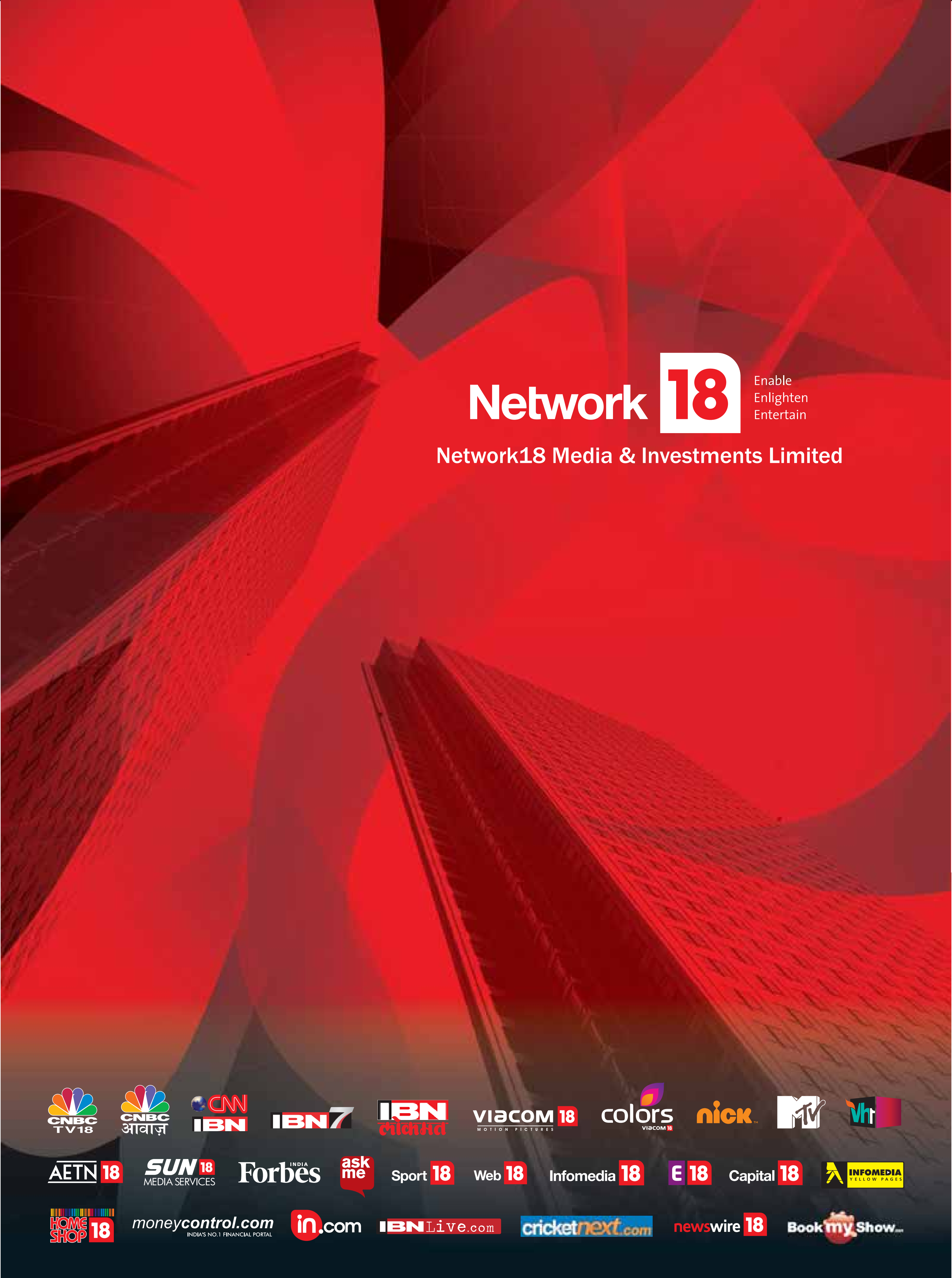


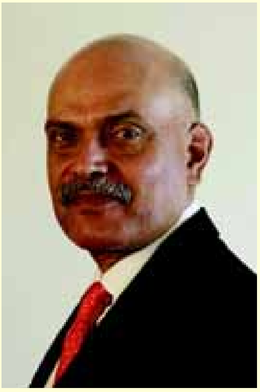
Network 18

Enable
Enlighten
Entertain

Network18 Media & Investments Limited

From the Founder's Desk

Dear Fellow Shareholders,



FY11 was a truly transformational year for Network18 and I am delighted to place your company's Annual Report for the year 2010-11 in your hands. In the year gone by, we returned to operating profitability at a consolidated level, signaling the onset of a new growth phase in the group's journey with our Television and Digital businesses performing above our expectations. I am also pleased to report that the 'Scheme of Arrangement' that we announced during the year, aimed at the optimization of our group companies, was recently approved by the Honourable High Court. The optimisation of the group structure heralds a new beginning that will help catalyse value creation for all our stakeholders.

Our Television Business with its nine market leading channels across News and Entertainment crossed the Rs. 1100 crores mark for the financial year with operating profits up 9x from the previous year. Our Digital and eCommerce Business delivered combined revenue of over Rs. 200 crores. Our operating assets across platforms including our entire market leading bouquet of channels: CNBC-TV18, CNN IBN, Colors, CNBC Awaaz, IBN7, MTV, VH1, Nick and IBN Lokmat; our formidable online properties like moneycontrol.com, ibnlive.com and in.com; our pioneering businesses like HomeShop18 and BookMyShow; our print titles under the Forbes India and Infomedia18 umbrellas – each one of them had another spectacular year reasserting their preeminent market leadership positions. Our investments under the Capital18 umbrella and our fledgling businesses like E18, Newswire18 and Sport18 continued to grow from strength to strength breaking new ground on the way. 2011 was also special as we forayed into distribution with Sun18 Media Services and announced our partnership with AETN Network.

From our humble beginnings as a one channel business news broadcasting company in the year 1999, we at Network18 have traversed a long journey growing rapidly as India transformed into an economic powerhouse in the twenty first century. At Network18, we have always believed that in the world's largest democracy, the raison d'etre of a media network is to capture and reflect the mood of the nation and her people and enable, enrich and entertain audiences. We are a child of India's liberalization and our expansion traces the expansion of India's affluent and consuming classes and our network's relative youth is reflective of a young and vibrant India. We are shaped by Indians' world view and reflect it back, shaping in turn their world view. From business news to general news, from entertainment to digital media consumption; we expanded our electronic media offerings to fulfill the media needs of our consumers growing our business from one channel to ten channels and a host of digital and ecommerce properties.

I believe that this journey is entering an exciting new phase as a billion young Indian dreams begin to fly and we endeavour to be the media that helps join the dots in each of these billion dreams. We expect that the growing Indian middle class and youth populations will drive long term growth in Indian media and entertainment spending which is considerably under-indexed *compared to other emerging markets. In India different media segments like television broadcasting, digital, radio and print will not grow linearly and sequentially but grow simultaneously and exponentially albeit at different growth rates making this a unique and challenging media market.*

The Network18 family believes that your company's strong brand recognition and salience, its leadership positions in television broadcasting and digital media and ability to leverage its cross-media ecosystem of audiences, advertisers and talent, position it well to capitalize on this promising and challenging growth opportunity ahead. The management continues to be focused on monetizing the leadership position across businesses to rapidly increase the return on investments made over the years and leverage the opportunities that these exciting times present to us.

On your behalf, let me also take this opportunity to thank our employees whose talent, dedication and passion have taken your company from strength to strength. I would also like to place on record my deep gratitude to our investors, shareholders, business associates and bankers for their continued and unstinting support to your company.

As we look ahead and embark on the next phase of our journey together, we are confident and exuberant yet humble and mindful. The best times are still ahead of us.

With best wishes

Raghav Bahl
Founder, Editor & Managing Director,
Network 18

Network18 Media & Investments Limited

BOARD OF DIRECTORS:

Mr. Manoj Mohanka	Chairman
Mr. Raghav Bahl	Managing Director
Mr. Hari S. Bhartia	Director
Mr. Ravi Chandra Adusumalli	Director
Ms. Subhash Bahl	Director
Ms. Vandana Malik	Director
Mr. Sanjay Ray Chaudhuri	Alternate Director to Mr. Ravi Chandra Adusumalli

CHIEF FINANCIAL OFFICER:

Mr. R.D.S. Bawa

COMPANY SECRETARY:

Mr. Yug Samrat

AUDITORS:

G.S. Ahuja & Associates
Chartered Accountants

BANKERS:

Indian Overseas Bank
Syndicate Bank
Punjab National Bank
Yes Bank Ltd.

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 – 201301. (U.P.)

REGISTRARS & SHARE TRANSFER AGENT:

Karvy Computer Share Private Limited,
Plot no. 17 to 24, Vithalrao Nagar,
Hyderabad – 500 081.
Tel No: 040 23420815 to 24,
Fax No 040 23420814,
Email id: varghese@karvy.com

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Notice

Notice is hereby given that the 16th Annual General Meeting of the Members of Network18 Media & Investments Limited will be held on Friday the 9th day of September 2011 at 12.00 Noon at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054 to transact the following businesses: -

AS ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Balance Sheet of the Company as at March 31, 2011 and the Profit and Loss Account for the year ended March 31, 2011, together with the Auditor's Report thereon and the Directors' Report.

2. To appoint a Director in place of Mr. Manoj Mohanka who retires by rotation and being eligible, offers himself for re-appointment.

3. To appoint Statutory Auditors of the Company and to fix their remuneration and in this regard, if thought fit, to pass with or without modifications, the following Resolution as an Ordinary Resolution: -

   "RESOLVED THAT, pursuant to the provisions of Sections 224, 225 and other applicable provisions, if any, of the Companies Act, 1956, M/s. Walker Chandiok & Co, Chartered Accountants, New Delhi, in respect of whom the Company has received a special notice, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors, in place of M/s. G. S. Ahuja & Associates, Chartered Accountants, New Delhi, Auditors of the Company who retire at the conclusion of this Annual General Meeting of the Company and have expressed their unwillingness for re-appointment as such."

By order of the Board
For **Network 18 Media & Investments Limited**

Place: Noida
Date: August 11, 2011.

Yug Samrat
Company Secretary

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** 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 the commencement of the Annual General Meeting.

2. Members/ Proxies are requested to bring their copy of the Annual Report, 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 Auditorium. Those Members who have not received a copy of the Annual Report can collect the same from the Registered Office of the Company.

3. Members/ Proxies should bring the attendance slips duly filled in for attending the meeting.

4. Corporate Members are requested to send a duly certified copy of the Board Resolution/ Power of Attorney/other valid authority, authorising their representative to attend and vote at the Annual General Meeting, pursuant to Section 187 of the Companies Act, 1956.

5. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar.

6. The term of M/s. G. S. Ahuja & Associates, Chartered Accountants, New Delhi, as Statutory Auditors of the Company, expires at the conclusion of this Annual General Meeting of the Company. They have expressed their unwillingness for reappointment as Statutory Auditors. Further, the Company has received a special notice proposing appointment of M/s Walker Chandiok & Co, Chartered Accountants, New Delhi. Accordingly, it is proposed to appoint M/s. Walker Chandiok & Co, Chartered Accountants, New Delhi, as Statutory Auditors of the Company at the 16th Annual General Meeting in place of the retiring Auditors. The Audit Committee has recommended their appointment. The Board recommends the appointment of M/s. Walker Chandiok & Co, Chartered Accountants, New Delhi, who have given their consent and a certificate to the effect that their appointment, if made, will be

within the limits specified under Section 224 (1B) of the Companies Act, 1956. This may please be treated as a special notice under section 225 read with 190 of the Companies Act, 1956.

7. The Registers of Members will be closed from Monday, the 5th day of September 2011 to Friday the 9th day of September 2011 (both days inclusive), for the purposes of the AGM. The Transfer Books of the Company will also remain closed for the aforesaid period.

8. All documents referred to in the accompanying notice shall be made available for inspection at the Registered Office of the Company during working hours (except holidays).

9. Please note that we have changed our Registrar & Share Transfer Agents from Alankit Assignments Limited to Karvy Computer Share Private Limited. 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 address to **Company's New Registrars, M/s Karvy Computer Share Private Limited, Plot no. 17 to 24, Vithalrao Nagar, Hyderabad – 500 081**.

10. 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.

11. 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 Transfer Agents, M/s Karvy Computer Share Private Limited, for consolidation into a single folio.

12. The members may please note that Special Resolutions sent through notice dated July 7, 2010 to Preference Shareholders and notice dated December 10, 2010 to Equity and Preference Shareholders for voting through Postal Ballot have been passed on August 16, 2010 and January 18, 2011 respectively by requisite majority. Relevant details in this regard are disclosed in the Corporate Governance Report forming part of the Directors Report.

13. A brief resume of the Director proposed to be appointed, the nature of his expertise in functional areas, details of other directorship and relevant details, in terms of Clause 49 of the Listing Agreement, are disclosed in the Corporate Governance Report.

14. Register of Directors' Shareholding as required u/s 307 of the Companies Act, 1956 shall be kept open for inspection at the Annual General Meeting.

15. Certificate from the Statutory Auditors of the Company certifying that the Employees Stock Option Plans of the Company have been implemented in accordance with the provisions of the Securities and Exchange Board of India (ESOP & ESPS) Guidelines 1999 shall be placed before the meeting.

16. Members are requested to note that the Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing the paperless compliances by the companies vide its circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, permitted the companies to send the notices / annual reports etc. through email to its members. To support this green initiative of the MCA whole heartedly, members who hold shares in electronic mode and have not yet registered their e-mail address, are requested to register their e-mail address with the Depository through their concerned Depository Participant and members who hold shares in physical mode are requested to intimate their e-mail address at which they would like to receive the above documents electronically, either to the Company or to its Registrar and Share Transfer Agent. **Member are also requested to send their consent to receive the notices etc. in electronic mode, in the form given at the end of the Annual Report.**

By order of the Board
For **Network 18 Media & Investments Limited**

Place: Noida
Date: August 11, 2011.

Yug Samrat
Company Secretary

Directors' Report

Dear Members,
Network18 Media & Investments Limited

Your Directors present the 16th Annual Report together with Audited Statement of Accounts for the year ended March 31, 2011.

Financial Results

The key financial figures on standalone basis of your Company for the year ended March 31, 2011 are as follows:

Amount in Rs.

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Profit/(Loss) Before Interest and Depreciation	**111,137,637**	75,982,394
Interest and Finance Charges	**816,493,300**	524,941,726
Depreciation	**5,135,605**	5,097,677
Net Operating Profit Before Tax	**(710,491,268)**	(454,057,009)
Provision For Taxes/ deferred Taxes	**(12,460,000)**	75,000
Net profit/ (loss) After Tax	**(698,031,268)**	(454,132,009)

Results of operations

During the year under review, the Company recorded a turnover of Rs. 6721.85 lakhs (Pr. Yr. 5617.47 lakhs) and recorded EBDIT of Rs. 1111.37 lakhs (Pr. Yr. 759.82 lakhs).

Audited Consolidated Financial Statements for the year ended March 31, 2011 also form a part of this Annual Report.

Dividend

In view of the loss for the financial year 2010-11, the Board of Directors of your Company is constrained to recommend any dividend for the year under review.

Transfer to Reserves

The Company has not made any transfer to the reserves during the financial year 2010-11.

Deposits

Your Directors wish to inform you that the Fixed Deposits Scheme under Section 58A of the Companies Act, 1956 launched by your Company is performing incredibly well. Your Company had a total of Rs. 15,912 lakhs under the Fixed Deposit Scheme as on March 31, 2011.

There was no failure by the Company in repayment of interest due on Fixed Deposits. Your Company has sent reminders to 1,122 Deposit Holders, who have not claimed repayment of their fixed deposits, which became due as on March 31, 2011, amounting to Rs. 7.06 Crs.

Financial Restructuring: Merger, Demerger & Scheme of Arrangement:

Scheme 1:

The Hon'ble High Court of Delhi vide its order dated April 26, 2011 approved the Scheme of Arrangement (hereinafter referred to as "Scheme") under section 391 to 394 of the Companies Act, 1956 between your Company and Television Eighteen India Limited (TV18), , ibn18 Broadcast Limited (ibn18), other Network18 group companies and their respective shareholders and creditors.

The Scheme is *inter-alia* aimed to result in synergy of business, achievement of economies of scale and management efficiency, reduction in administrative cost, optimization of resources, improvement in profitability and stronger Balance Sheet of the merged entity, etc. Pursuant to the Scheme the group has been restructured in the following manner:

i. Demerger of 'News Business Undertaking' of Television Eighteen India Limited into ibn18.

ii. Demerger of 'Web Undertaking' of Web18 Software Services Limited into the Company.

iii. Merger of Demerged TV18, Television Eighteen Commoditiescontrol.com Ltd., Care Websites Private Limited, RVT Investments Private Limited and Network18 India Holdings Private Limited into the Company.

iv. Merger of iNews.com Limited and IBN18 Media into ibn18.

The Appointed date for the proposed restructuring is April 1, 2010 and the Scheme shall be effective as and when the certified copies of the High Court Orders are filed with the Registrar of Companies. Upon coming into effect of the Scheme and in accordance with the Scheme, your Company will allot 13 equity shares (of face value of Rs 5 per share) of the Company for every 100 equity shares (of face value of Rs 5 per share) held in TV18.

Scheme 2:

The Board of Directors of the Company, on July 7, 2010 announced and approved another Scheme of Arrangement ('the Scheme') between your Company and Infomedia18 Limited (Infomedia18) and their respective shareholders and creditors. As per the Scheme, the Business Directories business, the New Media business and the Publishing business of Infomedia18 shall be demerged into the Company while the Printing Press business will continue to remain with Infomedia18. The Scheme has been approved by the shareholders and creditors (secured and unsecured) of the Company at their meetings held on February 23, 2011, convened pursuant to the directions of the Hon'ble High Court of Delhi. The Scheme is subject to further approval of the Hon'ble High Court of Delhi and the same is awaited. The Appointed date for the proposed restructuring is April 1, 2010.

