts	5		

The above schedule form an integral part of the accounts

As per our report of even date attached

For **Mohan L. Jain & Co.** Chartered Acountants

For and on behalf of the Board

(Amit Kumar Goyal) Partner Membership No. 509499

(Sanjay Ray Chaudhuri) Director

(Ritu Kapur) Director

Place: New Delhi Dated: May 10, 2010

Noida May 10, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

	Year Ended 31.03.2010 (Rs.)	Year Ended 31.03.2009 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(18,583)	(11,630)
Operating profit before working capital changes	(18,583)	(11,630)
Adjustments for :		
Decrease/(Increase) in Current assets	-	-
Increase/(Decrease) in Current liabilities	-	(206)
Tax on Oprational Income	-	-
Net cash from/ (used in) operating activities	(18,583)	(11,836)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	-
Net cash from/ (used in) investing activities	-	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of Subscribed & Paid up share capital	-	-
Share Application Money	-	-
Net cash from/ (used in) financing activities	-	-
Net increase/ (decrease) in cash and cash equivalents	(18,583)	(11,836)
Cash and cash equivalents as at the beginning of the year	68,903	80,739
Cash and cash equivalents as at the end of the year	50,320	68,903

For **Mohan L. Jain & Co.** Chartered Acountants

For and on behalf of the Board

(Amit Kumar Goyal) Partner Membership No. 509499

(Sanjay Ray Chaudhuri) Director

(Ritu Kapur) Director

Place: New Delhi Dated: May 10, 2010

Noida May 10, 2010

SCHEDULE AS ANNEXED TO AND FORMING PART OF BALANCE SHEET OF RVT MEDIA PRIVATE LIMITED

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule-1: Share Capital		
Authorised Capital		
10,000 (Previous year 10,000) Equity shares of Rs. 10/- each	100,000	100,000
	100,000	100,000
Issued, Subscribed and Paid Up Capital		
10,000 (Previous year 10,000) Equity shares of Rs. 10/- each	100,000	100,000
	100,000	100,000
Schedule-2: Current Assets, Loans and Advances		
Cash and Bank Balance		
Cash in Hand	11,460	4,060
Bank Account	38,860	64,843
	50,320	68,903
Schedule-3: Current Liabilities		
Audit fees Payable	11,030	11,030
	11,030	11,030
Schedule-4: Administrative & Other Expenses		
Fee & Subscription	7,553	600
Audit fees	11,030	11,030
	18,583	11,630

SCHEDULE -5
NOTES ON ACCOUNTS

BACKGROUND

RVT Media Private Limited (the company) incorporated on 31st August 2007 in New Delhi to engage in the business of broadcasting, telecasting, transmitting or distributing in any manner, any audio, video or other programmes or software. The company is a 100% subsidiary of **ibn18 Broadcast Limited**.

RECOGNITION OF INCOME & EXPENDITURE

All revenues, costs, assets and liabilities are accounted for on accrual basis.

1. These accounts have been prepared on historical cost convention, on accrual basis, and comply materially with the mandatory accounting standards issued by the Institute of Chartered Accountants of India.
2. Additional information as far as applicable pursuant to Part-II of Schedule VI of the Companies Act 1956:-

	31-03-2010 (Rs)	31-03-2009 (Rs)
a) Directors Remuneration	**NIL**	NIL
b) Payment to Auditors: Statutory Audit Fees	**11,030**	11,030
c) Information Pursuant to Part-II of Schedule VI of Companies Act, 1956 are not applicable.		
d) Expenditure and earnings in foreign currency:		
i) Expenditure in foreign currency	**NIL**	NIL
ii) Earnings in foreign currency	**NIL**	NIL

3. Schedule 1 to 5 forms an integral part of the Balance Sheet.
4. Previous year figures have been regrouped and recasted wherever necessary.
5. The management has given a view that the operational activities of the company have not yet been started.
6. Related Party Disclosures:
   a. List of Related Parties
      i) Holding Company
         - ibn18 Broadcast Limited
      ii) Key Management Personal
         - Ritu Kapur
         - Sanjay Ray Chaudhuri
      iii) Relatives of Key Management Personal
         - Raghav Bahl

For and on behalf of the Board of Directors

(Sanjay Ray Chaudhuri) Director   **(Ritu Kapur)** Director

Place: Noida
Dated: May 10, 2010

Additional Information Pursuant to Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

I. **Registration Details**

Registration No.	**167579**	State Code	**55**
Balance Sheet Date	31.03.2010		

II. **Capital Raised during the year (Amount in Thousand Rs.)**

Public Issue	**NIL**	Bonus Issue	**NIL**
Rights Issue	**NIL**	Private Placement	**NIL**

III. **Position of Mobilisation and Deployment of Funds (Amount in Thousand Rs.)**

Total Liabilities	**111.03**	Total Assets	**111.03**
Sources of Funds			
Paid-up Capital	**100.00**	Reserve & Surplus	**NIL**
Secured Loans	**NIL**	Unsecured Loans	**NIL**
Application of Funds			
Net Fixed Assets	**NIL**	Investments	**NIL**
Net Current Assets	**39.29**	Misc. Expenditure	**NIL**
Accumulated Losses	**60.71**	Deferred Tax Liability	**NIL**

IV. **Performance of the Company (Amount in Thousand Rs.)**

Turnover	**NIL**	Total Expenditure	**18.58**
Profit/Loss before Tax	**(18.58)**	Profit/Loss after Tax	**(18.58)**
Earning per share in Rs.	**(1.86)**	Dividend rate %	**NIL**

V. **Generic Names of three principal products/services of the Company (as per monetary terms)**

Item Code No. (ITC Code)	-
Product Description	Broadcasting/Telecasting services

For and on behalf of the Board of Directors

(Sanjay Ray Chaudhuri) Director   **(Ritu Kapur)** Director

Place: Noida
Dated: May 10, 2010

DIRECTORS' REPORT

Your Directors are pleased to present the Sixth Annual Report of your Company with the audited accounts for the year ended 31st March 2010.

FINANCIAL RESULTS

The summarized financial performance of the company for the financial year ended 31st March 2010 is as under:

Financial Results		(Rs. in '000)
Financial year Ended	**31.03.2010**	31.03.2009
Total Income including other incomes	**1721**	467
Gross profit/(loss) before interest and depreciation & prior period items	**(79)**	(224)
Interest	-	-
Depreciation	**53**	42
Profit/(loss) before tax & prior items	**(26)**	(182)
Wealth /Fringe Benefit Tax	-	-
Profit/(loss) after Tax & before prior period times	**(26)**	(182)
Provision for taxes/deferred taxes	**NIL**	Nil
Profit/(loss) after tax	**(26)**	(182)

BUSINESS REVIEW:

During the year under review Company's performance was average in the business remaining post de-merger. We plan to put more efforts in the next financial year for improving the same.

SHARE CAPITAL:

The authorized share capital as on 31st March 2010 was Rs. 15 crores and issued & paid up capital was Rs. 134589500. During the year, there is no change in authorized and issued share capital of the Company, as in the last year the entire shareholding of the Company is being held by its holding company ibn18 Broadcast Limited

SIGNIFICANT DEVELOPMENTS:

During the year under review your company did an average business while maintaining its volume of business. Also for the sake of business convenience the registered office of the Company was shifted from the State of Uttar Pradesh to New Delhi falling under the jurisdiction of the Registrar of Companies NCT of Delhi & Haryana

DIVIDEND:

During the year under review your Company has incurred losses, and your Directors do not propose any declaration of dividend.

FIXED DEPOSITS:

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

DIRECTORS:

Mr. Piyush Jain, Director of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible, have offered himself for re-appointment. Mr. Piyush Jain is Chairman of the Board of your Company.

AUDITORS:

The term of M/s Mohan L Jain & Co., Chartered Accountants, the Statutory Auditors of your Company, expires at the ensuing Annual General Meeting, the Company has received a certificate from them to the effect that their appointment, if made, would within the prescribed limit as mentioned under the Section 224(1B) of the Companies Act, 1956. They are also not otherwise disqualified within the meaning of Section 226(3) of the Companies Act, 1956.

Your Board has duly examined the Report issued by the Statutory Auditors of the Company on the Accounts for the financial year ended March 31, 2010. The Notes on Accounts, as presented in this Annual Report, are self explanatory in this regard and hence do not call for any further clarification.

STATUTORY INFORMATION:

A. PARTICULARS OF EMPLOYEES

As required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, none of our employees fall in this category, hence nothing is reported here.

B.CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

CONSERVATION OF ENERGY

Although the operations of the Company are not energy intensive, steps are taken to conserve energy wherever possible. The details relating to Disclosure of Particulars with respect to conservation of energy in Form A to the Rules are not applicable to our Industry and are therefore not given.

TECHNOLOGY ABSORPTION

The equipments and requisite software used in the Company are mostly imported but it is being operated by our own technical staff.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The commercial operations of the company do not involve any earning/expense in foreign exchange, hence earning/outgo in foreign exchange is NIL for the year under preview.

DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Section 217 (2AA) of the Companies Act as amended by the Companies (Amendment) Act, 2000, the Directors confirm that:

i. In the preparation of the annual accounts, the applicable accounting standards have been followed.

ii. Appropriate accounting policies have been selected and applied consistently and they have 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 as on 31st March 2008 and of the loss for the twelve months ending on that day.

iii. Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. The annual accounts have been prepared on a going concern basis.

ACKNOWLEDGMENTS:

Your Directors take this opportunity to place on record appreciation for the continued cooperation and support extended by the various departments of Central and State Government(s), Financial Institutions, Company's Bankers, Business associates, and the shareholders in general. Your Directors also deeply acknowledge the contribution made by all the employees of the Company at all levels

FOR AND ON BEHALF OF THE BOARD

Sd/-

Place: Noida — PIYUSH JAIN

Date : 14.05.2010 — CHAIRMAN & DIRECTOR

AUDITORS' REPORT

To
The Members,
IBN18 Media & Software Ltd.