Once the Scheme becomes effective, the Company shall issue and allot equity shares in the ratio of 14:100 i.e. 14 fully paid-up equity shares of Rs 5 each of the Company to be issued for every 100 fully paid equity shares of Rs 10 each of Infomedia18. Shareholders of Infomedia18 shall continue to hold original 100 shares representing the Print Press Business, left after demerger of Publishing and other business as above said.

Change in Capital Structure

The Company's shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) and are actively traded.

During the year under review, the paid up equity share capital has increased from Rs. 5,717.04 lakhs to 59,44.78 lakhs. The details of the same is mentioned hereunder-

Particulars	No. of Shares issued
Shares allotted pursuant to ESOP Schemes	35,54,824
Shares allotted pursuant to conversion of SOFCDs	10,00,000

Management Discussion and Analysis Report

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

Employee Stock Option Plan

Human Resource is vital and most valuable assets. The Company created a favorable work environment that encourages innovation and meritocracy and had tried to adopt the best HR practices. Your Company believes in the policy of enabling employees to participate in the ownership of the Company and share in its wealth creation, who are responsible for the management, growth and financial success of the Company.

Your Company currently has nine stock option schemes in force namely ESOP 2002, ESOP 2004, Senior ESOP 2004, ESOP 2005, Long Term Retention ESOP 2005, Stock Awards Plan 2005, ESOP C 2007, ESOP 2007 and ESPP 2008.

The details and particulars of options issued under the Employee Stock Option Plans as required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are appended as 'Annexure -I' and form part of this report.

Corporate Governance

Corporate Governance is about commitment to values and about ethical business conduct. It stems from the culture and mindset of a management; hence, measures of Corporate Governance should be more by self-discipline than by legislation and regulation.

Your Company strives for excellence with the objective of enhancing shareholders' value and protecting the interest of shareholders. At Network18, we ensure the practice of the Principles of Good Corporate Governance. Decisions are based on a set of principles influenced by the values, context and culture of the organization. All functions of the Company are discharged in a professionally sound, competent and transparent manner.

The detailed Corporate Governance Report of the Company in pursuance of Clause 49 of the Listing Agreement forms part of the Annual Report.

Directors

Mr. Manoj Mohanka, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for reappointed as the Director of the Company.

Mr. Ravi Chandra Adusumalli was appointed as a Director of the Company, not liable to retire by rotation, by the shareholders of the Company in the last Annual General Meeting held on August 27, 2010. Thereafter, The Board of Directors appointed Mr. Sanjay Ray Chaudhuri as an alternate director to Mr. Ravi Chandra Adusumalli w.e.f. August 27, 2010.

Brief resume of aforesaid Director proposed to be appointed, the nature of his expertise in specific functional areas and name of Companies in which he hold directorships and chairmanship/ memberships of

Board Committees as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India are provided in the 'Report on Corporate Governance' forming part of this Report.

Subsidiaries

A statement of your Company's interest in its Subsidiary Companies is attached as Annexure – II to the Directors' Report in terms of the provisions of Section 212 of the Companies Act, 1956.

Ministry of Corporate Affairs, Government of India vide their circular no. 51/12/2007-CL-III dated February 8, 2011 has granted general exemption under section 212(8) of the Companies Act, 1956 from attaching the Directors' Report, Balance Sheet, Profit & Loss Account and the Report of Auditors of the Subsidiary Companies with the Balance Sheet of the Company. The annual accounts of these subsidiary companies and the related detailed information will be made available to the shareholders seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any investor at its registered office and that of the concerned subsidiary companies. The Company shall also furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

Directors' Responsibility Statement

Pursuant to the provision 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, 2011, 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 irregularities;

iv) that the Directors have prepared the accounts for the financial year ended March 31, 2011 on a 'going concern' basis.

Auditors & Auditors' Report

The term of M/s. G. S. Ahuja & Associates, Chartered Accountants, New Delhi, as Statutory Auditors of the Company, expires at the conclusion of the forthcoming Annual General Meeting of the Company. M/s. G. S. Ahuja & Associates have expressed their unwillingness for reappointment as Statutory Auditors. The Board hereby record appreciation for the services rendered by them during their tenure. Further the Company has received a special notice proposing appointment of M/s Walker Chandiok & Co, Chartered Accountants, New Delhi. The Audit Committee has recommended their appointment as such. It is proposed to appoint M/s Walker Chandiok & Co, Chartered Accountants, New Delhi as Statutory Auditors of the Company at the ensuing Annual General Meeting.

The Board recommends the appointment M/s Walker Chandiok & Co, Chartered Accountants, New Delhi who have given their consent and a certificate to the effect that their appointment, if made, will be within the limits specified under Section 224 (1B) of the Companies Act, 1956.

Explanation to Auditor's Comment:

Auditors report for the year is self explanatory and require no further comments or clarification, except the following for which managements response is also given:

a) Remuneration paid to the Managing Director, being in excess of the limits prescribed in Schedule XIII of the Companies Act, 1956.

b) Non provision for other than temporary diminution in the value of long-term investments/advances.

c) Grant in the earlier year of an interest free share application money of Rs.127.60 crore to a wholly owned subsidiary.

Managements Response:

a) the Central Government has partially approved the Company's application for approval of the remuneration paid and the Company has filed a representation for reconsideration of the matter and approval is awaited.

b) No provision is necessary keeping in view the long term involvement of the Company with the investee companies.

c) The amount was paid to a wholly owned subsidiary towards share application money.

Particulars of Employees

In terms of the Provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended, the name and other particulars of the employees are required to be set out in the Annexure to the Directors Report. However, as per the provisions of Section 219(1) (b) (iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the Members of the Company and others entitled to receive the annual report of the Company. Members who are interested in obtaining such particulars may write to the Company at its Registered Office.

'Group' As Defined Under Monopolies And Restrictive Trade Practices Act, 1969

Pursuant to intimation received from Promoter(s) the names of Corporate(s) entities consisting 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 in a separate section in the Annual Report as Annexure - III.

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 regular efforts are made to conserve the energy.

b) Research and Development

The Company continuously makes efforts towards research and developmental activities whereby it can improve the quality and productivity of its programmes.

c) Foreign Exchange Earnings and Outgo

The foreign exchange earnings and expenditure appear in Schedule No.13(b) of the 'Notes to the Accounts' forming part of the Audited Annual Account.

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 operation of the Company efficiently.

For and on behalf of the Board

Place : Noida — Chairman
Date : May 30, 2011.

Annexure "I" to the Directors' Report

Information regarding the Employees Stock Option Schemes/ Employees Stock Purchase Plan as on March 31, 2011 in terms of Regulation 12 and 19 of SEBI (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999

(a) Options granted/ Shares issued

Name of Scheme	**No. of shares granted/ shares issued**
Network18 Employee Stock Option Plan 2007	100,000

(b) Pricing Formula

Name of Scheme	**No. of shares granted/ shares issued**	**Pricing**
Network18 Employee Stock Option Plan 2007	100,000	Share to be offered at an exercise price of Rs 72 per share

(c)	**Options vested during the year**	3,523,740
(d)	**Options exercised during the year**	3,554,824
(e)	**Total no. of shares arising as a result of exercise of options**	3,554,824
(f)	**Options lapsed during the year**	41,200
(g)	**Variation in terms of options**	As mentioned below
(h)	**Money realised by exercise of options (Rs. in lakhs)**	2,858.86
(I)	**Total no. of options in force**	1,446,398

(j) (i) Options shares granted to key managerial persons

Name of key managerial persons	Present designation	No. of options granted/ shares issued
Sarbvir Singh	MD of Capital 18	100000

(ii) Employees who have been granted 5% or more, of the options during the year: Nil

(iii) None of the employees were granted options during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant: Nil

(k) (i) Basic Earnings per share (in Rs.) -5.97

(ii) Diluted Earnings per share (in Rs.) -5.95

(l) Computation of employee compensation cost and effect on profit and EPS

(i) Method of calculation of employee compensation cost: Intrinsic Value

(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost to P&L account if the company had used fair value of the Options (in Rs. lakhs) 1,428.91

(iii) The impact of this difference on the profits and EPS of the Company 1,428.91

Profit after tax (Rs. in lakhs)	(6,912.76)
Less: Additional employee compensation cost based on fair value (Rs. in lakhs)	1,428.91
Adjusted Profit after Tax (Rs. in lakhs)	(8,341.67)
Adjusted Basic EPS	(7.21)
Adjusted Diluted EPS	(7.19)

(m) Weighted average exercise price and fair value of the stock options granted at a price below market price

Total Options granted	100,000
Weighted average exercise price (in Rs.)	72.00
Weighted average fair value (in Rs.)	78.71

(n) 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.

The company has adopted the Black Scholes option pricing model for valuation of the options. Several assumptions have been used in arriving at the fair value of the options. The main assumptions used are as under:

Risk free rate of interest (in %)	7.98%
Expected life of the options from the date of grant (in Years)	3.00
Expected volatility (in %)	42.20%
Dividend yield (in %)	0.00%

Annexure "II" to the Directors' Report
Statement pursuant to section 212 of the Companies Act, 1956

1	**Name of the subsidiary**	**Television Eighteen India Limited**	**ibn18 Broadcast Limited**	**RVT Media Private Limited**	**ibn18 Media & Software Limited**	**ibn18 (Mauritius) Limited, Mauritius**	**AETN18 Media Private Limited**
2	Financial year of the subsidiary ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
3	Shares of the subsidiary held by the Company on the above date						
	a) No. of Shares and face value	84,028,954 Equity share of Rs. 5 each	64,892,544 Equity shares of Rs. 2 each	10,000 Equity shares of Rs. 10 each	6,72,94,750 Equity shares of Rs. 2 each	100 Equity shares of US$1 each	2,610,000 Equity shares of Rs. 10/- each
	b) Holding companies interest	46.23%	27.28%	100.00%	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	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	173,426,821	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:						
	a) For the financial year of the subsidiary	221,593,718	(249,400,554)	(64,515)	(134,214)	(164,492)	(8,062,310)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(3,804,362)	(958,211,627)	(60,710)	(160,657)	(658,396,375)	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.	N.A.	N.A.	N.A.
	b) Investments made	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	N.A.	N.A.	N.A.	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.	N.A.	N.A.	N.A.

Annexure to Director's Report
Statement pursuant to section 212 of the Companies Act, 1956

1.	**Name of the subsidiary**	**Setpro 18 Distribution Limited**	**Network 18 Holdings Limited, Cayman Islands**	**TV18 HSN Holdings Limited, Cyprus**	**TV 18 Home Shopping Network Limited**	**Television Eighteen Mauritius Ltd. (TEML)**	**Television Eighteen Media and Investments Ltd. (TEML II), Mauritius**
2	Financial year of the subsidiary ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
3	Shares of the subsidiary held by the Company on the above date						
	a) No. of Shares and face value	33,000 Equity shares of Rs. 10 each	1,500,000 Equity shares of USD 1 each	46,308,665 ordinary shares of USD 0.04 each, 2,500 pref. shares of series A of USD .04 each	1,136,605 Equity shares of Rs. 10 each	12,295,000 Equity Shares of USD 1/- each	1,00,001 Equity Shares of USD 1/- each
	b) Holding companies interest	66.00%	100.00%	54.32%	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	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:						
	a) For the financial year of the subsidiary	(9,940,827)	1,060,626,864	(2,606,091)	(509,252,552)	(45,940,861)	(12,604,769)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	57,110,976	84,915,594	5,815,379	(1,201,552,799)	(97,114,414)	3,878,295
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.	N.A.	N/A	N/A
	b) Investments made	N.A.	N.A.	N.A.	N.A.	N/A	N/A
	c) Money lent by subsidiary	N.A.	N.A.	N.A.	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.	N.A.	N.A.	N/A

Annexure to Director's Report
Statement pursuant to section 212 of the Companies Act, 1956

1	Name of the subsidiary	Capital 18 Limited (Capital 18), Mauritius	Capital 18 Acquisition Corporation, Cayman Islands	BK Holdings Limited, Mauritius	Namono Investments Limited, Cyprus	Web 18 Holdings Ltd., Cayman Islands (Web 18)	E-18 Limited (E-18), Cyprus
2	Financial year of the subsidiary ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
3	Shares of the subsidiary held by the Company on the above date						
	a) No. of Shares and face value	1 Equity Shares of USD 1/- each	16,90,501 Equity Shares of USD 1/- each	5000 Equity Shares of USD 1/- each	1 Equity shares of EURO 1/- each	95,085,171 Ordinary Shares CLASS A of USD 0.00374 each	3,899 Equity shares of USD 1/- each
	b) Holding companies interest	100.00%	98.00%	100.00%	100.00%	84.27%	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	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:						
	a) For the financial year of the subsidiary	77,416,357	(120,900)	(205,957,794)	(349,858)	(25,651,578)	(3,647,109)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(4,442,848)	(608,539)	(556,281,038)	(2,407,475)	(156,852,886)	(322,284,567)
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	N/A	N/A	N/A
	b) Investments made	N/A	N/A	N/A	N/A	N/A	N/A
	c) Money lent by subsidiary	N/A	N/A	N/A	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	N/A	N/A	N/A

Annexure to Director's Report
Statement pursuant to section 212 of the Companies Act, 1956

1	Name of the subsidiary	Television Eighteen Commodities control.com Ltd. (TV18CC)	e-Eighteen .com Ltd. (e-Eighteen)	Money Control Dot Com India Ltd.	Web 18 Software Services Ltd.	Big Tree Entertain-ment Pvt. Ltd.	Care Websites Pvt. Ltd.	TV18 UK Limited, U.K.
2	Financial year of the subsidiary ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
3	Shares of the subsidiary held by the Company on the above date							
	a) No. of Shares and face value	6,34,080 Equity shares of Rs. 5/- each	4,968,894 Equity shares of Rs. 10/- each	500,000 Equity share of Rs. 1/- each	491,489 Equity share of Rs. 10/- each	11,129 Equity shares of Rs. 10/- each	9,00,000 Equity share of Rs. 5/- each	1 Equity share of GBP 1/- each
	b) Holding companies interest	79.97%	91.95%	100.00%	100.00%	60.00%	90.00%	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	NIL	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:							
	a) For the financial year of the subsidiary	(23,306,120)	70,723,218	123,229	(224,148,151)	(2,478,926)	518,874	(3,526,286)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(211,289,488)	(63,224,678)	194,922	(2,169,463,712)	(124,834,976)	(20,291,939)	9,798,376
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	N/A	N/A	N/A	N/A
	b) Investments made	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	c) Money lent by subsidiary	N/A	N/A	N/A	N/A	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	N/A	N/A	N/A	N/A

Annexure to Director's Report
Statement pursuant to section 212 of the Companies Act, 1956

1	**Name of the subsidiary**	**NewsWire 18 Limited**	**RVT Investments Pvt. Ltd.**	**iNews.com. Ltd.**	**Infomedia 18 Limited**	**Digital18 Media Limited**	**RRB Investments Private Limited**	**Network 18 India Holdings Private Limited**
2	Financial year of the subsidiary ended on	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011	31.03.2011
3	Shares of the subsidiary held by the Company on the above date							
	a) No. of Shares and face value	13,394,470 Equity Shares of Rs. 2/- each	20,000 Equity Shares of Rs. 5/- each	30,000,000 Equity Shares of Rs. 2/- each	23,913,061 Equity Shares of Rs. 10/- each	50,000 Equity Shares of Rs. 10/- each	10,000 Equity Shares of Rs. 10/- each	20,000 Equity shares of Rs 5/- each, 94,71,000 preference share of Rs. 10/-
	b) Holding companies interest	77.50%	100.00%	100.00%	47.80%	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	NIL	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:							
	a) For the financial year of the subsidiary	(7,672,550)	(126,909,899)	(36,568)	(146,537,673)	(58823184)	198394745	(5500650)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(669,631,585)	2,315,763	7,162,912	(1,040,995,265)	N/A	N/A	(360,589,546)
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	N/A	N/A	N/A	N/A
	b) Investments made	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	c) Money lent by subsidiary	N/A	N/A	N/A	N/A	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	N/A	N/A	N/A	N/A

Following companies have been disposed off during the year:

1. The Indian Film Company Limited, Guernsey w.e.f. from 1 November, 2010, 2. The Indian Film Company (Cyprus) Limited, Cyprus w.e.f. from 1 November, 2010, 3. IFC Distribution Private Limmited w.e.f. from 1 November, 2010, 4. Colosceum Media Private Limited w.e.f. 27 August, 2010, 5. Stargaze Entertainment Private Limited w.e.f. 27 August, 2010, 6. Glyph International Limited (formerly American Devices India Private Limited) w.e.f. 31 May, 2010, 7. Cepha Imaging Private Limited w.e.f. 31 May, 2010, 8. Glyph International UK Limited (formerly Keyword Group Ltd) w.e.f. 31 May, 2010 and 9. Glyph International US LLC (Software Services LC) w.e.f. 31 May, 2010

Annexure "III" to the Directors' Report: 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.	Adventure Marketing Private Limited	40.	NewsWire 18 Limited
2.	AETN18 Media Private Limited	41.	R B Software Private Limited
3.	B K Media Private Limited	42.	RB Holdings Private Limited
4.	Big tree Entertainment Pvt Ltd	43	RB Investments Private Limited
5.	BK Capital Limited, Mauritius	44.	RB Media Holdings Private Limited
6.	BK Holdings Limited	45.	RRB Investments Private Limited
7.	BK Media Mauritius Private Limited	46.	RRK Finhold Private Limited
8.	BK Networks Limited	47.	RRK Holdings Private Limited
9.	BK Ventures Limited, Mauritius	48.	RRK Media Private Limited
10.	Blue Slate Media Private Limited	49.	RVT Finhold Private Limited
11.	BRR Securities Private Limited	50.	RVT Holdings Private Limited
12.	Capital 18 Advisors Limited	51.	RVT Investments Private Limited
13.	Capital18 Acquisition Corp	52.	RVT Media Private Limited
14.	Capital18 Fincap Private Limited (Earlier VT Holdings Private Limited)	53.	RVT Softech Private Limited
15.	Capital18 Limited, Cayman Islands	54.	Setpro18 Distribution Limited
16.	Capital18 Limited, Mauritius	55.	Stargaze Entertainment Private Limited
17.	Care Websites Private Limited	56.	Television Eighteen Commoditiescontrol.com Limited
18.	Colorful Media Private Limited	57.	Television Eighteen India Limited
19.	Colosceum Media Private Limited	58.	Television Eighteen Mauritius Limited, Mauritius
20.	Digital18 Media Limited	59.	Television Eighteen Media and Investments Limited, Mauritius
21.	E-18 Limited, Cyprus	60.	TV18 Employees Welfare Trust
22.	e-Eighteen.com Limited	61.	TV18 Home Shopping Network Limited
23.	Global Broadcast Employees Welfare Trust	62.	TV18 HSN Holdings Limited, Cyprus
24.	greycells18 Media Limited	63.	TV18 UK Limited, UK
25.	ibn 18 Media & Software Limited	64.	Ubona Technologies Private Limited
26.	IBN18 (Mauritius) Limited	65.	VT Media Private Limited
27.	IBN18 Trust	66.	VT Softech Private Limited
28.	iNews.com Limited	67.	Watermark Infratech Private Limited
29.	Infomedia18 Limited	68.	Web18 Holdings Limited, Cayman Islands
30.	International Media Advisors Private Limited	69.	Web18 Software Services Limited
31.	Keyman Financial Services Private Limited	70.	Webchutney Studio Private Limited
32.	Moneycontrol Dot Com India Limited	71.	Wespro Digital Private Limited
33.	Namono Investments Limited		
34.	Network18 Employees Welfare Trust		
35.	Network18 Group Senior Professional Welfare Trust		
36.	Network18 Holdings Limited, Cayman Islands		
37.	Network18 India Holdings Private Limited		
38.	Network18 Publications Limited		
39.	Networkplay Media Private Limited		

Management Discussion And Analysis Report

Industry Status

The Indian entertainment and media industry, as a whole, grew from INR 587 billion in 2009 to INR 652 billion in 2010. According to industry reviews and reports this sector has exhibited a growth of 11% from 2009-10 and forecasted to grow at about 13% to touch INR 738 Billion by 2011.