1. We have audited the annexed Balance Sheet of **IBN18 Media & Software Ltd.** as at 31st March 2010 and the Profit and Loss Account and Cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors 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 companies act, 1956, we enclose in the annexure a statement on the matters specified in paragraph 4 and 5 of the said order.
4. Further to our comments in the annexure referred to in paragraph 3 above, we state 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 such books;
   (c) The Balance Sheet and the annexed Profit and Loss Account referred to in this report are in agreement with the books of accounts;
   (d) In our opinion, the Profit and Loss Account and Balance Sheet comply with the mandatory Accounting standards referred to in Sub-Section 3(c) of section 211 of the Companies Act, 1956.
   (e) As per the information and explanations given to us, and representation obtained by the company none of the Directors of the company are disqualified from being appointed as Directors under clause "g" of sub-section (1) of section 274 of Companies Act, 1956.
   (f) In our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and annexed Profit and Loss Account read together with the notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view,
      i) in so far as it relates to the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010 and
      ii) in so far as it relates to the Profit and Loss Account, of the loss for the year ended on that date.
      iii) In so far as it relates to the Cash Flow Statement of the company as at 31st March 2010.

For **Mohan L Jain & Co**
Chartered Accountants
Firm Registration no. 005345N

(Amit Kumar Goyal)
Partner
Membership No. 509499

Place: New Delhi
Dated: May 14, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (3) of our report of even date)

i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
Fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion, provides for physical verification at reasonable intervals. According to the information and explanations provided to us there is no discrepancies were noticed.

ii) Due to the nature of company's business, clause 4(ii) of the said order, relating to physical verification and valuation of inventory are not applicable to the Company.

iii) The company has not granted any loans to party listed in the registered maintained u/s 301 of the companies Act, 1956.
The company has not taken any loan from a party listed in the register maintained u/s 301 of the companies Act, 1956.

iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.

v) According to the information and explanations given to us, there are no transactions in pursuance of contracts or arrangements entered in the registers maintained u/s 301 and exceeding the value of five lakh rupees in respect of any party during the year.

vi) According to the information and explanations given to us, the company has not accepted any deposit under the provisions of Sections 58A and 58AA of the Companies Act, 1956 and the companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

viii) The Company is not required to maintain cost records under section 209(1)(d) of the Companies Act, 1956.

ix) The company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, custom duty, excised-duty, cess and other statutory dues applicable to it according to the records of the company
According to the information and explanations given to us, no undisputed amounts was payable in respect of income-tax, wealth-tax, sales tax, custom duty and excise duty were outstanding, as at 31st March 2010 for a period of more than six months from the date they became payable.
According to the records of the company, there are no dues of sale-tax, income tax, and customs /wealth-tax, excise-duty/ cess that have not been deposited on account of any dispute.

x) As the company has been registered for a period of less than five years clause (x) regarding reporting on accumulated losses of para 4 of the Order is not applicable.

xi) Based on the audit procedures and on the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues to any financial institution, bank or debenture holder.

xii) The company is not a chit fund or a Nidhi / Mutual benefit fund / society.

xiii) The company is not dealing in or trading in share, securities, debenture and investment. The Company has, in our opinion, maintained proper records and contracts with respect to its investments where timely entries of transactions are made in the former. All investments at the close of the year are generally held in the name of the company.

xiv) The company has not granted any loans and advances on the basis of security by way of pledge of share, debentures and other securities.

xv) The company has not given any guarantee on behalf of others to any bank or financial institution.

xvi) According to the records examined by us and the information and explanations given to us, on an overall basis, no funds have been raised during the year.

xvii) According to the records examined by us and the information and explanations given to us, on an overall basis, funds raised on short term basis have, not been used during the year for long term investment and vice versa.

xviii) According to the information and explanation given to us the company has not made any preferential allotment of shares.

xix) There are no securities created in respect of debentures, during the period covered by our audit report.

xx) The company has not raised any money from public issue.

xxi) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

For **Mohan L Jain & Co**
Chartered Accountants
Firm Registration no. 005345N

(Amit Kumar Goyal)
Partner
Membership No. 509499

Place: New Delhi
Dated: May 14, 2010

BALANCE SHEET AS AT 31 MARCH, 2010

	Schedule No.	As at 31.03.2010 Rs.	As at 31.03.2009 Rs.
I SOURCES OF FUNDS			
1 Shareholders funds			
a) Share capital	1	134,589,500	134,589,500
TOTAL		134,589,500	134,589,500
II APPLICATION OF FUNDS			
1 Fixed assets	2		
a) Gross block		653,600	653,600
b) Less: Accumulated depreciation		259,608	206,694
c) Net block		393,992	446,906
2 Current assets, loans and advances			
a) Inventories	3	192,564	212,097
b) Cash and bank balances	4	115,842	49,513
c) Other current assets		-	30,265
		308,406	291,875
Less: Current liabilities and provisions	5	42,685	52,625
		42,685	52,625
Net current assets		265,721	239,250
Profit and loss account	6	133,929,787	133,903,344
TOTAL		134,589,500	134,589,500
Notes to Accounts	10		

The Schedules referred to above and Notes to accounts form an integral part of Balance Sheet.

As per our report of even date attached

For **Mohan L. Jain & Co.**
Chartered Acountants
Amit Kumar Goyal
Partner
Membership No.: 509499
Place : New Delhi
Date: May 14, 2010

For and on behalf of the Board of Directors
Director Director

Company Secretary
Noida
May 14, 2010

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2010

	Schedules	For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
INCOME			
Income from operations	7	1,721,000	466,574
TOTAL		1,721,000	466,574
EXPENDITURE			
Production expenses	8	1,586,539	376,557
Other operating and administrative expenses	9	107,990	231,374
Depreciation/ amortization	2	52,914	41,556
TOTAL		1,747,443	649,487
Profit/(Loss) before tax		(26,443)	(182,913)
Provision for Tax		-	-
Profit/(Loss) after tax		(26,443)	(182,913)
Profit/(Loss) carried to Balance Sheet		(26,443)	(182,913)
Notes to Accounts	10		

The Schedules referred to above and Notes to accounts form an integral part of Profit and Loss Account.

As per our report of even date

For **Mohan L. Jain & Co.**
Chartered Acountants
Amit Kumar Goyal
Partner
Membership No.: 509499
Place : New Delhi
Date: May 14, 2010

For and on behalf of the Board of Directors
Director Director

Company Secretary
Noida
May 14, 2010

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2010

		For the year ended March 31, 2010 Rs.	For the year ended March 31, 2009 Rs.
A	**CASH FLOWS FROM OPERATING ACTIVITIES**		
	Net Profit/(Loss) before taxation	(26,443)	(182,913)
	Adjustments for:-		
	- Depreciation	52,914	41,556
	- on account of transitional provision of AS-15	-	-
	- Loss on sale of fixed assets	-	-
	- Interest income	-	-
	- Interest expense	-	-
	Operating profit before working capital changes	26,471	(141,357)
	Movements in working capital:		
	- Decrease/(Increase) in sundry debtors	-	-
	- Decrease/(Increase) in inventories	19,533	75,900
	- Decrease/(Increase) in loans and advances	30,265	(30,265)
	- Increase/(Decrease) in current liabilities	(9,940)	52,625
	Cash generated from operations	66,329	(43,097)
	Direct taxes paid	-	-
	Cash flow from operating activities	66,329	(43,097)
	Net cash from operating activities (a)	66,329	(43,097)
B	**CASH FLOWS FROM INVESTING ACTIVITIES**		
	- Purchase of fixed assets	-	-
	- Proceeds from sale of fixed assets	-	-
	- Interest received	-	-
	- Fixed Deposit (made/matured and pledged with bank)	-	-
	Net cash from investing activities (b)	-	-
C	**CASH FLOWS FROM FINANCING ACTIVITIES**		
	- Proceeds from long term borrowings	-	-
	- Repayments of long term borrowings	-	-
	- Proceeds from short term borrowings	-	-
	- Repayments of short term borrowings	-	-
	- Interest paid	-	-
	Net cash from financing activities (c)	-	-
D	**Net increase/decrease in cash and cash equivalents (a+b+c)**	66,329	(43,097)
	Cash and cash equivalents at the beginning of the year	49,513	92,610
	Cash and cash equivalents transfer on demerger of IBN7	-	-
	Cash and cash equivalents at the end of the year	115,842	49,513
	Components of cash and cash equivalents		
	- Cash in hand	4,924	49,513
	- With banks : on current account	110,918	-
	: on Fixed deposit	-	-
		115,842	49,513

As per our report of even date

For **Mohan L. Jain & Co.**
Chartered Acountants
Amit Kumar Goyal
Partner
Membership No.: 509499
Place : New Delhi
Date: May 14, 2010

For and on behalf of the Board of Directors
Director Director

Company Secretary
Noida
May 14, 2010

SCHEDULES TO BALANCE SHEET

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule 1 : Share capital		
Authorised		
1,50,00,000 (Previous year : 1,50,00,000)		
Equity shares of Rs.10/- each	**150,000,000**	150,000,000
Issued		
1,34,58,950 (Previous year 1,34,58,950)		
Equity shares of Rs. 10/- each fully paid.	**134,589,500**	134,589,500
Subscribed		
1,34,58,950 (Previous year 1,34,58,950)		
Equity shares of Rs. 10/- each fully paid.	**134,589,500**	134,589,500
	134,589,500	134,589,500

Of the above:
1,34,58,950 (Previous year: 1,34,58,950 equity shares are held by ibn18 Broadcast Limited-the holding company.

Schedule 2 : Fixed Assets (Amount in Rs.)