Overall Industry size (INR Bn)*	2007	2008	2009	2010	CAGR (2007-10)	2011P	2012P	2013P	2014P	2015P	CAGR (2010-15)
Television	211	241	257	297	12%	341	389	455	533	630	16%
Print	160	172	175	193	6%	211	231	254	280	310	10%
Film	93	104	89	83	-3%	91	98	109	120	132	10%
Radio	7	8	8	10	11%	12	15	18	21	25	20%
Music	7	7	8	9	5%	9	11	13	16	19	17%
Out of Home	14	16	14	17	6%	19	22	24	27	30	12%
Animation and VFX	14	17	20	24	18%	28	33	40	47	56	19%
Gaming	4	7	8	10	32%	13	17	23	31	38	31%
Digital Advertising	4	6	8	10	39%	13	18	22	28	36	28%
Total	516	579	587	652	8%	738	834	957	1104	1275	14%

(Source: FICCI-KPMG Report 2011)

Revenue Streams: The revenue of media players, especially television and print, are largely derived from advertising and subscriptions.

1. **Advertising revenue**: Your Company sells the airtime between our regular programming to advertisers where advertisers can place their advertisements. We also offer in-programme advertising opportunities and other branding opportunities such as title sponsorships, special properties, etc. for which we earn advertising revenue.
2. **Subscription revenue:** Our channels are pay channels. We broadcast our channels using encryption techniques and the cable operators decrypt the signals using special equipments and authorization provided by us. The cable operators feed the decrypted signals as a part of the content package to consumers and collect a monthly fee from their subscribers.

Industry Growth – Fundamental Drivers

The Indian media and entertainment industry has benefited from some fundamental growth drivers, which have facilitated its double digit growth in the past decade. They are categorized and summarized as follows:

1. **Evolving socio-economic environment in India –** Led largely by a combination of two key macro factors, India has emerged as a growth engine for discretionary consumption products and services, especially media and entertainment. The first one is the favorable demographic composition of the nation, commonly referred to as the "Demographic Dividend", which essentially implies that a large proportion of the country's populace is young and in the working age group, thus allowing for greater future consumption upside. Second, since liberalization, the country has witnessed 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. This has led to the emergence of an ever increasing large consuming class, with rising disposable incomes, which is globally aware and acquisitive in nature.
2. **Digitization –** This is the process of converting analog information into digital formats. This has been a defining trend in the global media industry especially in TV, music and films and now it is becoming evident in India as well. From an enhanced consuming experience for the end-user to greater addressability and monetization potential for the content provider; digitization can 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 now exist. As per

industry reports, DTH achieved a robust growth of 75 percent in 2010 in the net subscriber base over 2009, by adding 12 million subscribers. With the increase in DTH, mobile and broadband penetration and the 3G roll out by telecom players, the market for other digital distribution platforms such as VoD, Pay Per View, online streaming and downloads is expected to improve considerably.

3. **Narrowcasting –** Over the past years, the media industry has witnessed the emergence of niche plays. These niche offerings are highly focused channels, shows and formats which seek to segment audiences and deliver unique offerings to them based on their preferences.. This has in turn allowed advertisers to reach out to their consumers more effectively. Narrowcasting is inextricably linked to the growth of addressable media in the country and the digital wave.

4. **Regionalization –** This is another one of the most significant growth drivers for the industry. 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. This has been caused by the percolation of media consumption in cities apart from the large metros and the gradual increase in income and awareness levels in Tier 2 and Tier 3 cities. From the launch of regional newspapers to city and region/language based channels to special shows, this trend is spurring growth in multiple ways. In 2010, of the total ad volumes on television, 53 percent was on regional channels as opposed to national channels, growing from 47 percent in 2009.

5. **Growing Importance Of New Media –** Another key trend is the convergence and multi-platform presence of media services in the country. Over the past years, consumers as well as content providers have ensured that the same content is increasingly deployed across platforms, from television to online to mobile and beyond. Whether its e-papers or online streaming of shows or mobile based applications, the convergence of content across key "screens" is a defining phenomenon in the industry. Considering the growth in India's telecom and IT markets especially mobile and wireless markets (over 500 mn wireless subscribers), this wave of convergence is bound to be strengthened. Also noteworthy is the rollout of 3G services in the country which will provide a strong impetus to the convergence phenomenon amongst content providers and users. Availability of infrastructure and appropriately pricing content across these new media platforms will be critical success factors for the Indian market.

6. **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 and scale from the diffusion of capital risk to cross-leveraging of audiences and promotional opportunities to managing volatility in consumption patterns, media owners are realizing the importance of presence across the value chain and in that sense have large conglomerate forms, as opposed to stand alone operations which may not be able to withstand environmental exigencies or intense competitive pressures. The Media and Entertainment industry is increasingly becoming fragmented in nature 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. 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.

7. **Pay Led Revenue Models -** Traditionally, advertising revenues have had a strong hold in the Media and Entertainment 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 enabled convenience and superior quality offerings 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 media players are some examples of pay markets gaining importance.

8. **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.

9. **Other Key Enablers –** Apart from the above, there are other 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 that have facilitated growth.

Opportunities, Growth Drivers and Concerns

The Indian Entertainment and Media Industry has shown structural shifts in its move towards convergence with consumers increasingly taking control of their media consumption. With the evolution of the Industry, growth is increasingly being driven by increasing consumer spending which has a large impact on revenue streams. Knowledge of evolving consumption trends will be a critical success factor in this scenario. The growth has been evident in varying proportions across the different segments of the Indian Entertainment and Media Industry i.e. Television, Print and Internet (Digital) being the major media in terms of size and growth rates apart from other segments such as radio, out of home, mobile.

The Indian Television Industry

Your company operates primarily in the news and entertainment segments.

1. **News** : Two leading general news channels viz. 'CNN IBN' and 'IBN 7' and the leading Marathi News Channel 'IBN Lokmat' through its 50:50 JV with the Lokmat Group.
2. **Entertainment** : We also forayed into the entertainment segment through our 50:50 JV with Viacom called "Viacom18", which operates industry leading channels such as 'Colors', 'MTV', 'Nick' and 'Vh1'.

The private television industry commenced its operations in the year 1992, when the Government authorized licensing privately-owned cable and satellite televisions. Beginning with 2 privately owned television channels in 1992, there are currently over 550 television channels with IBN18 being one of the nation's leading broadcasters in the nation. The Indian television industry has recorded a growth of rate of around 15% in the last year. The Indian television industry has consequently been growing from strength to strength with total revenues expected to double over the next 5-6 years. As per industry estimates, the television sector in India accounted for almost 45% of revenues of the Media and Entertainment industry.

Key Growth Drivers for Indian Television: Apart from the trends mentioned earlier which impact TV, the following are some of the drivers of medium term growth for the television sector at a generic level:

1. Digitization - Rapid growth in the number of digitized households leading to higher subscription revenues and ARPU's for broadcasters as a result of the greater addressability due to digitization.
2. 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 will allow advertisers to derive maximized value and at the same time increase the participation of local and regional advertisers, thus impacting sector revenue growth.
3. Multi-TV Homes and Platforms and Increasing penetration of TV's and 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. With the increase in consumption power, many households are now opting for multiple television sets expanding the market further.
4. 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.

(Source: FICCI KPMG 2011 Report)

Key Concerns and Challenges: The following are some of the primary challenges to the growth of the television sector:

1. **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. As per industry estimates, local cable operators (LCOs) still garner almost 75% of the subscription revenues due to under-declaration of the subscription numbers,

broadcasters get around 15-20% and MSO get around 5%. There is a possibility for this scenario to change to a more equitable sharing norm, with higher penetration of digital platforms.

2. **Carriage Fees -** As per industry estimates, carriage fees 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 in the analog market. However, it is expected that the onset of digitization will make more bandwidth available to distributors.

3. **Advertising Environment Risks** – Pursuant to the last global economic crisis, the macro advertising environment had been affected. However, since the last year, we are seeing some recovery momentum. This risk of sudden environmental pressures, leading to cuts in ad spending, can be substantial for broadcasters.

4. **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.

5. **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.

6. **Regulatory and Other concerns -** The Indian broadcasting, especially the news genre, is subject to significant Government regulations. License to uplink channels from India provide broad discretion to the Government to influence the conduct of business of a channel by giving the Government the 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 programmers and cable operators. The emergence of a 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.

The Indian New Media Industry (Digital)

Internet and new media including digital content usage in India has been on the rise over the last few years with a greater number of users being able to have access to digital content. The cost of network access and handsets is falling, penetration of wireless networks is increasing and India's young population is leaning towards digital content. Increasing focus on literacy, PC education, mobile internet, greater penetration of affordable smart phones and vernacular content on the web is expected to generate an increase in online penetration in the country. The Internet has had a profound effect on consumers' viewing habits and the proliferation of devices is altering their media and entertainment consumption behavior.

Internet audiences in India stand at approximately 81 million users (Source: FICCI-KPMG Report 2011). Smartphone sales in India accounted for 5.2 percent of device sales in the first quarter of 2010. This share is expected to increase to 18 percent by 2014, driven by broadband technologies and customer aspirations. As broadband penetration and mobile based consumption grows (3G), Internet audiences will grow especially from smaller towns, who are discovering how the Internet can be used to surmount the barriers of distance and time. Another key factor in spurring heightened interest in the online medium has been the relative affluence and empowered nature of internet users. Faster broadband speeds and high user demand in India will drive content to be presented and consumed in different ways such as social media, videos and streaming of music and movies.

The Indian Film Industry

Your company entered the Indian Film Industry through Studio18 and was amongst the first few studios that were set up in the Indian film industry. It became essential to remodel Studio18 into an entity that not only aligned itself with the industry trends but is also more integrated with the other businesses of Viacom18 and **Viacom18 Motion Pictures** is a step in that direction. The second half of the last financial year witnessed the roll-out of the plan to rebrand Studio 18 as Viacom 18 Motion Pictures.

The Indian film industry is projected to grow at a CAGR of 9.6 percent to touch INR 133.5 billion in revenues by 2015. The contribution of domestic theatrical revenues to the overall industry pie is expected to reduce slightly, while the share revenues from cable and satellite rights is expected to increase going forward and account for 13 percent of overall industry size.

(Source: FICCI KPMG Report 2011)

GROUP STRUCTURE OVERVIEW

Network18[BSE: 532798,NSE: Network18] is one of India's leading full play media conglomerates with interests in television, print, internet, filmed entertainment, mobile content and allied businesses. Through its holding in Television Eighteen India Ltd (TV18) [BSE: 532299, NSE: TV-18], Network18 operates India's leading business news television channels, CNBC-TV18 and CNBC Awaaz. It also runs one of India's largest Internet players - Web18, as well as one of India's leading real time financial information and news terminals - Newswire18. TV18 expanded into print with Infomedia18, following the acquisition of Infomedia, India's leading player in the special interest publishing and local search space. Through its holding in ibn18 Broadcast Ltd (ibn18) [BSE: 532800,NSE: ibn18], Network18 operates in the general news and entertainment space with leading general news channels CNN-IBN and IBN7 and has 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 Viacom18 Motion Picture, the Group's filmed entertainment operation and 'Colors', the country's leading Hindi general entertainment channel. Additionally, Network18 holds the Group's online and on-air home shopping venture, Homeshop18, its full spectrum events management venture, E18 and its sports management & marketing division, Sports18.

NETWORK18 MEDIA & INVESTMENTS LIMITED

HomeShop18 (Subsidiary)
Setpro18 (Subsidiary)
Events18 (Division)
Sport18 (Division)

TV18 (Listed Subsidiary)
- ***Television***
  - CNBC-TV18
  - CNBC AWAAZ
- **Infomedia18** (Listed Subsidiary of TV18)
  - Yellow Pages
  - Business Publications
  - Special Interest Magazines
  - Printing
- **Web18** (Subsidiary of TV18)
  - Content Sites
    - moneycontrol.com
    - ibnlive.com
    - in.com
    - compareindia.com
    - cricketnext.com
  - Transaction Sites
    - yatra.com (Minority holding)
    - bookmyshow.com
  - Subscription
    - poweryourtrade.com
    - commoditiescontrol.com
    - indiaearnings.com
  - **Newswire18**
    - Real-time Data and News Terminal

ibn18 (Listed Subsidiary)
- **Television**
  - CNN-IBN
  - IBN7
  - Ibn Lokmat (50:50 JV with Lokmat)

Viacom18 (50:50 JV with Viacom)
- Colors
- MTV
- Nickelodeon
- VH1
- Viacom18 Motion Pictures

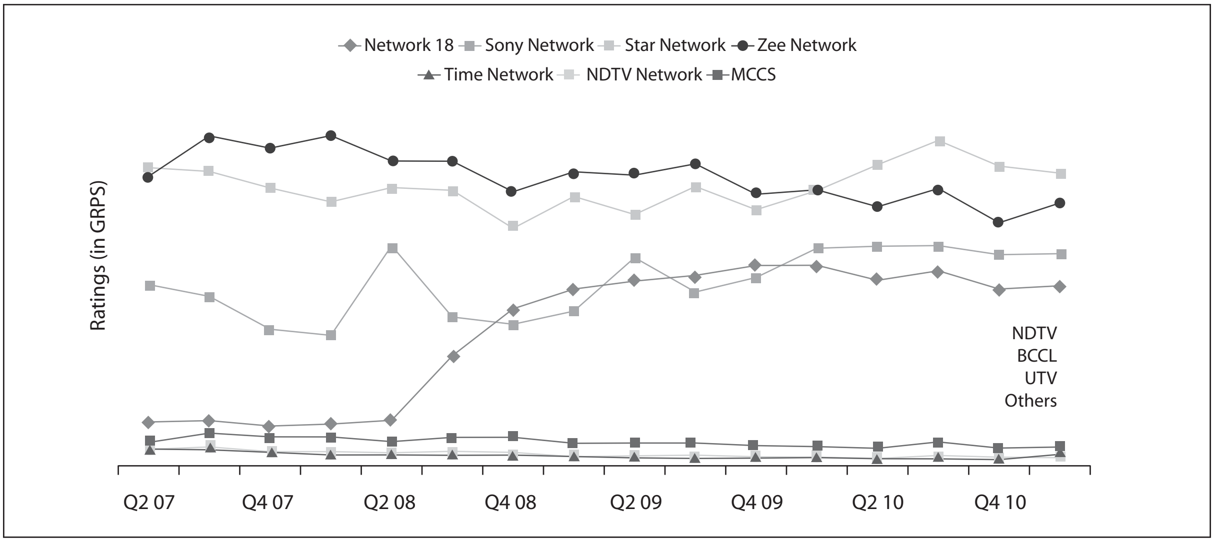
Business Overview

FY11 as a great year for Network18 and our various businesses – News, Entertainment and Digital; performed well on all parameters – advertising revenues, profit margins and market share. It was truly transformational as most of our businesses returned to operational profitability and we consolidated and strengthened our leadership across Television and Digital. Our Television Business Revenues crossed Rs. 1,100 Crores with Operating Profits Up 9x and our Digital and eCommerce Business Net Revenues crossed Rs. 200 Crores.