Particulars	Tangible Assets Compu-ters	Tangible Assets Furniture & Fixtures	Intangible Assets Soft-wares	Total	Previous Year
Gross Block					
As at April 1, 2009	78,000	530,600	45,000	653,600	653,600
Additions	-	-	-	-	-
Deductions	-	-	-	-	-
As at March 31, 2010	78,000	530,600	45,000	653,600	653,600
Depreciation/ amortization					
As at April 1, 2009	9,218	165,964	31,512	206,694	165,138
For the year	12,644	31,270	9,000	52,914	41,556
Deletions/ adjustments	-	-	-	-	-
As at March 31, 2010	21,862	197,234	40,512	259,608	206,694
Net Block					
As at March 31, 2010	56,138	333,366	4,488	393,992	446,906
As at March 31, 2009	68,782	364,636	13,488	446,906	488,462

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Schedule 3 : Inventories		
Video tapes	**192,564**	212,097
	192,564	212,097
Schedule 4 : Cash and bank balances		
Cash in hand	**4,924**	49,513
Balance with schedule bank		
- Current account	**110,918**	-
	115,842	49,513
Schedule 5 : Current liability & provision		
Sundry Creditors	**27,000**	19,788
TDS payable	**15,685**	15,337
VAT Payable	**-**	17,500
	42,685	52,625
Schedule 6 : Profit & Loss Account		
Opening balance	**133,903,344**	133,720,431
Less: Profit/(Loss) for the year	**(26,443)**	(182,913)
Closing Balance	**133,929,787**	133,903,344

SCHEDULES TO PROFIT AND LOSS ACCOUNT

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2009 Rs.
Schedule 7 : Income from operations		
Sale of news archive	**1,721,000**	466,574
	1,721,000	466,574
Schedule 8 : Production expenses		
Professional expenses	**1,528,640**	110,609
Statutory Audit Fee	**30,000**	22,060
Travel and Conveyance	**8,366**	141,532
News & content production expenses	**19,533**	102,356
	1,586,539	376,557

	For the year ended 31.03.2010 Rs.	For the year ended 31.03.2000 Rs.
Schedule 9 : Other operating and administrative expenses		
Rent	**-**	12,000
Bank Charges	**110**	
Communication expenses	**-**	77,529
Legal & professional charges	**104,244**	141,845
Miscellaneous expenses	**3,636**	-
	107,990	231,374

Schedule 9 : Notes to Accounts

1. Nature of Operations

IBN18 Media & Software Limited is engaged in the business of Archival and sale of footage related to news and current affairs.

2. Statement of Significant Accounting Policies

(a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been 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 used in the previous year.

(b) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(c) Intangibles

Software

Software is stated at cost of acquisition and includes all attributable costs of bringing the software to its working condition for its intended use.

(d) Depreciation

Depreciation on all assets other than improvement to leasehold properties and computer software is provided using the straight line method over the estimated useful lives using rates (including double/ triple shift depreciation rates wherever applicable) prescribed by Schedule XIV of the Companies Act, 1956.

Cost of improvements to leasehold premises is being amortised over the period of lease (including renewal options) of the premises. Computer software is amortised over a period of 5 years considered to be useful life of these software or the term of license, whichever is shorter. These rates are higher than those prescribed in Schedule XIV of the Companies Act, 1956.

Depreciation on additions is charged proportionately from the date of a quisition/ installation. Assets costing less than Rs. 5,000 individually have been fully depreciated in the year of purchase.

(e) Impairment

The carrying amounts of assets are reviewed at each balance sheet date to ascertain if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at an appropriate discount factor.

(f) Leases

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

(g) Inventories

Inventories are valued at cost. Cost is determined on a first-in-first-out basis.

(h) Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Income from operations comprises the sale, maintaining and providing content to the other various production houses.

(i) Foreign currency translation

Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise Exchange differences arising in respect of fixed assets acquired from outside India are capitalized as a part of fixed asset. Exchange differences on liability relating to fixed assets acquired within India arising out of transactions entered on or before March 31, 2004 are added to the cost of such assets in line with Old AS 11 (1994).

(j) Income taxes

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax are measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

(k) Expenditure on new projects

During the financial year Company has not incurred any capital expenditure..

(l) Earnings Per Share

Basic earnings per share are 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.

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 are adjusted for the effects of all dilutive potential equity shares.

(m) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate 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.

(n) Cash and Cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3. Operational Outlook

The company started its commercial operations in the year 2005-06 for IBN7 Hindi news Channel. After demerged process the company is doing business of sale of news archive and running business. The Company has negative cash flows from the operation and reported loss of Rs.26,443/- as at 31st March 2010.

4. No provision for income tax was required to be made in the absence of taxable profits for the period ending on 31st March 2010 .

5. Gratuity and other post-employment benefit plans: (AS 15- Revised)

The Company does not have employee base. So the company has not provided any retirement benefits plan as at 31st March 2010 .

6. As per the Accounting Standard 22, "Accounting for taxes on income", the Company would have a net deferred tax asset, primarily comprising of unabsorbed depreciation and carry forward of losses under tax laws. However, as the subsequent realization of such amount in near future is virtually not certain, the management is of the view that it is prudent not to recognize the deferred tax assets. Accordingly, no deferred tax asset has been recognized in these financial statements.

7. Segment Reporting

Business Segment

The Company has only one business segment i.e. Sale and archiving footage related to news & current affairs..

Geographical Segment

The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment.

8. Related Party Disclosure

i. Names of related parties:

Holding Company	ibn18 Broadcast Limited
Key Management Personnel	Mr. Piyush Jain – Director Mr. Gurdeep Singh Puri - Director Mr. Sachin Dev-Director & Company Secretary

ii. Balance outstanding and Transaction with related Party:

Particulars	**Holding Company**
Income from Operation	
Ibn18 Broadcast Limited	Rs.1,721,000 (Rs.140,000)
Expenditure for services received	
Ibn18 Broadcast Limited	Rs.1,380,000 (Rs.140,300)
Receivable at the period end	
Ibn18 Broadcast Limited	Rs. NIL (Rs.30,265)

9. Earnings Per Share

	For the year ended March 31, 2010 (Rs.)	For the year ended March 31, 2009 (Rs.)
Net Profit / (loss) after tax	**(26,443)**	(182,913)
Number of equity shares outstanding as at beginning of the period	**13,458,950**	13,458,950
Weighted average of number of equity shares used in computing basic and diluted earnings per share	**13,458,950**	13,458,950
Basic and diluted earning per share after tax	**0.00**	(0.01)

10. As per the information available with the Company, there are no dues outstanding to the Small Scale Industrial Undertakings.

11. Government of India has promulgated an Act namely The Micro, Small and Medium Enterprises Development Act, 2006 which comes into force with effect from October 2, 2006. As per the Act, the Company is required to identify the Micro, Small and Medium suppliers and pay them interest on overdue beyond the specified period irrespective of the terms agreed with the suppliers. The company has initiated the process of identification of such suppliers. In view of this, the liability of interest cannot be reliably estimated nor can required disclosures be made. Accounting in this regard will be carried out after process is complete and reliable estimate can be made in this regard. However, management is of opinion that liability in any case will be insignificant in view of supplier profile of the Company.

As per our report of even date

For **Mohan L. Jain & Co.**
Chartered Acountants
Amit Kumar Goyal
Partner
Membership No.: 509499
Place : New Delhi
Date: May 14, 2010

For and on behalf of the Board of Directors

Director Director

Company Secretary
Noida
May 14, 2010

Statement pursuant to Part IV of Schedule VI to the Companies Act, 1956
Balance Sheet Abstract and Company's General Business Profile

I	Registration Details			
	Registration No :	196312	State Code:	55
	Balance Sheet Date:	31/03/2010		
II	**Capital Raised During The Year** (Amount in Rs. Thousands)			
	Public Issue	NIL	Rights Issue	NIL
	Bonus Issue	NIL	Private Placement	NIL
III	**Position of Mobilisation And Deployment of Funds** (Amount in Rs. Thousands)			
	Total Liabilities	1,34,632	Total Assets	1,34,632
	Sources of Funds			
	Paid-Up Capital	1,34,590	Reserves and Surplus	NIL
	Secured Loans	NIL	Unsecured Loans	NIL
	Application of Funds			
	Net Fixed Assets	394	Investments	NIL
	Net Current Assets	266	Miscellaneous Expenditure	NIL
	Accumulated Losses	1,33,930	Deferred Tax Liability	NIL
IV	**Performance of Company** (Amount in Rs. Thousands)			
	Turnover	1721	Total Expen-diture	1,747
	Profit / Loss Before Tax	(26)	Profit / Loss After Tax	(26)
	Earnings Per Share Rs.	(00)	Dividend Rate %	NIL
V	**Generic names of principal products/services of the Company (As per monetary Terms)**			
	Item Code No. (ITC Code)		Product Description	

For and on behalf of the Board

Director Director

Place : Noida
Date: May 14, 2010

Company Secretary

DIRECTORS' REPORT

The directors present herewith their report and the audited financial statements for the year ended 31 March 2010.

PRINCIPAL ACTIVITY

The principal activity of the company is to engage in media business and investment in media undertakings.

RESULTS AND DIVIDENDS

The company's loss for the year ended 31 March 2010 was USD 13,255,915 (2009: USD 565).

The directors do not recommend the payment of a dividend for the year under review.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs and of the profit or loss of the company. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors Roy Servansingh Associates have signified their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual Meeting.

AUDITORS' REPORT

TO THE MEMBER OF

ibn18 (Mauritius) Limited

We have audited the financial statements set out on pages 6 to 13.

This report is made solely to the company's shareholder, in accordance with Section 205 of the Companies Act 2001. Our audit work has been undertaken so that we might state to the company's shareholder those matters we are required to state to him in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholder, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditors

The directors are responsible for the preparation of the financial statements which give a true and fair view of the financial position, financial performance and cash flow of the company and comply with the Companies Act 2001 and with International Financial Reporting Standards. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

We have no relationship with, or interests in the company, other than in our capacity as auditors.

Opinion

We have obtained all the information and explanations that we have required.

In our opinion:

• proper accounting records have been kept by the company as far as it appears from our examination of those records;

and

• the financial statements give a true and fair view of the financial position of the company as at 31 March 2010, and of its financial performance and cash flows for the year then ended, and comply with the Companies Act 2001 and with International Financial Reporting Standards.