Key Highlights for FY2010-11

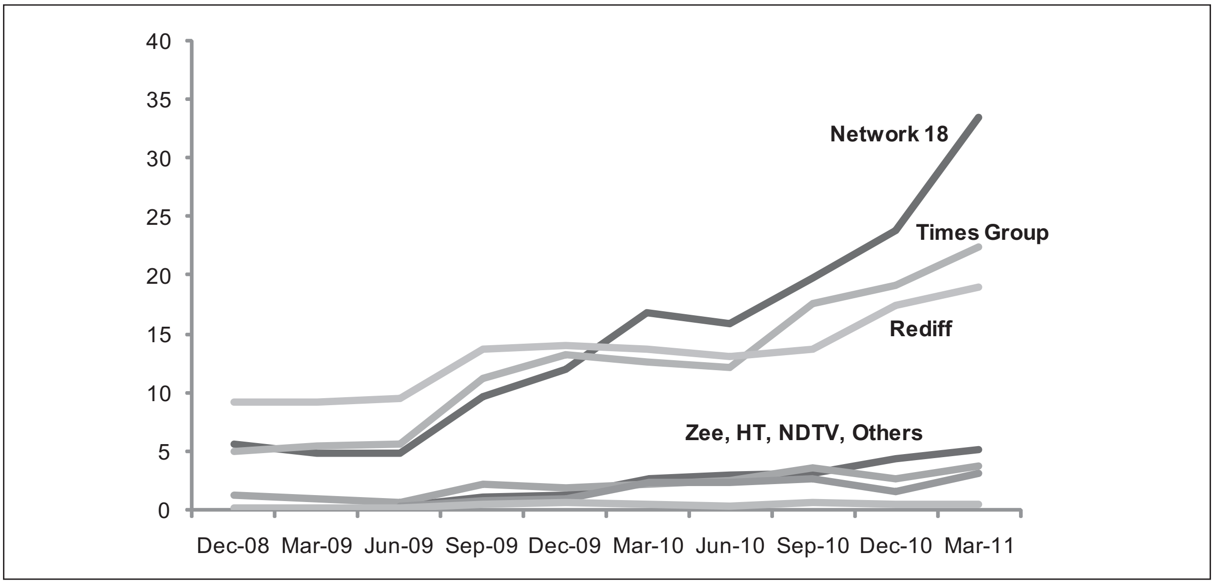
- Consolidated revenues for the year 2010-11 stood at Rs. 1,484 crores for the year, up 21%, compared to the last year, 2009-10 (adjusted for the sale of Infomedia's BPO unit).
- Network18 delivered a robust operating profit (EBITDA) of Rs. 48 crores for the year, compared to an operational loss of Rs. 61 crores in the last year, signaling that the investments in the various operating businesses over the last few years are on track to deliver on their potential.
- Our Television Business turned in a sterling performance as reported revenues grew to Rs. 1,110 crores, a growth of 23% over last year, crossing a thousand crores for the first time. Operating Profit (EBITDA) surged to Rs. 135 crores for the year from Rs. 15 crores in the last year.
- We consolidated our market leadership positions across all our business segments.
  - Television News and Entertainment - 6/9 TV channels were No 1 for the year
  - Digital and eCommerce – Network 18 is the largest Indian digital media company globally as per the Comscore World Report – March 2011 and our eCommerce properties continue to build on their market leadership.
- We announced The 'Scheme of Arrangement' that during the year, aimed at optimization of our group companies and it was approved by the Honourable High Court. This will allow us to further consolidate our leadership position and continue on our strong profitable growth trajectory.
- We announced our strategic alliance with Sun Network, India's largest media conglomerate, to launch one of India's biggest distribution entities- Sun18. It is the first truly pan-India distribution company distributing a total of 33 channels across all platforms in India. This partnership extends Network18's presence into yet another critical component of the Indian television and entertainment space.
- We announced our Joint Venture with A&E Television, called AETN18 India which will see the roll out of international AETN channels such as History and Bio in India. AETN is the fastest growing pay television company in the US.

Network18: Leadership across Television



Source: TAM, Market Share; Market: HSM, *Time Period: 1st Apr'08– 31st Mar'11*, Genres Where We Operate

Network18: Leadership across Digital



Source: Comscore World Report, March 2011

The following pages provide an overview of the performance of our various businesses.

NEWS

Network18 operates one of India's largest and most respected news networks. We operate in two sub segments – Business News and General News broadcasting five channels, CNBC TV18, CNBC Awaaz, CNN IBN, IBN7 and IBN Lokmat. Our News business turned in another robust operating performance in FY11 with our revenues growing at 14% to Rs. 558 crores and our EBITDA now stands at 75 crores, a growth of 143% over FY11.

	FY11			FY10			% Growth	
All figures in Rs. Crores unless stated otherwise	**Revenues**	**EBITDA**	**EBITDA Margin %**	**Revenues**	**EBITDA**	**EBITDA Margin %**	**Revenues**	**EBITDA**
News	***558***	***75***	***13%***	***489***	***31***	***6%***	***14%***	***143%***
Business News	306	87	28%	273	50	18%	12%	74%
General News	252	(12)	-5%	216	(19)	-9%	17%	

a) **BUSINESS News Operations – CNBC TV18 and CNBC Awaaz**

Our Business News Operations continued to grow smartly over the year - revenues increased by 12% and operating profits increased by 74% (FY11 over FY10).

- Revenues grew to Rs. 306 crores for the full year FY11 (compared to Rs. 273 crores in FY10).
- Operating profit increased to Rs. 87 crores in FY11 from Rs. 50 crores in FY10; operating profit margin stood at 28%.
- Our Business News Channels – CNBC TV18 and CNBC Awaaz continued to be market leaders with 59% market share during the year. They were also the leading news channels in their respective categories on Budget Day

2011. The CNBC Channels have a national news-gathering network, with best in class infrastructure, providing the latest in corporate and financial news from Indian and global markets.

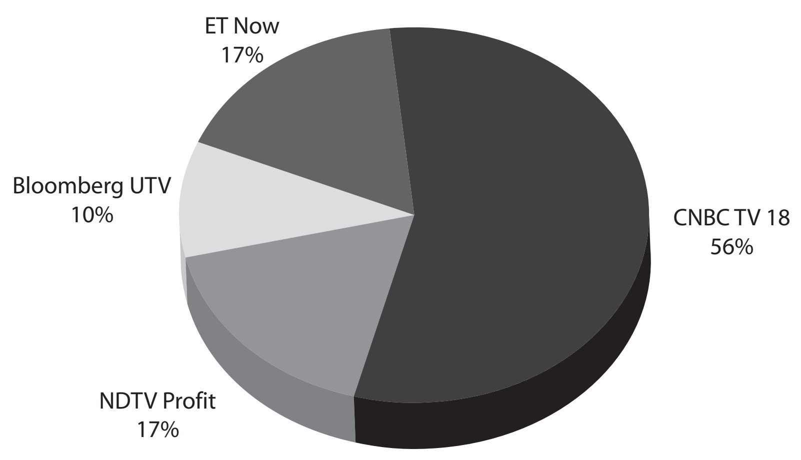
CNBC-TV18 - INDIA'S NO.1 BUSINESS MEDIUM

The undisputed leader in business news and information in India, CNBC-TV18, is trusted by business leaders for its analysis, insight and real-time market coverage. Since 1999, CNBC-TV18 has been the platform for thought leaders across India, giving India's decision makers' unparalleled news, analysis and perspective facilitated by one of the largest and most comprehensive television content libraries in India. Not only has the channel revolutionized business programming in India, helping viewers to understand and profit from the markets and from their businesses, it has also built loyal communities, by interacting with people of all ages through non-markets programming, special on-ground events and a series of awards that have set the standards for industry benchmarks.

Viewership Performance

For the year ended March 31, 2011, CNBC-TV18 continued to lead the business news genre and reiterated its position as the nation's most preferred news source amongst the core business audiences.

CNBC-TV18: Continuing Leadership in English Business News



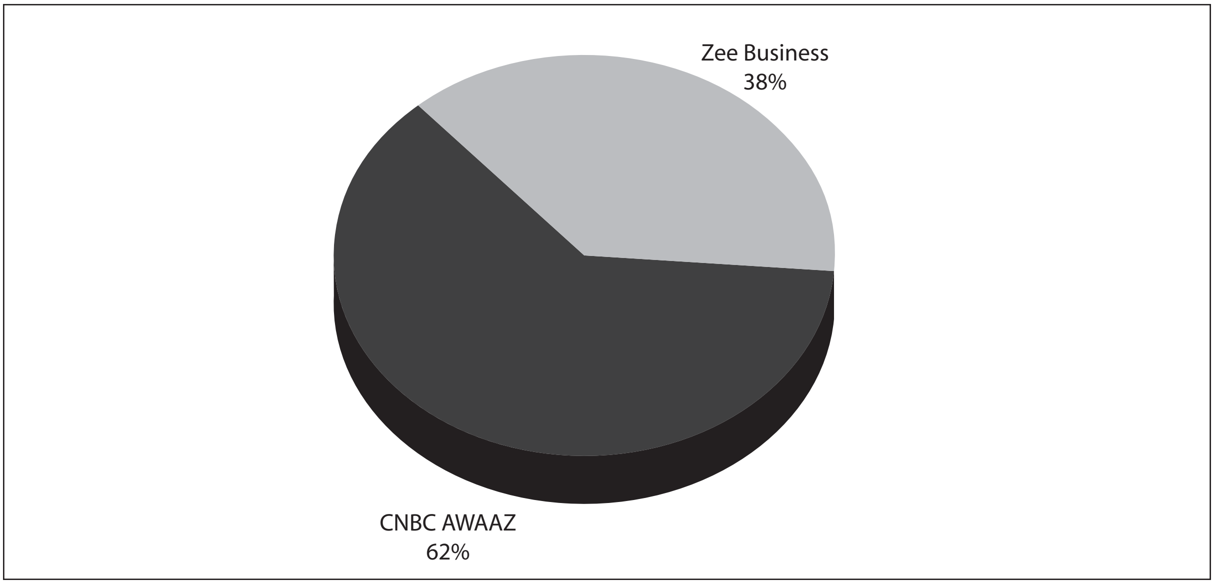
Source: TAM, Market Share, TG: CS AB Male 25+, Market: HSM, *Time Period: 1st Apr'10– 31st Mar'11*, All Days 0600-2400 hrs

CNBC AWAAZ - INDIA'S NO.1 HINDI BUSINESS NEWS CHANNEL

'CNBC Awaaz' as launched in 2005 as a business news channel targeting the Hindi speaking consumers, retail investors and businessmen to provide information on areas such as stock markets, commodities, consumer products and financial planning. It caters to the new progressive Hindi speaking Indian who is globally aware, enjoys a high propensity to consume and seeks value in life. Its focus on consumers, retail investors and small businessmen has helped us expand the business genre remarkably over the last few years

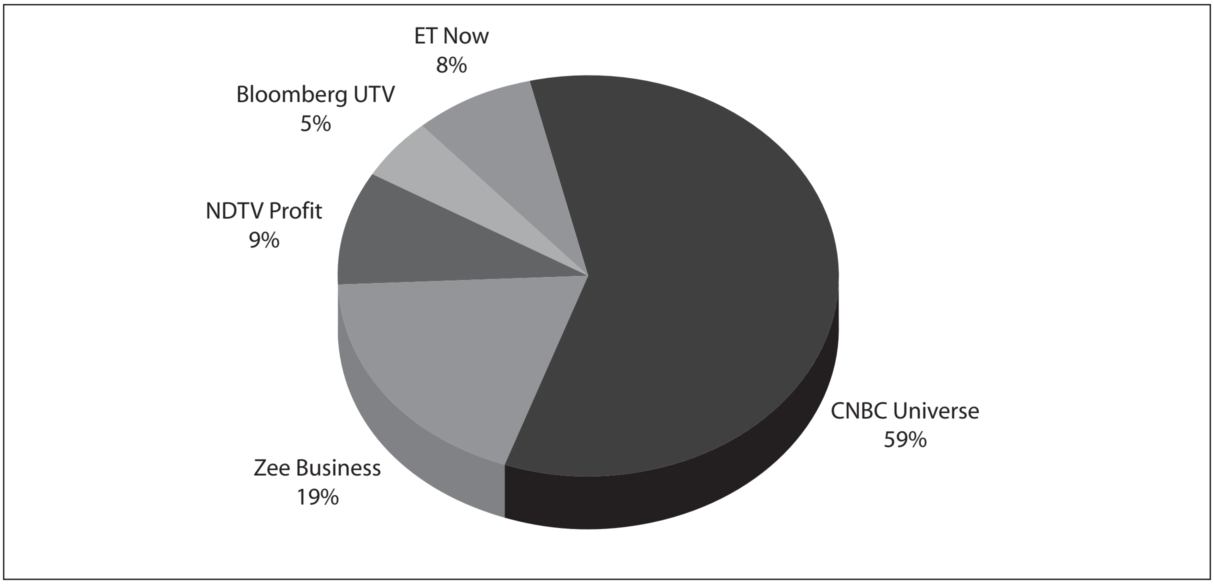
Viewership Performance

CNBC AWAAZ: India's No 1 Hindi Business News Channel



Source: TAM, Market Share, TG: CS AB Male 25+, Market: HSM, *Time Period: 1st Apr'10– 31st Mar'11*, All Days 0600-2400 hrs

CNBC TV18 and CNBC AWAAZ – Together Setting the Standards for Business News



Source:TAM, Market Share, TG: CS AB Male 25+, Market: All India, *Time Period: 1st Apr'10– 31st Mar'11,* All Days 0600-2400 hrs

b) General News Operations – CNN IBN, IBN 7 and IBN Lokmat

In the General News Operations, CNN IBN maintained its leadership position as the channel of choice for English audiences in a competitive market and there was strong ratings traction at IBN7. Revenues grew steadily at 17% for the year.

- FY11 revenues on a reported basis for CNN IBN and IBN7 stood at Rs. 244 crores, up 17% against Rs. 210 crores in FY10.
- ibn Lokmat continued on a growth trajectory – revenues in FY11 increased 19% over FY10.

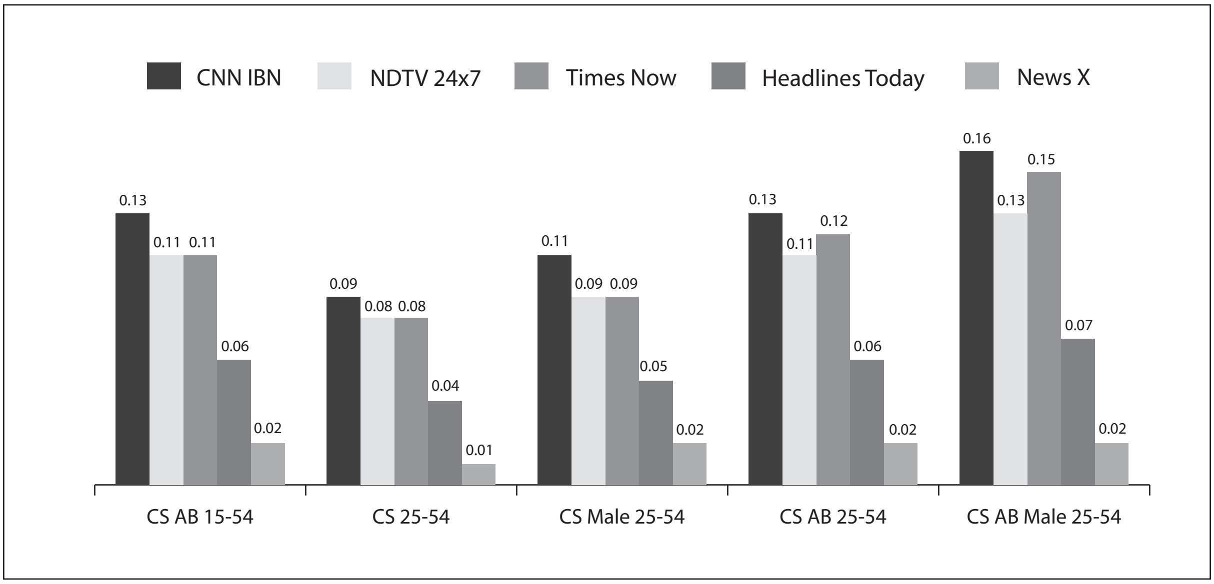
CNN IBN and IBN7

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. 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 has adopted a powerful multi-platform approach to content with seamless online (ibnlive.com and ibnkhabar.com) and mobile (51818) integration forming a part of its core programming strategy. During the year 2010-11, CNN IBN continued its market leadership position on days that mattered to the nation including the Bihar Elections (polling and counting), Ayodhya Verdict Day and Annual Budget Day.

IBN7 was launched in 2006 and is one of India's leading Hindi News channels. IBN7 has always been focused at reflecting on the moment and bringing to its viewers content that is relevant, engaging and highlights important issues with robust, high quality news coverage from every region of the country. IBN7 has shown good revenue traction in the intensely competitive Hindi news genre in the country. In the last year, IBN7's 'Focus' has continued to grow with events such as the Citizen Journalist Awards, IBN7 Super Idols, Indian Sports Legends and IBN7 Diamond States Awards and won several awards and accolades for its programming.

Viewership Performance

CNN-IBN: Leads across Indian Audiences



ENTERTAINMENT – Viacom 18

Our Entertainment Business - Viacom18 continued on its strong growth trajectory through FY11 and turned in handsome operating profits as against a loss last year.

- FY11 revenues on a reported basis stood at Rs. 1,104 crores, up 32% against Rs. 834 crores in FY10.