Sd/- Sd/-

ROY SERVANSINGH ASSOCIATES SIGNING PARTNER

ASHOKE ROY (FCA)

Date: May 27, 2010

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2010

	Notes	31-Mar-10 USD	31-Mar-09 USD	31-Mar-10 INR	31-Mar-09 INR
Current assets					
Account receivable		-	6,000,001	-	304,500,051
		-	6,000,001	-	304,500,051
EQUITY AND LIABILITIES					
Share capital	4	100	1	5,075	51
Application monies		-	6,000,000	-	304,500,000
Reserve Deficit		(13,256,480)	(565)	(658,425,049)	(28,674)
Total equity		(13,256,380)	5,999,436	(658,419,974)	304,471,377
Non-current liabilities					
Debentures		13,249,900	-	658,108,675	-
Current liabilities					
Account payable		6,480	565	311,299	28,674
Total liabilities		13,256,380	565	658,419,974	28,674
Total equity and liabilities		-	6,000,001	-	304,500,051

The financial statements were approved by the directors on 27 May 2010

M ASLAM KOOMAR	SHARIFF GOLAM HOSSEN
DIRECTOR	DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2010

	31-Mar-10 USD	31-Mar-09 USD	31-Mar-10 INR	31-Mar-09 INR
INCOME				
Operational Income	-	-	-	-
EXPENSES				
Incorporation expenses	-	565	-	28,674
Loss on Foreign exchange				
fluctuation	-	-	15,622	
Option premium paid	13,250,000	-	658,113,750	-
Audit fees	2,000	-	90,280	-
Legal and professional fees	3,915	-	176,723	-
	13,255,915	565	658,396,375	28,674
COMPREHENSIVE LOSS				
FOR THE YEAR/PERIOD	(13,255,915)	(565)	(658,396,375)	(28,674)
LOSS BROUGHT FORWARD	(565)	-	(28,674)	-
LOSS CARRIED FORWARD	(13,256,480)	(565)	(658,425,049)	(28,674)

The accounting policies and the notes form an integral part of these financial statements

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2010

	Share Capital USD	Revenue Deficit USD	Total USD	Share Capital INR	Revenue Deficit INR	Total INR
Issued during period	1	-	1	51	-	51
Loss for the period	-	(565)	(565)	-	(28,674)	(28,674)
At 31 March 2009	1	(565)	(564)	51	(28,674)	(28,623)
Issued during the year	99	-	99	5,024	-	5,024
Loss for the year	-	(13,255,915)	(13,255,915)	-	(658,396,375)	(658,396,375)
At 31 March 2010	100	(13,256,480)	(13,256,380)	5,075	(658,425,049)	(658,419,974)

The accounting policies and the notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2010

	31-Mar-10 USD	31-Mar-09 USD	31-Mar-10 INR	31-Mar-09 INR
Cash flow from operating activities				
Loss for the year/period	(13,255,915)	(565)	(658,396,375)	(28,674)
Adjustments for:				
Decrease/(increase) in account receivable	6,000,001	(6,000,001)	304,500,051	(304,500,051)
Increase in account payable	5,915	565	282,625	28,674
Net cash generated in operating activities	(7,249,999)	(6,000,001)	(353,613,699)	(304,500,051)
Cash flow from financing activities				
Issue of shares	99	1	5,024	51
Issue of Debentures	7,249,900	-	353,608,675	-
Application monies	-	6,000,000	-	304,500,000
Net cash flow from financing activities	7,249,999	6,000,001	353,613,699	304,500,051
Net change in cash and cash equivalents	-	-	-	-
Cash and cash equivalents at beginning of the year/period	-	-	-	-
Cash and cash equivalents at end of the year/period	-	-	-	-

The accounting policies and the notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2010

1. GENERAL INFORMATION

   The Company was incorporated as a private limited company in the Republic of Mauritius on 19 February 2009 under the Companies Act 2001. The principal activity of the Company is to act as an investment holding company.

2. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

   The Company has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") of the IASB that are relevant to its operations and effective for accounting periods beginning on 01 April 2009.

   At the balance sheet date, the following Standards and Interpretations were in issue but not yet effective on the annual period beginning on or after the dates as indicated:

IAS 1	Presentation of Financial Statements - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 7	Statement of Cash Flows-Amendments resulting from April 2009 Annual Improvements to IFRS (effective 1 January 2010)
IAS 17	Leases - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1January 2010)
IAS 36	Impairment of Assets - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IAS 39	Financial Instruments: Recognition and Measurement - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)
IFRS 8	Operating segments - Amendments resulting from April 2009 Annual Improvements to IFRSs (effective 1 January 2010)

   The directors anticipate that the adoption of these Standards and Interpretations on the above effective dates in future periods will have no material impact on the financial statements of the Company.

3. ACCOUNTING POLICIES

   The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all periods presented.

   (a) Basis of preparation

   The financial statements have been prepared on the historical cost basis except for the measurement at fair values of the financial instruments carried on the balance sheet.

   Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

   The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no critical estimates or judgements made by the Company for the year ended 31 March 2010.