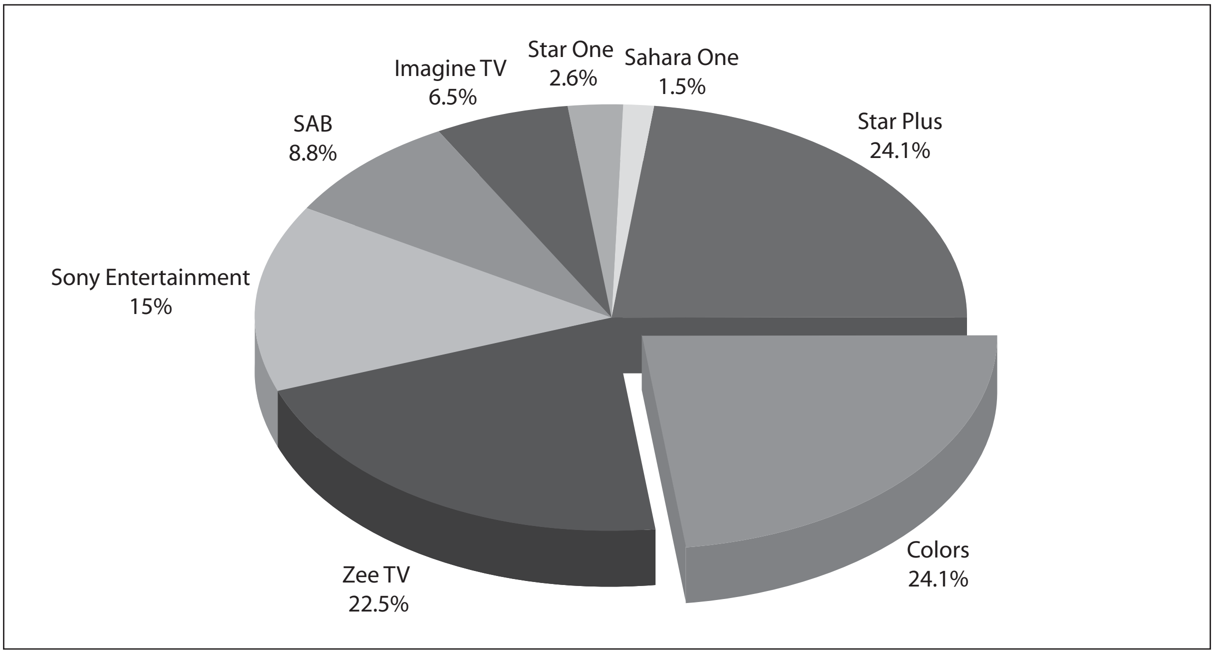
- The company turned profitable with an operating profit of Rs. 120 crores up sharply compared to a loss of Rs. 31 crores last year. Profit After Tax (PAT) increased to Rs. 85 crores for FY11 on the back of 11% operating margins.
- Colors continued its strong performance in the Hindi GEC space during the year maintaining its joint market leadership position in prime time. The channel delivered strong ratings across programming categories: Reality, Movies and Fiction.
- MTV and Nick maintained their market leadership in the youth and kids genres respectively. Nick became the No. 1 kids channel in India after launching feeds in two additional languages - Tamil and Telugu in April 2010. Vh1 continued to be preferred lifestyle cum English Music Channel in the country.

	FY11			FY10			% Growth	
All figures in Rs. Crores unless stated otherwise	**Revenues**	**EBITDA**	**EBITDA Margin %**	**Revenues**	**EBITDA**	**EBITDA Margin %**	**Revenues**	**EBITDA**
Entertainment (50%)	***552***	***60***	***11%***	***417***	***(16)***	***-4%***	***32%***	

COLORS

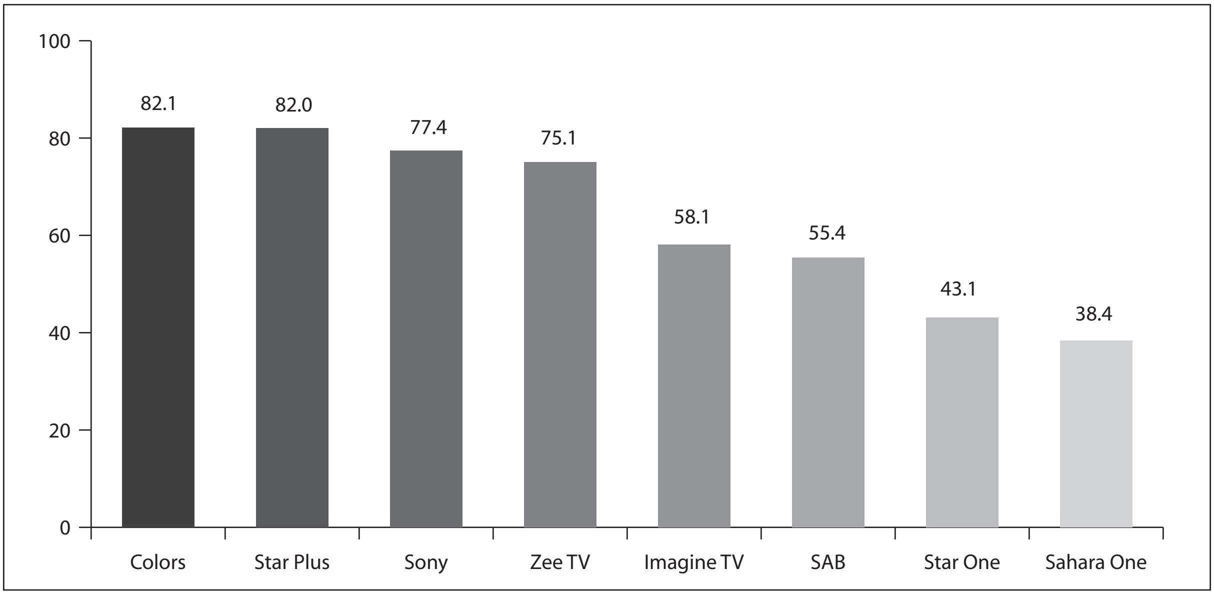
Colors is Viacom18's flagship brand in the entertainment space in India. The channel launched on 21st July 2008 and offers an integrated spectrum of programming to its viewers, from Fiction shows to Format shows and from Reality shows to Blockbuster Movies. The mulit-hued basket of Colors content provides the viewers with all 'Jasbaat Ke Rang' and dedicated to promoting cohesive viewing', through genre leading and innovative programming.

Viewership Performance



Source: TAM; Hindi Speaking Markets; TG: CS 4+; FY2011: Prime Time Share 2000-2359 hrs, All Days

COLORS has the highest reach amongst GECs



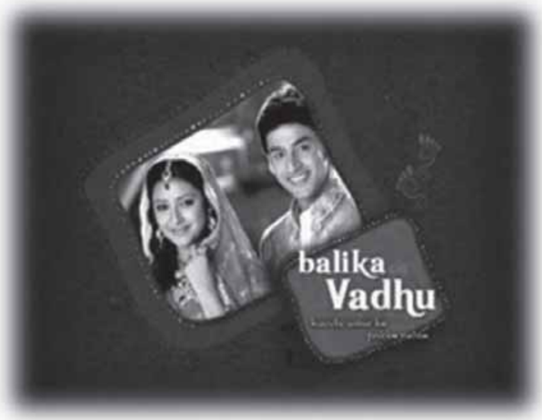
Source: TAM; HSM; CS 4+; FY Q1-Q4' 2010-11

COLORS leads in 4 out of 7 prime time Slots

Time from	Colours	Star Plus	Zee TV	Sony	SAB	Imagine
20:00	3.3	2.4	2.9	1.0	1.0	0.7
20:30	3.1	2.6	2.9	0.9	2.5	0.8
21:00	2.6	2.9	4.4	2.0	1.1	1.0
21:30	2.7	3.6	3.1	2.1	0.9	1.1
22:00	3.7	2.9	2.5	1.9	0.9	0.9
22:30	3.3	3.6	1.6	1.6	0.7	0.7
23:00	1.9	1.5	1.2	1.0	1.0	0.4

Source: TAM; HSM; CS 4+; All Day; FY Q1-Q4' 2010-11

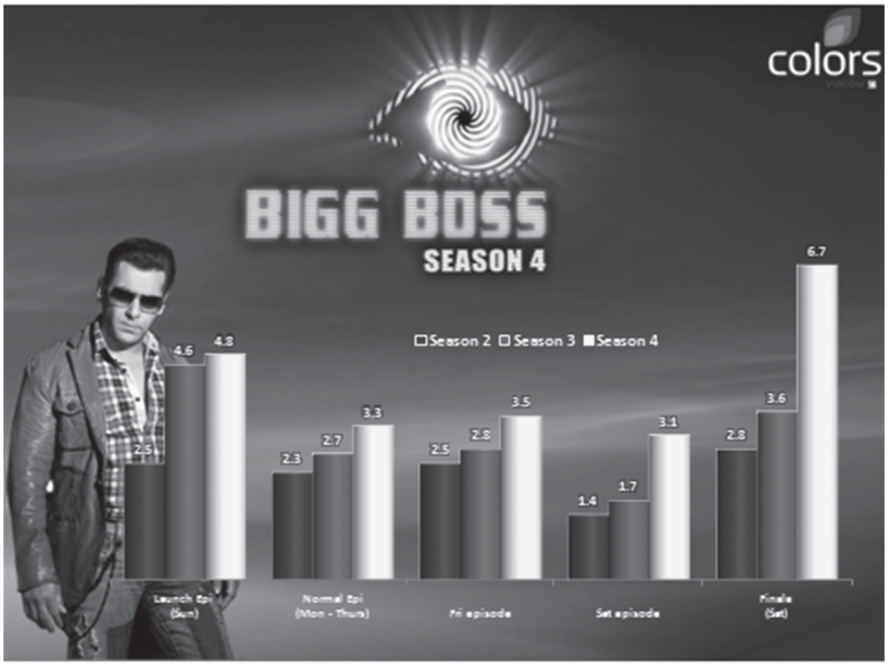
COLORS - Robust Performance across Fiction, Reality and Movies



No. 1 Fiction Shows In Their Respective Slots

Colors Was No. 1 In 4 of the 7 Prime Time Slots (2000-2330 Hrs) Through 2010-11

3 Of the 5 Top Movie Premieres in FY2011 Were On Colors

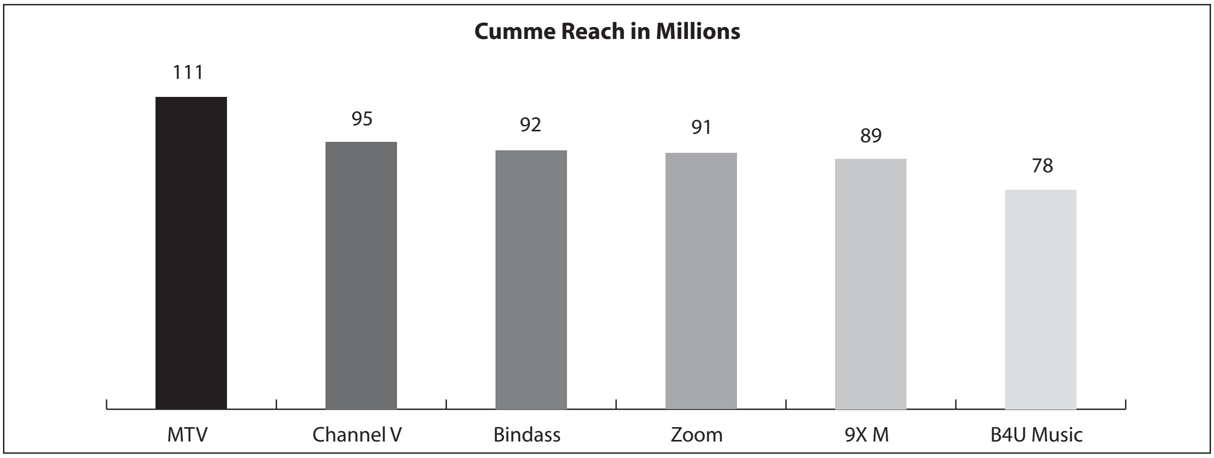


Bigg Boss Season 4 had the highest average TVRs across seasons
The Grand Finale delivering a TRP of 6.7

MTV – India's No 1. Youth Brand

MTV, India's leading multimedia youth platform, is centred around the interests and passions of 15-34 year olds, offering them a compelling mix of music and non-music programming (Bollywood, adventure, humor, fashion and style and fiction), presented in its inimitable style by Indian VJs. Since its launch in 1996, the channel has won numerous awards at Indian as well as International level for its unique humor and unmatched creativity. In FY 2010-11, MTV launched its new philosophy –"STAY RAW" in line with the changing values of the Youth. MTV now claims a legion of followers across various media and launched several innovative digital properties that connected lakhs of youth across colleges allowing them to participate in shows on a digital platform (internet + mobile).

Viewership Performance
MTV dominates the category with a significant lead over competition



Source : TAM, CS 4 +, All India, Jan - Mar 2011

NICK

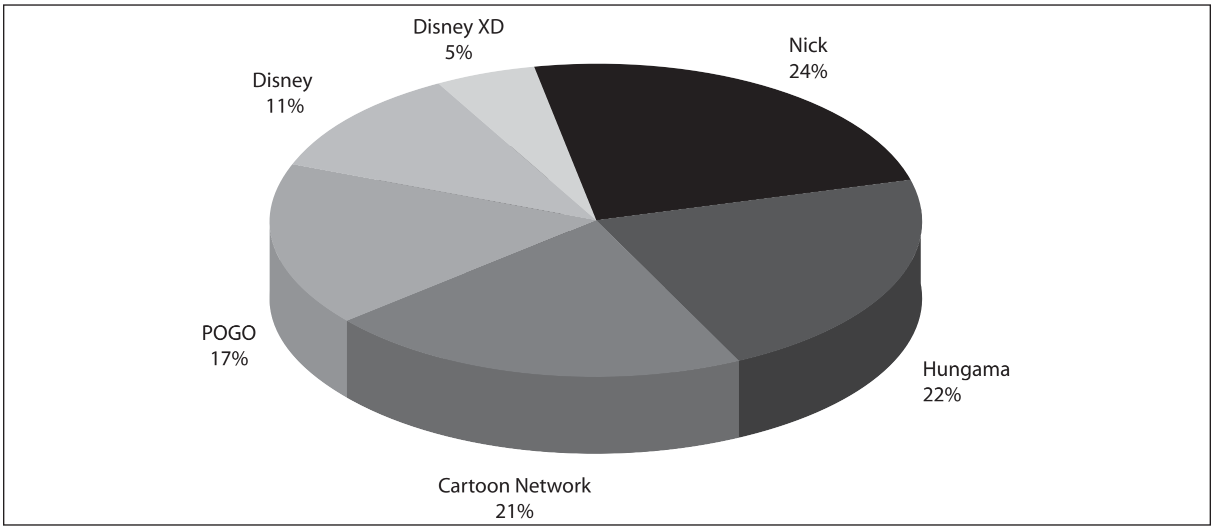
Nick launched in India in 1999 as the country's first multi-genre kids' TV channel and is today viewed in over 29.69 million households in the country. Nick India is a 24-hour pay channel with kids at the centre of its approach; Nick provides respectful, non-violent and empowering entertainment for both boys and girls alike. Its pioneering content for 2-14 year olds includes animated series, live-action shows, comedy shows, popular game shows (including the locally produced 'Dum Duma Dum' and 'Gili Gili Gappa'), hosted shows and India's very first live-action-cum-animation series, 'J Bole Toh Jadoo'. It also launched various 360-degree clutter breaking initiatives such as "Lets Just Play" and "Young Astronauts" to increase brand resonance with kids and parents.

Viewership Performance

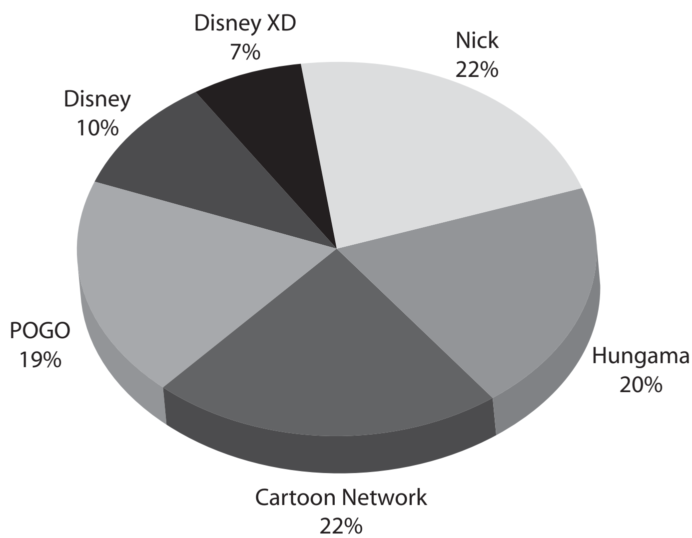
All India leadership achieved through successful south regional foray; Held on to HSM leadership for last 2 years

- Leads in the category in HSM with 24% market share and neck to neck with CNW in All India
- Launched in the competitive South Markets in April 2010 with Tamil and Telegu feeds and grabbed 12% market share

NICK: India's No. 1 Kids Channel



Source: TAM; Relative Market Share: HSM; TG: CS 4-14 ABC; Period: April 2010 – March 2011, Time: 0700-2200Hrs.



Source: TAM; Relative Market Share: All India; TG: CS 4-14 ABC; Period: April 2010 – March 2011, Time: 0700-2200Hrs.

No. 1 in Both Hindi Speaking Markets and All India

Top 2 Shows in the Category are those of Nick: 'Ninja Hattori' and 'Oggy and the Cockroaches'

Sticky content ensures that kids watch at least 110 mins. of Nickelodeon per week

VH1

Vh1 is India's only 24-hour international music and lifestyle channel, providing music buffs with their daily dose of international music, pop culture, reality TV and celebrity lifestyle. Launched in January 2005, the channel today reaches almost 23.5 + million homes across India and is growing rapidly. Vh1 has brought the best international music to India, coupled with the biggest stars, the juiciest stories and the latest in your favourite artiste's life. With an exhaustive music library spanning over 30 years and genres like flower power, punk, rock, reggae, hip hop, pop and many more, Vh1 customizes its music and programme mix to appeal to Indian tastes. Vh1 is #2 in terms of reach as compared to other channels across markets.

DIGITAL CONTENT and eCOMMERCE

Digital Content – Web18 and Newswire18

Web18

Web18 as one of India's leading Internet player continued to build on its leadership in the online space through strong traffic sustenance on its web portals, growth in its WAP services portfolio and continued innovation in its features and offerings. Web18 recorded 13% revenue growth (FY11 over FY10) and delivered a profitable Q4FY11.

- FY11 revenues of Rs. 82 crores (against Rs. 73 crores in FY10).
- Moneycontrol.com and In.com continued to be market leaders in their categories – financial portal and horizontal respectively.
- Bookmyshow.com continued its strong revenue growth and turned profitable on an EBITDA basis this quarter.

MONEYCONTROL.COM – India's Largest Non-Banking Financial Destination*

- Strengthened its mobile presence significantly with the re-launch of its mobile site and delivering high end mobile applications such as 'Markets on Mobile', M3 available on major mobile operating platforms
- Hindimoneycontrol.com was launched in May, 2010
- Re-launched PowerYourTrade.com with 11 broking houses and 8 experts giving trading and investment stock advice, which was additionally fully enabled for the mobile. The Subscriber base grew over 100% during this period.

IN.COM – World's Biggest Indian Portal*

In.com continued to deepen its engagement with both Indian and global audiences. It focused on delivering cross format shows, music and creating special interest communities targeted especially at youth.

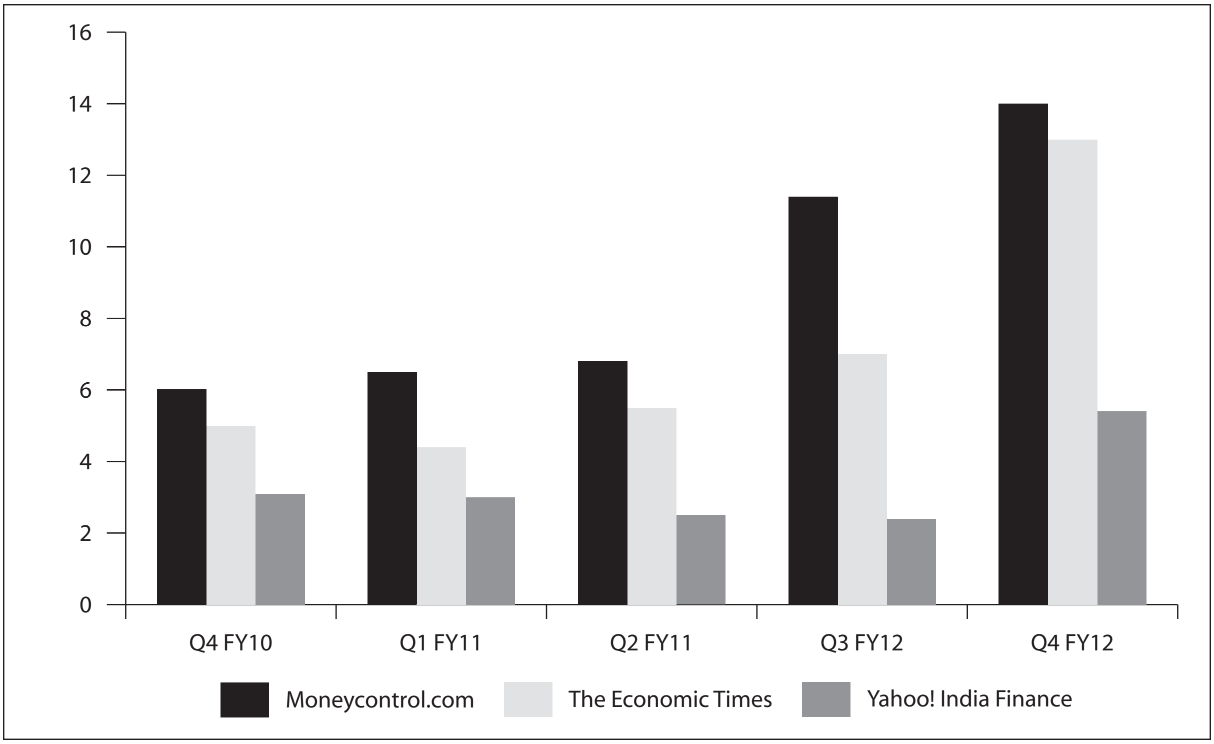
Ibnlive.Com – India's Benchmark General News Web Portal

Ibnlive further strengthened its mobile presence this year, by launching its mobile site and power packed apps with live TV functionality on multiple platforms: Nokia touch phones, iPhone, Blackberry, Android

Bookmyshow.com - India's premier ticketing solutions and services provider

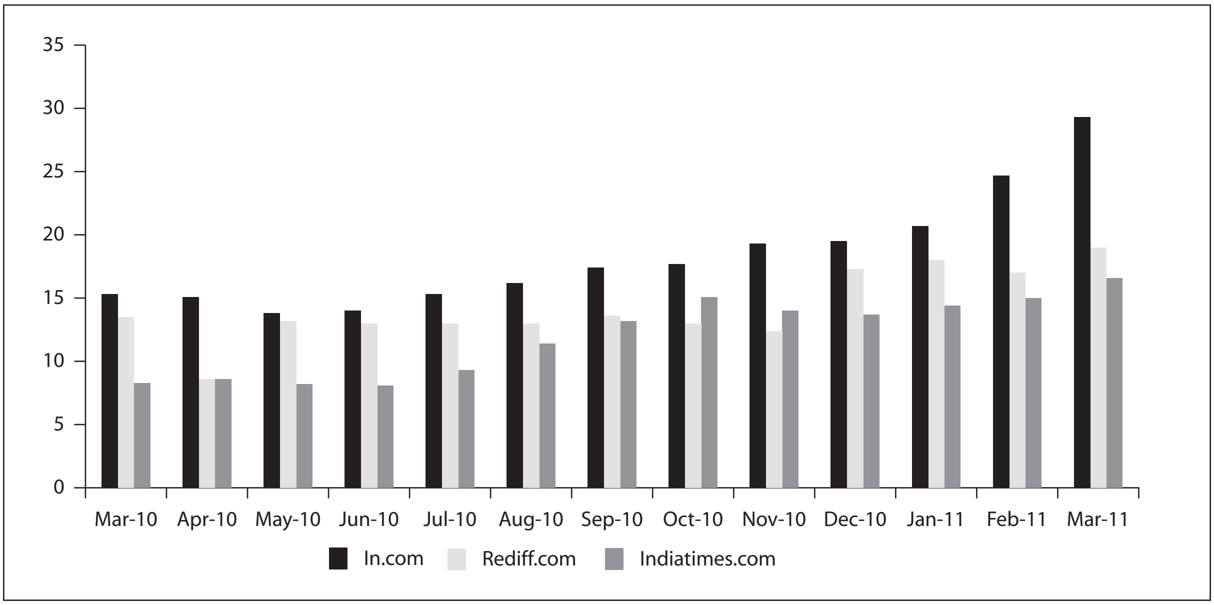
- Bookmyshow continued to strengthen its position as India's premier ticketing solutions brand, available across platforms including the Web, IVRS, mobile and telecalling.
- Bookmyshow was the Official ticketing partner for Mumbai Indians, Delhi Daredevils, Rajasthan Royals and Kings XI Punjab for IPL Season 4.

Moneycontrol.com: India's Largest Financial Services Destination Worldwide



* as per Comscore.

In.Com: India's Largest Portal Worldwide



Newswire18 had a profitable FY2011 with 20% revenue growth (Rs. 39 crores in FY2011 compared to Rs. 33 crores in FY2010). The operating profit stood at Rs. 2 crores for the full year.

We operate MoneyWire, EquityWire, CommodityWire, and FundWire, each designed to meet the specific information needs of the participants in each of these growing markets. Further, we also have launched our own real-time news and market data platform, the NewsWire18 WorkStation, providing customizable views and several analytical tools structured to meet unique consumer needs. The platform has news on India, Indian exchange data, Indian OTC data, global news and OTC data, financials of companies and data histories all edited by our in-house team of editors and journalists. In addition, the NewsWire18 WorkStation provides real-time data feeds from local and global exchanges, real-time updates on more than 100 currencies, and live rate updates from the domestic over-the-counter market.

HomeShop18

HomeShop18 participates in and leverages the fast expanding retail opportunity. It has built a robust and scalable virtual retail business and a home shopping network that not just provides the "best in class" products and services to consumers but also assists them in taking "well informed purchase decisions". A virtual retail service that on one hand will enable the consumers to take well informed purchase decisions through specially developed infotainment led TV content, and at the same time an on ground logistics foot print and a web enabled fulfillment mechanism that will deliver quality, value and convenience to his doorstep.

HomeShop18 continued to scale steadily across all key operating parameters and launched focused initiatives delivering 'customer service excellence' across all touch points. An integrated marketing campaign to enhance reach and brand salience was initiated and it continued winning various industry accolades through the year.

- Orders executed during the year grew by over 33% and we launched over 1000 new products through 2010-11. The CRM base crossed the 4 million mark.

- www.homeshop18.com was re-launched in FY2011 and has broken into the top 3 league among ecommerce sites in India as per the Comscore data with over a million unique visitors in March 2011. www.homeshop18.com reached 1011K Unique Visitors / month in March 2011 and delivers a superior shopping experience, armed with high end technology infrastructure and a great product catalogue with over 1,00,000 SKUs.

- HomeShop18 enhanced its distribution reach across DTH platforms. The channel went on air on BIG TV and further increased its reach in Delhi and Mumbai through Cable. It also launched its first Advertising Campaign through Television and Print Media. Further its corporate portfolio was expanded by venturing into new categories- Furnishings, Innerwear, Bakeware and Insurance.

ALLIED BUSINESSES

E18 (A Division Of Network18)

E18 is the events division of NETWORK18. E18 is fast establishing itself as a reputed full service player in the events & activation space and has a robust pipeline of events across verticals. The company is unique in the event management space as it spans the entire gamut - from entertainment to business events, from customized single-sponsor to large format multi-sponsor events. E18 cross-sells Network18 media platforms to magnify reach and communicate the message to a larger audience.

In its fourth year, E18 has firmly established its position as a brand solutions and experiential marketing agency with expertise in diverse domains. The company has developed a significant number of IPR properties in the Business Events and Entertainment space and has also successfully executed complex, customized corporate events for clients across various sectors. The company has added a MICE (Meetings, Incentives, Conferences and Exhibitions) and hospitality component to its portfolio with an international offsite at Singapore and launched a new genre of events in the entertainment space with Comedy Evenings. E18 has enhanced its regional presence with a full fledged office in a third city i.e. Bangalore to cater to business opportunities in the Southern Region and has also launched L'Experience 18 - the Luxury Experiential Marketing Division to provide BTL / marketing solutions to the growing luxury sector in India with a team operating in Delhi.

Print Media Operations – Infomedia18 And Forbes India

Infomedia18 and other print operations recorded revenues of Rs. 160 crores in FY11 registering a healthy growth when compared to FY10 (adjusted for the sale of the BPO operations).

- Forbes Life (a premiere lifestyle publication), the Hindi edition of our popular auto magazine Overdrive and Noise Factory (a magazine targeted at the youth) were some of our most notable launches during the year.
- Infomedia Yellow Pages, our flagship product and a super brand for three years continued to grow steadily.

Infomedia18

Infomedia18 was acquired in 2007 as part of our strategy of being an integrated player in the media and publishing space. The two key pivots of Infomedia18's growth are the local search business and the special interest publishing business. The company is the market leader in the local search business providing consumers and businesses local information on the media of their choice – internet, mobile, on the phone and in physical yellow pages. Infomedia18 is also India's largest publisher of special interest publications, which target both mass and niche audiences. Infomedia18 also provides various printing solutions to its customers. We have been successful in leveraging our strengths in the television and internet businesses to establish synergies and further expand the local search and publishing segments.

Our Business Directories Division continued to grow steadily with the addition of additional cities and advertisers. New niche business directories were also added in FY11.

During the year both the B2B and B2C, special interest segments demonstrated high growth, indicating a positive response for the publications from both advertisers and readers. Advertisement revenues for B2C titles grew by 34%, driven by volume and realization growth. 'Overdrive', 'Better Photography' and 'Better Interiors' have demonstrated exceptional revenue potential and growth. 'Overdrive' was launched in Hindi, a pioneering move in the space.

Forbes India

In its second year, Forbes India continued to build on its impressive performance, leading the premium business print space and generating greater traction with readers, subscribers and advertisers. The Forbes India Rich List cover was unveiled in a special event in October '10 also featured a forum on 'Inclusive Growth'. The event which was attended by several Forbes India Rich Listers along with the who's who of corporate India underscored Forbes India's influence with India's business fraternity.

Riding on the phenomenal success of Forbes India, Network18 launched ForbesLife India in January 2011. ForbesLife India is set to become the premiere lifestyle publication for the country's most influential community. The clutter breaking product elicited a strong response from advertisers while generating record on-ground sales.

SPORT18 : A Division Of Network18)

Sport18 is the sports management division of Network18, established in July 2008 and is focused on emerging growth opportunities within the business of sports in India including but not limited to rights management and representation, licensing & advisory and sponsorship marketing

Sport18 in the past year has recorded consolidated its properties and has conducted 6 mass mobilizing events in the previous year including the Delhi, Chandigarh, Pune and Bengaluru India Cyclothons. It has launched into distance running with the Hyderabad 10K and the Chandigarh Marathon. The PGTI tour events have also grown to newer heights. Sport18 also successfully conducted two events in the past year - the Hyderabad 10K and the Chandigarh Marathon. Sport18 by virtue of its expertise in golf and sailing has ventured into providing sporting solutions for organizations in the form of golf and sailing clinics. Fortune 500 companies including Dell and IBM have used Sport18's services in this sphere.

CAPITAL18 MEDIA ADVISORS (A Division Of Network18)

Capital18 Media Advisors is in the business of providing investment advisory and consultancy services to clients in media and other sectors. Capital18 Media Advisors provide services to its clients in and outside India such as searching investment targets, valuation and due diligence of investment, advising on structuring investments and on transactions related to consultancy and advisory services.

Capital18 investee companies continued their growth momentum and consolidated revenues stood at Rs. 142 crores (excluding revenues from DEN)* during the year (a growth of 38% compared to FY10).

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. 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 changing requirements of the business. We also have a robust internal evaluation system for all acquisition or investment opportunities based on well defined parameters of financial performance, operating metrics and infrastructure requirements. Each opportunity is evaluated by a cross functional team of senior management, before being referred to our Board for further evaluation and approval.

Human Resources and Development

Your Company firmly believes and recognizes that our talent is a key contributor to the success of the organisation and 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 and 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.

Network18'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. 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 five values have been deployed along with our Mission statement. The Rewards and 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. As on March 31, 2011, 121 employees were on the payroll of the Company.

Outlook and Way Forward

Network18 is one of India's leading media networks with strong leadership positions in television broadcasting and digital media. The rapid growth of the group over the years has been driven by an optimal combination of organic ventures, inorganic acquisitions and strategic alliances. Our integrated cross-media portfolio, which includes television channels and digital properties, attracts a wide spectrum of economic and age demographics in India. The scale of our platform, we believe positions us as the focal point of a unique ecosystem of consumers, advertisers, partners and talent in India. It permits us to leverage our existing media properties into greater user penetration through cross-media marketing of our brands and further expanding and strengthening of our portfolio. We believe that our strong brand recognition and salience, our leadership positions in television broadcasting and digital media and ability to leverage our cross-media ecosystem of audiences, advertisers and talent, position us well to capitalize on this promising and challenging growth opportunity ahead. The following are the key aspects of the Group's business strategy:

Enhance our television broadcasting platform and further strengthen our market leadership position. We believe that there is an opportunity to expand the current reach of our television broadcasting network by developing innovative content and entering new television genres. Our current television channels are concentrated in general news, business news, Hindi general entertainment, youth, kids and lifestyle genres. In order to expand the reach of these current channels, we plan to innovate and experiment with new programming concepts, show formats and strategic and marketing initiatives. We may also look to expand into other genres.

Grow television subscription revenues. Subscription revenues have hitherto constituted a relatively smaller percentage of our total revenues given that we are a relatively young entrant in television entertainment, entering the industry in late 2007 through our joint venture with Viacom and our efforts over the past three years were focused on building audience shares and concomitant advertising revenues. We also only recently began distributing our television channels directly through our Sun18, a television distribution alliance with the Sun Group.

We plan to grow our subscription revenues disproportionately going forward to supplement our advertising revenues through our distribution alliance, Sun18 which was announced in FY11, and an increase in the international distribution of our channel offerings. We believe that the imminent increased digitization of the television industry in India will supplement our efforts in this direction.

Continue to invest in and strengthen businesses in our Digital and eCommerce segment. We are a market leader in the small, but rapidly growing digital space in India. We intend to further strengthen our digital and ecommerce business segment by investing in our existing market-leading brands and additional areas that we view as growth opportunities from time to time. We plan to continue creating new offerings that will leverage the introduction of 3G and Broadband Wireless Access services in India

Continue to strengthen and build our partnerships. We have an established track record of entering into successful strategic alliances with leading global and Indian media companies. We have forged partnerships with several leading global media players including Viacom in entertainment, CNN in English general news, CNBC in business news, Lokmat in Marathi regional news, A&E Television Networks, or AETN, in factual entertainment, Sun Network in television distribution and Forbes in publishing.

We believe that we derive substantial benefits through the licensing of brands and/or sharing of programming content and market knowledge with our media partners where relevant. We also believe that our media partners recognize the value we bring to these alliances, which is demonstrated by their willingness to collaborate with us for extended periods. Our alliances provide us with significant synergy upsides through the sharing of strengths and reputational benefits. We believe that our continuing partnerships will assist us in building our market share in India and internationally.

Leverage the strength of our network to enhance our media offerings through organic and inorganic growth: We believe we are well-positioned to introduce a range of new offerings to our existing consumers, drawing upon consumer insights and synergies with our existing operations. We believe that we can launch these new offerings in a cost-effective manner by allocating our resources efficiently and marketing to our existing audiences and advertisers in our other business segments.