   (b) Financial instruments

   Financial instruments carried on the balance sheet include advance against equity, trade and other receivables, cash and bank balances, and trade and other payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

   (c) Cash and cash equivalents

   Cash and cash equivalent includes cash in hand, deposit held at call with banks, other short term highly liquid investment with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown within borrowing in current liabilities on the balance sheet.

   (d) Share capital

   Ordinary shares are classified as equity.

   (e) Trade receivables

   Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

(f) Payables

Payables are recognised initially at fair value and subsequently stated at amortised cost. The difference between the proceeds and the amount payable is recognised over the period of the payable using the effective interest method.

(g) Functional and presentation currency

The financial statements are presented in United States dollars ("USD") which is the company's functional and presentation currency. The Board of director has adopted USD as the functional and presentation currency based on the shareholder's economic circumstances and to whom returns of its investment are reported in USD. The company as a holder of a Category 2 Global Business Licence under the Companies Act 2001 and the Financial Services Act 2007 is required to carry on its business in a currency other than the Mauritian rupee.

(h) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of period / year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Monetary assets and liabilities expressed in foreign currencies at period /year-end date are translated into USD at the exchange rates ruling at the balance sheet date. Translation differences on non-monetary financial assets and liabilities, such as equities at fair value through profit or loss are recognised in the income statement within the fair value net gain or loss. Translation differences on non-monetary items, such as equities, classified as available-for-sale financial assets are included in the fair value reserve in equity.

(i) Revenue recognition

Interest income is recognised on a time-proportionate basis using the effective interest method and includes interest income from debt securities.

(j) Related parties

Related parties are individuals and companies where the individual or company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operational decisions.

4. SHARE CAPITAL

	31-Mar-10 USD	31-Mar-09 USD	31-Mar-10 INR	31-Mar-09 INR
Issued, Subscribed and Paid Up				
Equity shares of USD 1.00 each fully paid	**100**	1	5,075	51
Debenture holders	**13,249,900**	6,000,000	658,108,675	304,500,000
	13,250,000	6,000,001	658,113,750	304,500,051

5. TAXATION

The company is a "Category 2 Global Business Licence Company" for the purpose of the Financial Services Act 2007. The company is not liable to taxation.

6. PARENT COMPANY

ibn18 (Mauritius) Limited is a wholly owned subsidiary of ibn18 Broadcast Limited.

7. RETIREMENT BENEFITS

During the year there was no employee on the payroll of the company who was entitled to retirement benefits.

8. RELATED PARTIES

	RELATIONSHIP
1. ibn18 Broadcast Limited	Parent Company

9. FAIR VALUE

The carrying amount of trade and other receivables, cash at bank, loan payable and trade and other payables approximate their fair values.

10 FINANCIAL SUMMARY

	31-Mar-10 USD	31-Mar-09 USD	31-Mar-10 INR	31-Mar-09 INR
Opening balance	**(565)**	-	(28,674)	-
Loss for the year/ period	**(13,255,915)**	(565)	(658,396,375)	(28,674)
Loss carried forward	**(13,256,480)**	(565)	(658,425,049)	(28,674)

11. REPORTING CURRENCY

The financial statements are presented in United States dollars. The company holds a Category 2 Global Business Licence under the Companies Act 2001 and the Financial Services Act 2007, which requires that the company's business or other activity to be carried on in a currency other than the Mauritian Rupee.

12. GOING CONCERN

The financial statements have been prepared on a going concern basis which assumes that the Company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the shareholder.

The directors are of the opinion that this support will be forthcoming over the next twelve months. They therefore believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Note: Figures in INR are calculated using the excange rate in force on the date of transaction or Balance Sheet date as applicable

NOTES

ibn18 BROADCAST LIMITED

Regd. Off.: 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi 110001, India

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/We hereby record my/our presence at the 5TH ANNUAL GENERAL MEETING of the above named Company to be held at 10.30 A.M. on Tuesday, the 27th day of July, 2010 at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi -110054

NAME(S) OF THE MEMBER(S)	Registered Folio No.
	Client ID No.
ADDRESS	DP ID No.
	No. of shares held

Name of Proxy (in block letters)
(To be filled in, if the Proxy attends instead of the Member)

Member's/Proxy's Signature

ibn18 BROADCAST LIMITED

Regd. Off.: 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi 110001, India

PROXY FORM

I/We ....of.. being a

Member(s) of ibn18 BROADCAST LIMITED hereby appoint ....

of...or falling him/her..

of...or falling him/her..

of...

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 5th ANNUAL GENERAL MEETING of the Company to be held at 10.30 A.M. on Tuesday, the 27th day of July, 2010 at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi -110054

AS WITNESSED under my/our hand(s) this .... day of 2010

Signed by the said..

Regd. Folio No./Client ID No. ....

DP ID No. ....

Re. 1 Revenue Stamp

NOTES :

1. This Proxy need not be a member
2. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.

BOOK-POST/UPC

If undelivered please return to:

ibn18 BROADCAST LIMITED

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15, Kasturba Gandhi Marg, New Delhi-110001