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.

Corporate Governance Report

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance is about commitment to values and ethical business conduct. We look upon good corporate governance practices as a key driver of sustainable corporate growth and long-term shareholder value creation. Good corporate governance is about enhancing value for all our stakeholders. The Company is committed to adopting global best practices in corporate governance and disclosure. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company is an important part of corporate governance.

We believe that sound corporate governance is critical to enhance and retain investors' trust. Your Company always seeks to ensure that we attain our performance rules with integrity. Our corporate governance philosophy is based on the following principles:

1. Primary responsibility of a good corporate entity is maximizing shareholders value
2. Be transparent and maintain a high degree of disclosures level.
3. Sound system of risk management and internal control
4. Principles of integrity, transparency, disclosure, accountability and fairness,
5. Upholding the highest standards of professionalism
6. Management is the trustee of the shareholders capital and not the owner.

The Company complies with all statutory and regulatory requirements on corporate governance and has constituted the requisite committees to look into issues of financial reporting, investor grievance and executive remuneration. This attitude of Network18 has strengthened the bond of trust with its stakeholders including the society at large.

BOARD OF DIRECTORS

The constitution of the Board aims at ensuring Directors commitment to participate in the affairs of the Company with understanding and competence to deal with current and emerging business issues to achieve the organizational goals.

(A) Composition of the Board

The current policy is to have an ideal combination of Executive, Non Executive and Independent Directors to maintain independence of the Board, and to separate the Board functions of governance and management. The Board of Directors of Network 18 Media & Investments Limited consisted of six members out of which one is Managing Director, who is a Promoter Director and the remaining five are Non–Executive Directors, including two Independent Directors. The Chairman of the Board of Directors is a Non–Executive Independent Director. The Board believes that the current size is appropriate based on the company's present circumstances. The Board periodically evaluates the need for increasing or decreasing its size.

The details of the composition of the Board during the financial year 2010-2011 and their attendance at the Board meetings held during the aforesaid year is given in the following table:

Name	*Executive / Non-executive / Independent*	*No. of outside Directorships Held (a)*	*No. of Chairmanships / Memberships of other Board Committees (b)*		*Attended last AGM*
			Chairmanship	**Membership**	
Mr. Manoj Mohanka	Non-executive, Independent / Chairman	6	3	3	Yes
Mr. Raghav Bahl	Executive / Managing Director	9	1	-	No
Ms. Vandana Malik	Non-executive	5	-	-	No
Mr. Sanjay Ray Chaudhuri[1]	Non-executive	10	1	4	Yes
Ms. Subhash Bahl	Non-executive	1	-	-	No
Mr. Hari S. Bhartia	Non-executive / Independent	13	2	3	No
Mr.Ravi Chandra Adusumalli	Non-executive	1	-	-	No

a. *For the purpose of considering outside Directorships all the Public Limited Companies, whether listed or not has been considered. Private Limited Companies including the subsidiaries of Public Limited companies, Foreign Companies and their Indian/ foreign subsidiaries 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'/ Investor Grievance Committees of all Public Limited Companies have been considered.*

c. *None of the Directors is a Member / Chairman in more than 10 / 5 committees of the Board of Directors across all companies in which they are the Directors.*

[1] Mr. Sanjay Ray Chaudhuri has been appointed as an Alternate Director of Mr. Ravi Chandra Adusumalli w.e.f. August 27, 2010.

Appointment or Re-appointment of Directors and Details of Directors proposed to appointed/re-appointed:

Mr. Manoj Mohanka Director is retiring by rotation and being eligible, has offered himself for re-appointment.

Mr. Manoj Mohanka, 48, is a B. Com (Hons) from St.Xavier's College and has a Master's degree from the National University of Ireland. Mr. Mohanka is also a Chevening Scholar from the London School of Economics. He has held various positions in industry forums including President, Calcutta Chamber of Commerce, Co-Chairman, Economic Affairs Committee of FICCI (ER), Committee Member, Indo-Italian Chamber of Commerce, Board of Governors, Eastern Institute of Management, Chairman, Young Presidents Organisation, Kolkata. Mr. Manoj Mohanka specialises in areas such as finance, accounts, audit, control, management and marketing and has over two decades of Indian and global experience. He has been a guest lecturer at V. G. School of Management, Indian Institute of Technology, Kharagpur and has published articles on Double Taxation Agreement Treaties.

Other Directorship/Committee membership of Mr. Manoj Mohanka.

Name of Director	**Other Directorships/Committee Membership details**	
	Name of the Public Limited Companies	**Position on the Board and Committee thereof**
Mr. Manoj Mohanka	3D Technopack Limited	Director
	ibn18 Broadcast Limited	Director & Chairman of Audit Committee and member of Remuneration / Compensantion Committee
	India Carbon Limited	Director
	Infomedia 18 Limited	Director & member of Audit Committee and Compensation Committee
	Television Eighteen India Limited	Director & Chairman of Audit Committee, Investor Grievances Committee and Remuneration Committee, Member of Postal Ballot Committee
	Titagarh Wagons Limited	Director & member of Audit Committee, Investor Grievances Committee and Remuneration Committee

Board Meetings

During the financial year ended on March 31, 2011, six Board Meetings were held. The Agenda and other relevant papers were circulated well in time. Details of the Board meetings and directors attendance is given below:-

Date	**No. of Directors present**	**Total Strength of BoD**
23/04/2010	5	6
28/05/2010	5	6
07/07/2010	5	6
30/07/2010	5	6
28/10/2010	5	6
27/01/2011	5	6

BOARD COMMITTEES

Audit Committee

The Primary objective of the audit committee of the Company is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

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

(a) Terms of reference

The Committee deals with various aspects of financial statements, adequacy of internal controls, various audit reports, compliance with accounting standards, Company's financial & risk management policies besides monitoring the utilization of funds raised through Rights Issue. It reports to the Board of Directors about its findings & recommendations pertaining to above matters. The committee overseas the work carried out in the financial reporting process by the management, the internal auditors and the independent auditor, and notes the processes and safeguards employed by each.

(b) Composition

The Audit Committee comprises of three Directors, two being Independent Non-Executive Directors and one is Non-Executive Director. All the members of the Committee are financially literate. Mr. Manoj Mohanka is a financial expert. The Company Secretary acts as the Secretary to the Committee.:

Name	Executive / Non-executive / Independent	Position held
Mr. Manoj Mohanka	Non – Executive, Independent	Chairman
Mr. Hari S. Bhartia	Non – Executive, Independent	Member
Ms. Vandana Malik	Non-Executive	Member

(c) Meetings & Attendance

During the year, the Committee met four times and the maximum time gap between any two audit committee meetings during the year was less than four months. Minutes of the Audit Committee meetings were placed before and discussed by the Board. Details of Audit Committee Meetings and attendance of directors is given below:-

Date	No. of Directors present	Total Strength of Audit Committee
19/05/2010*	1	3
28/05/2010*	2	3
30/07/2010	2	3
28/10/2010	2	3
27/01/2011	2	3

* On May 19, 2010 meeting was adjourned for the want of quorum and then held on May 28, 2010.

d) Review of information by the Audit Committee

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

REMUNERATION COMMITTEE

(a) Composition

Our Remuneration Committee consists entirely of the Non–Executive Directors, including two Independent Directors.

Name	Executive / Non-executive / Independent	Position held
Mr. Manoj Mohanka	Non-executive, Independent	Chairman
Mr. Hari S Bhartia	Non-executive, Independent	Member
Ms. Subhash Bahl	Non-executive	Member

(b) Terms of reference, power & role of Committee

The Committee deliberates on the remuneration policy of the Directors including granting options/ equity shares under various Employees Stock Option/ Purchase Plans of the Company. The purpose of the remuneration committee of the Board of Directors shall be to discharge the Boards responsibilities relating to compensation of the Company's executive directors and senior management. The Committee has overall responsibility for approving and evaluating the executive directors and senior management compensation plans, policies and programs

(c) Meetings & Attendance

One Remuneration committee meeting was held during the year ended March 31, 2011, as detailed below:

Date	No. of Directors present	Total Strength of Remuneration Committee
27/01/2011	2	3

DETAILS OF THE REMUNERATION/SITTING FEE PAID TO THE DIRECTORS

Sitting fee/remuneration paid to the Executive Director & Non-Executive Directors, for 2010-2011 are as detailed below:

Name	Business Relationship with Company, if any	Relationship with other Directors	Remuneration (Rs.)	Sitting Fee (Rs.)	Total (Rs.)
Mr. Raghav Bahl	-	Son of Ms. Subhash Bahl and brother of Ms. Vandana Malik	1,09,44,000	-	1,09,44,000
Mr. Manoj Mohanka	-	-	-	1,15,000	1,15,000
Mr. Sanjay Ray Chaudhuri	-	-	-	60,000	60,000
Mr. Hari S. Bhartia	-	-			
Ms. Subhash Bahl	-	Mother of Mr. Raghav Bahl & Ms. Vandana Malik	-	65,000	65,000
Ms. Vandana Malik	-	Sister of Mr. Raghav Bahl & daughter of Ms. Subhash Bahl	-	1,05,000	1,05,000

The Company has no policy of advancing any loans to Directors. It has not paid, so far, any commission on profits to any Director of the Company.

There were no other pecuniary relationships or transactions of the Non-Executive Directors vis-à-vis the Company apart from receiving Sitting fee for attending Board Meetings and Committee Meetings.

Shares and Options held by non-executive directors

Mr. Sanjay Ray Chaudhuri, Non-Executive director, was granted 700,000 options of the Company under Network18 Employees Stock Option Plan C 2007 on April 4, 2007 and out of that he exercised 233,333 option on April 6, 2010.

SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE

(a) Composition

The Shareholders/Investors' Grievance Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement. The Committee comprises of two Non–Executive Directors including one Independent Directors. The details of the Committee are:

Name	Executive / Non-executive / Independent	Position held
Mr. Manoj Mohanka	Non-executive, Independent	Chairman
Ms. Vandana Malik	Non-executive	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

Four investors grievance committee meetings were held during the year under review, as detailed below:

Date	No. of Directors present	Total Strength of Investor Grievance Committee
28/05/2010	2	2
30/07/2010	2	2
28/10/2010	2	2
27/01/2011	2	2

(d) Name and Designation of Compliance Officer

Ms. Shilpa Verma
Manager- Corporate Affairs
& Company Secretary
Ph (+91120) 4341818
Fax: (+91120) 4324110
e-mail: Shilpa.aggarwal@network18online.com

(e) Investors Grievance Committee report for the year ended March 31, 2011

The Committee expresses satisfaction with the Company's performance in dealing with investors grievances. The Company received 6 correspondences from the shareholders during the year, for change of address, dematerialization, re-materialization etc and 21 correspondance from the holders of 5% Non Convertible Cumulative Preference Shares out of which 10 correspondence were in the nature of complaints which were redressed / attended to the satisfaction of the shareholders.

Further, the Company has created an E-mail ID **investors.n18@network18online.com** exclusively for the purpose of registering complaints by investors.

Besides above mentioned committees, the Company has following working committees of the Board:

1. Share Transfer Committee
2. Rights Issue Committee
3. Finance Committee
4. Allotment Committee
5. Postal Ballot Committee

GENERAL BODY MEETINGS

Forthcoming Annual General Meeting

Time	12.00 Noon.
Venue	M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054
Day and date	9th September 2011.

Details of last three Annual General Meetings

Year	Venue	Date	Time	Any special resolution
2008	M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054.	September 15, 2008	12:00 Noon	NO
2009	M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054.	August 28, 2009	11:30 A.M.	NO
2010	M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054.	August 27, 2010	10:30 A.M.	NO

Details of Postal Ballot conducted

During the year, the company conducted 2 Postal Ballot for the holders of 5% Non Convertible Cumulative Preference Shares and 1 postal ballot for the equity shareholders in accordance with the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001, as detailed below:-

Date of Completion/ Result of Postal Ballot	Name of the Scrutinizer	Brief particulars of Resolution(s)	Type of Shareholders	Percentage of votes cast in favour of resolution
August 16, 2010	Mr. Anil Bhayana, Practicing Company Secretary	Special Resolution for alteration of rights on preference shares.	Holders of 5% Non Convertible Cumulative Preference Shares	96.60%
January 18, 2011	Mr. Anil Bhayana, Practicing Company Secretary	Special Resolution for the Reduction of Capital pursuant to Scheme of Arrangement between Infomedia 18 Limited and the Company and their respective shareholders and creditors.	Holders of 5% Non Convertible Cumulative Preference Shares	99.99%
		Special Resolution for the Reduction of Capital pursuant to Scheme of Arrangement among the Company, ibn18 Broadcast Limited, Television Eighteen India Limited, Web18 Software Services Limited, ibn18 Media & Software Services Limited, inews.com Limited, Care Websites Private Limited, Television Eighteen Commoditiescontrol.com Limited, RVT Investments Private Limited, Network18 India Holdings Private Limited and their respective shareholders and creditors	—do—	99.99%
January 18, 2011	Mr. Anil Bhayana, Practicing Company Secretary	Special Resolution for the Reduction of Capital pursuant to Scheme of Arrangement between Infomedia 18 Limited and the Company and their respective shareholders and creditors.	Equity Shareholders	99.99%
		Special Resolution for the Reduction of Capital pursuant to Scheme of Arrangement among the Company, ibn18 Broadcast Limited, Television Eighteen India Limited, Web18 Software Services Limited, ibn18 Media & Software Services Limited, inews.com Limited, Care Websites Private Limited, Television Eighteen Commoditiescontrol.com Limited, RVT Investments Private Limited, Network18 India Holdings Private Limited and their respective shareholders and creditors	—do—	99.99%

DISCLOSURE

I. Related Party Transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with the related parties set out in Note No.18 of Notes on Accounts, forming part of the Annual Report.

II. No penalty or strictures

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

III. The Company has complied with the mandatory requirements of Clause 49 of the Listing Agreement, except that only one of the two independent directors has attended the audit committee meetings during the year.

IV. The Board reviews adoption of non-mandatory requirements of Clause 49 of the Listing Agreement by the Company from time to time.

COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS

Management Discussion and Analysis

A Management Discussion and Analysis report have been provided separately as a part of this Annual Report and includes discussions on various matters specified under Clause 49(IV)(F) of the Listing Agreement.

Disclosure of Accounting Treatment

In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

Code of Conduct

The Board has laid down a code of conduct for all the Directors and Senior Management Executives of the company as required under Clause 49(d) of the Listing Agreement. The Code of Conduct is also posted on the website of the company www.network18online.com. All the Board Members and Senior Management Personnels to whom this code of conduct is applicable have affirmed compliance and the same has been annexed in this report.

Corporate Social Responsibility

At Network18, we strive to put in our best efforts towards being socially responsible. We have different programs running for the benefit of our employees and their families. Some of them are as follows:

SUCES (Supporting Child Education of Staff): This program is aimed at aiding the education of children of our lowest rung employees, the staff. These are typically our drivers, peons, riders, etc. whose low income does not help much with the well being and education of their children. It is a voluntary program where an employee of the Network can contribute money to the SUCES corpus on a monthly basis. Based on the funds generated, every quarter the eligible children are provided monetary support on submission of proper documentary proof from the school. Children studying in KG to Undergraduate College are covered as part of this program. Currently, we are supporting around200 such children.

Family Healthcare: As part of our Benefits plan, we have covered the employee and their families under a Medical cover which comprises of various illnesses. The employee is further covered towards Life and Personal Accident. We believe such coverage further reinforces our commitment towards the well being and welfare of our employees and their families.

Voluntary contribution in times of need: As a company we also encourage our employees to contribute money voluntarily towards supporting a colleague's dire need which could be a family crisis or a severe medical reason. The company also steps in to help in such cases.

Support to NGOs: From time to time, the company allows various NGOs to put stalls in the company premises which aid the agencies to sell their products, attain membership of our employees and join hands towards the cause, donate books & clothes, etc. In time of National calamities, the company has aided the work of various NGOs who provide on the ground support to the victims. Our employees too have stepped up to support in such times.

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.network18online.com

REMUNERATION OF DIRECTORS

During the financial year 2010-2011, no remuneration was paid to the Non-executive Directors.

Number of shares held by the Non Executive Directors as on March 31, 2011 :–

S.No.	Name of Director	No. of shares
1.	Mr. Sanjay Ray Chaudhuri	682655
2.	Ms. Subhash Bahl	42648
3.	Mr. Manoj Mohanka	300000
4.	Ms. Vandana Malik	91251

RECONCILIATION OF CAPITAL

A qualified practicing Company Secretary carried out quarterly Secretarial Audit, which is now known as Reconciliation of share capital, to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. It has been confirmed that the total issued/ paid-up capital was in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

MEANS OF COMMUNICATION

The Company has been sending Annual Reports, notices and other communications through post or courier modes. However The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by companies and has issued a circular on April 21, 2011 stating that the service of document by a company can be made through electronic mode.

The Quarterly, Annual Results of the Company as per the statutory requirement under Clause 41 of the Listing Agreement with stock exchanges are generally published in the Financial Express/Business Standard (English Newspapers) and Jansatta/ Business Standard (Hindi Newspapers) and are sent to the Stock Exchanges.

The quarterly and Annual Results along with additional information are posted on the website of the Company www.network18online.com

Official News Releases and Presentations made to Institutional Investors or to the analysts are also displayed on the website of the Company.

Financial Calendar: [tentative]

Our tentative Calendars for declaration of results for the FY 2011-12 is given below:

Financial Reporting for the quarter ending June 30, 2011	By second week of August 2011
Financial Reporting for the quarter ending September 30, 2011	By second week of November 2011
Financial Reporting for the quarter ending December 31, 2011	By second week of February 2012
Financial Reporting for the year ending March 31, 2012	Last week of May 2012.

Dates of Book Closure: The share transfer books and register of members of the Company shall remain closed from **5th day of September 2011 to Friday the 9th day of September 2011**, both days inclusive.

Dividend Payment date: No Dividend is proposed/declared during the year.

Outstanding GDRs/ADRs/ and Convertible Bonds, Conversion

1. The Company has not issued any ADRs/GDRs during the year under review.
2. The Company has no outstanding Convertible warrants, excluding ESOPS, as on March 31, 2011.
3. There is no outstanding GDRs/ADRs and Convertible Bonds. The Company has issued 18181818 SOFCDs on preferential basis to RB Holdings Pvt. Ltd on April 11, 2009. Such SOFCDs are convertible into equivalent number of equity shares of the company during 18 months from the date of issuance. Out of which the 8,181,818 SOFCDs were converted on June 16, 2009 and 9,000,000 were converted on October 20, 2009 and remaining 1,000,000 SOFCDs were converted on April 5, 2010.

Corporate Identity Number ('CIN')

Our Corporate Identity Number (CIN) allotted by Ministry of Corporate Affairs, Government of India is "L65910DL1996PLC076419" and the Company Registration No. is 076419. The registered office of the Company is situated in the National Capital Territory of Delhi.

Dematerialization of shares

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Listing on Stock Exchanges & Stock Code

Equity Shares of the Company are listed and traded on Bombay Stock Exchange and National Stock Exchange.

Stock Exchange	Code - Equity	Code - Preference Shares
Bombay Stock Exchange Ltd	532798	700132
National Stock Exchange of India Limited	Network18	Network18

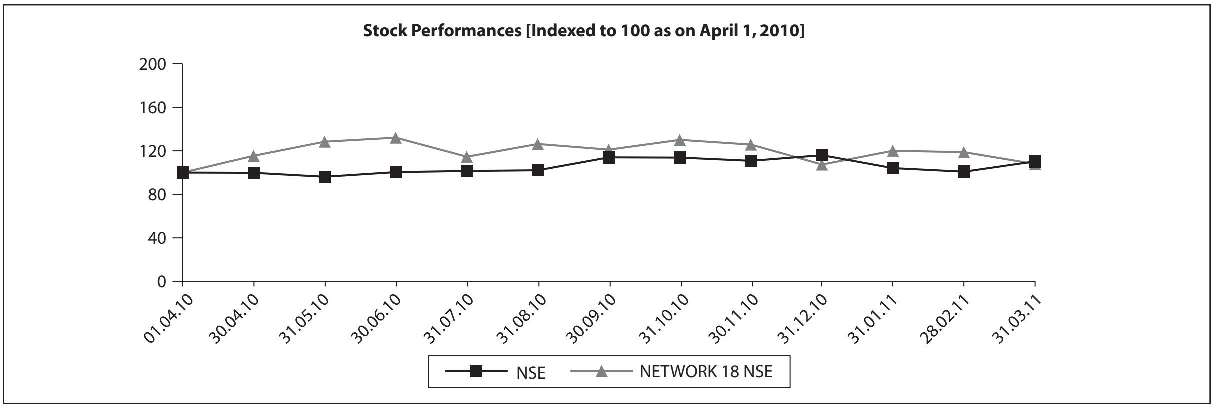
ISIN Code	Equity Share - INE870H01013	Preference - Share I NE870H03019

The Company has paid the listing fees to the concerned Stock Exchanges.

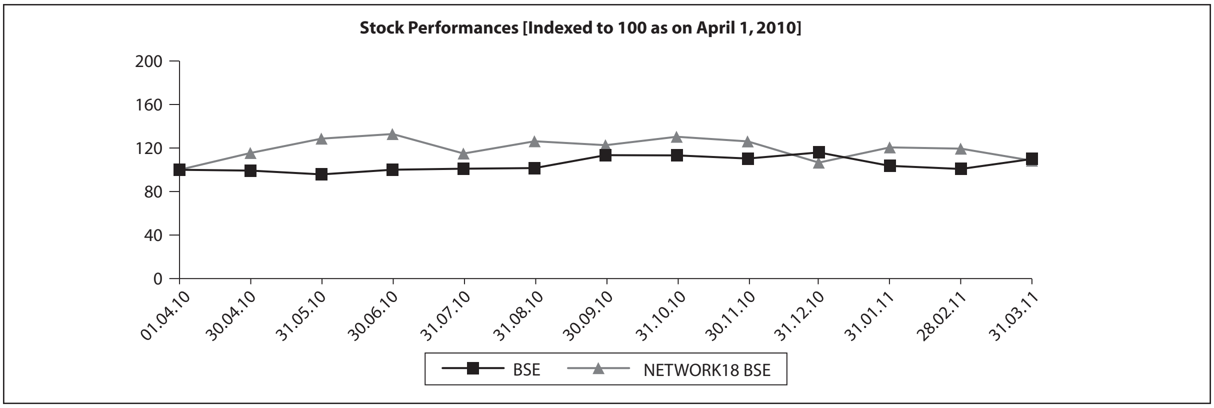
Market Price Data: High Low Rates of Equity Shares during each month in the last financial year are as follows:

Month	High		Low	
	NSE	BSE	NSE	BSE
APRIL'2010	166.2	157	113	112.1
MAY' 2010	169.3	168.75	118.6	138
JUNE' 2010	170	170.25	151.55	150.45
JULY' 2010	174.9	172	128.65	128.75
AUGUST' 2010	172.25	172.6	139.05	137.65
SEPTEMBER'2010	163.5	185	143.55	143
OCTOBER'2010	170	172	147.2	142
NOVEMBER'2010	191	191	145	146.5
DECEMBER'2010	160.4	160	129.1	129.05
JANUARY'2011	151.9	151.75	121.15	127
FEBRUARY'2011	153.5	161.6	139.05	142.5
MARCH'2011	169.8	166.95	130.2	129

Comparison of the stock performances with NSE NIFTY



Comparison of the stock performances with BSE SENSEX



Address of the Registrars & Share Transfer Agent

Alankit Assignments Limited *

Alankit House, 2E/21, Jhandewalan Extn., New Delhi- 110 055.

Telephone:- 91 11 42541234 Fax: + 91 11 4254 1967

Email: mj@alankitonline.com

Share Transfer System

Share transfers in physical form are registered and returned within the stipulated time, if documents are clear in all respects.

The shares of the Company are freely tradable on BSE and NSE. As on March 31, 2011 there were 88095 shares in physical form constituting 0.07% of the total shareholding of the Company.

Other details are as under:

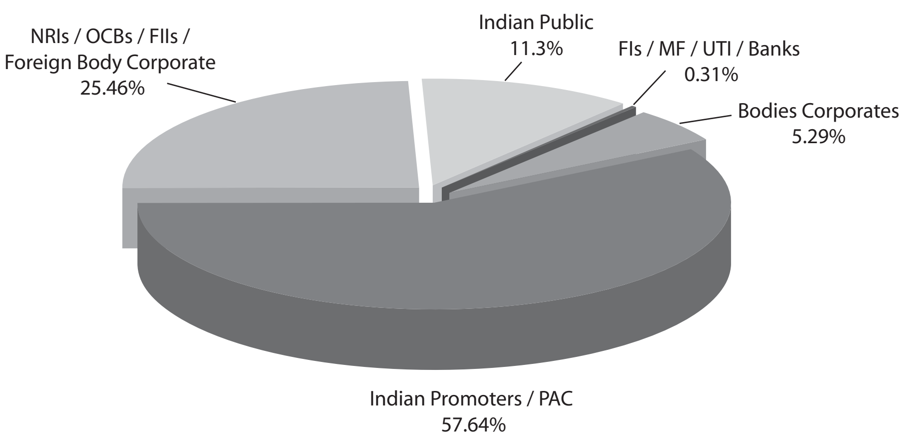
- Approximate time taken for share transfer if the Documents are clear in all respects : 21days
- Total No. of shares dematerialized as on 31.03.2011 : 118807546#
- Total No. of shares transferred in physical form during 2010-2011 : 748
- Number of Shares pending / Rejection for Transfer as on 31.03.2011 : 201 (Rejection)

#includes 1289 Equity shares that were rejected in Corporate Action due to mismatch of Demat Account. These shares are included in physical form mentioned above.

Distribution of shareholding as on March 31, 2011

S.No.	Category	No. of shareholders	No. of shares	%age
1.	Indian Public	23462	13423583	11.3
2	Bodies Corporate	673	6291562	5.29
3.	FIs/ Mutual Funds/ UTI/ Banks	5	372634	0.31
4.	Indian Promoters	14	68535371	57.64
5.	NRIs/ OCBs/ FIIs/ Foreign Body Corporate	194	30271155	25.46

Graphic presentation of the Shareholding Pattern as on 31.03.2011



* Karvy Computer Share Private Limited is our new Registrar & Transfer Agents w.e.f. June 22, 2011.

Distribution Schedule as on 31.03.2011

S. No.	No. of Shares	No. of Holders	% of Holders	Holding Nos.	% of Holding
1.	1 – 5000	24139	99.12	3532948	2.97
2.	5001 – 10000	99	0.407	684614	0.576
3.	10001 – 20000	35	0.144	500850	0.421
4.	20001 – 30000	16	0.066	395186	0.332
5.	30001 – 40000	5	0.021	176234	0.148
6.	40001 – 50000	6	0.025	272805	0.229
7.	50001 – 100000	13	0.053	913454	0.768

Registered Office Address :
Network 18 Media & Investments Limited
503, 504 and 507, 5th floor, Mercantile House,
15, K G Marg, New Delhi - 110001
E-mail : shilpa.aggarwal@network18online.com

Address for Correspondence/Corporate Office :
Network 18 Media & investments Limited
Express Trade Tower, Plot No. 15-16,
Sector-16A, Noida, U. P.
Phone Nos. : (0120) 434 1818
Fax No. : (0120) 432 4110
E-mail: shilpa.aggarwal@network18online.com

MD AND CFO CERTIFICATION

We, Raghav Bahl, Managing Director and Raman Deep Singh Bawa, Chief Financial Officer, 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 Network18 Media & Investments Limited,

Raghav Bahl
Managing Director

Raman Deep Singh Bawa
Chief Financial Officer

Place: Noida
Date: May 30, 2011.

DECLARATION UNDER CLAUSE 49-I(D) OF THE LISTING AGREEMENT

Dear Members,

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 Personnels which received the sanction of the Board and has been posted on the website of the Company – www.network18online.com. The Code lays down the standards of ethical and moral conduct to be followed by the members in the course of proper discharge if 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 2010-2011 and there has been no instances of violation of the Code.

For **Network18 Media & Investments Limited**

Raghav Bahl
Managing Director

Place: Noida
Date: May 30, 2011.

Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreements(s)

To the Members,
Network18 Media & Investments Limited.

1. We have reviewed the implementation of the corporate governance procedures by Network18 Media & Investments Limited (the Company) during the year ended March 31, 2011, 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 agreements (s) with the Stock Exchanges, as in force except that only one of the two independent directors has attended the audit committee meetings during the year.

For N.K.J. & Associates
Company Secretaries

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

Place: New Delhi
Date: May 30, 2011.

Auditors' Report

To the members of **Network18 Media & Investments Limited**

1. We have audited the attached Balance Sheet of **Network18 Media & Investments Limited** ('the Company') as at March 31,2011 and the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed hereto . 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 check 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 the 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 Company Law Board in terms of Section 227(4A) of the Companies Act,1956, we annex hereto a statement on the matters specified in paragraph 4 of the said Order, to the extent applicable to the company.

4. *Attention is drawn to:*

   (i) *Note 13(a) of Schedule 15 to the financial statements regarding payment of remuneration to the Managing Director in excess of the limits prescribed under Schedule XIII of the Companies Act,1956 . The Central Government has partially approved the Company's application for payment of the remuneration and the Company has filed an application for reconsideration of the matter.*

   (ii) *Notes 7(e) ,7(f) and 8 of Schedule 15 to the financial statements regarding the non provision for other than temporary impairment in the value of Investments of Rs. 2,612.36 millions and non recoverability of advances of Rs 1276 million. We are unable to comment on the adjustments and impact, if any, on the financial statements in respect of the above matters .*

5. Without qualifying our opinion attention is drawn to,

   a) Note 1(f) of Schedule 15 to the financial statements wherein it is stated that no effect has been given in these financial statements of the Scheme of restructuring referred to in that note.

   b) Note 1(e) of Schedule 15 to the financial statements referring to operational losses incurred by the company and the company's plans in that regard**.**

6. Further to our comments in the annexure referred to in Paragraph 4 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 our audit.

   b. in our opinion, proper books of account have been kept as required by law , so far as appears from our examination of the books.

   c. the Balance Sheet ,Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.

   d. in our opinion ,the Balance Sheet , Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub section 3(c) 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 read together with Para 5 above and the significant accounting policies and notes thereon and *subject to our comments in Para 4 above* ,give the information as 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 March 31, 2011, and

      ii) in the case of the Profit and Loss account, of the loss 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

7. On the basis of written representations received from the Directors, as on March 31,2011 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on that date from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act,1956.

For **G S Ahuja & Associates**
Chartered Accountants
Firm Registration no. N 8999

G S Ahuja
Proprietor,
Membership No. 87732

Noida
May 30,2011

Annexure

Annexure referred to in Para 3 of our Report of even date, to the members of **Network18 Media & Investments Limited**

As required by the Companies (Auditor's Report) Order, 2003 on the basis of such checks as we considered appropriate, and, according to the information and explanations given to us, we report that :-

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

2. The fixed assets have been physically verified by the management during the period and no material discrepancies were noticed.

3. A substantial part of fixed assets have not been disposed off during the year.

4. All inventories have been physically verified by the management at reasonable intervals.

5. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and its business.

6. The company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.

7. The company had granted an unsecured loan of Rs 552.50 millions to an entity covered in the Register maintained under Section 301 of the Act at a rate of interest lower than market. The said loan has been repaid as on March 31, 2011.

8. The company has not taken any loans, from a company listed in the Register maintained under Section 301 of the Act.

9. There is an internal control procedure commensurate with the size of the company and the nature of its business for the purchase of Fixed Assets and inventory and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct weaknesses in the internal control system.

10. The particulars of all contract or arrangements referred to in Section 301 of the Act, have been entered in the Register required to be maintained under that section . Transactions made in pursuance of such arrangements have been made at prices which are, *prima facie,* reasonable having regard to the prevailing market prices at the relevant time.

11. In respect of deposits accepted during the year from the public, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA, other relevant provisions of the Companies Act,1956 and the rules framed thereunder, where applicable, have been complied with. According to the information and explanations given to us, no order has been passed by the Company Law Board, or the National Company Law Tribunal or the Reserve Bank of India or any other tribunal,

12. The company has an internal audit system commensurate with its size and the nature of its business.

13. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act,1956, for any of the products of the Company.

14. The company has been generally been regular in depositing undisputed statutory dues on account of Income tax, Provident Fund, Service Tax and Employees State Insurance dues. The company's current operations do not require it to deposit any amounts towards Investor Education and Protection Fund, Sales Taxes, Customs Duty, Excise and such cess(s).There are no undisputed sums payable towards Income tax, Wealth tax, Provident Fund, Service Tax and Employees State Insurance dues, which were outstanding at the year end for a period of more than six months from the date they became payable.

15. The company's losses as at March 31,2011 do not exceed 50% of its Net Worth. The company has incurred cash losses in the year under review and in the immediately preceding financial year.

16. The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.

17. No loans / advances have been granted on the basis of security of pledge of shares, debentures and other securities.

18. The company's activities do not require compliance with any special statute applicable to chit fund companies.

19. In respect of dealings or trading in shares and securities the company has maintained proper records of the transactions and contracts and timely entries have been made . All shares / securities have been held by the company in its own name.

20. The company has given guarantees for loans taken by others from Financial Institutions / Banks, the terms of which are *prima facie*, not prejudicial to the company's interest.

21. Term Loans were applied for the purpose they were obtained.

22. Short term loans have not been used for or Long term investments.

23. The company has made a preferential allotment Equity Shares to a party listed in the Register maintained u/s 301 of the Companies Act and the terms of the same are not prejudicial to the interests of the company.

24. The company has not issued any debentures and therefore no security was required to be created.

25. The management has disclosed the end use of money raised through rights issue and the same has been verified.

26. No fraud on or by the company has been noticed or reported during the year.

For **G S Ahuja & Associates**
Chartered Accountants
Firm registration no. N 8999

G S Ahuja
Proprietor
Membership No. 87732

Noida,
May 30, 2011

Balance Sheet as at March 31, 2011

	Schedule	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	**2,137,135,055**	2,114,360,935
Share application money (Note 4 b)		**367,500**	-
Stock Options Outstanding	2	**155,425,528**	218,191,605
Reserves and Surplus	3	**9,510,223,817**	9,044,489,426
Secured Loans	4	**3,168,094,051**	2,213,617,778
Unsecured Loans	5	**1,591,249,200**	2,868,754,700
		16,562,495,151	16,459,414,444
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	6	**59,748,538**	53,815,749
Less:Depreciation		**36,526,226**	31,744,712
Net Block		**23,222,312**	22,071,037
Capital Work In Progress		**3,708,162**	3,075,506
		26,930,474	25,146,543
Investments	7	**12,879,533,264**	10,978,008,611
Current Assets, Loans and Advances	8		
Inventory		**-**	1,755,260
Sundry Debtors		**169,668,405**	173,914,922
Cash and Bank balances		**942,433,906**	965,376,851
Loans and Advances		**1,603,613,239**	4,142,918,939
		2,715,715,550	5,283,965,972
Less: Current Liabilities and Provisions	9		
Current Liabilities		**188,646,998**	180,110,401
Provisions		**114,039,209**	144,804,429
		302,686,207	324,914,830
Net Current Assets		**2,413,029,343**	4,959,051,142
Miscellaneous Expenditure (Note 34)		**54,517,737**	-
Profit & Loss Account		**1,188,484,333**	497,208,148
		16,562,495,151	16,459,414,444
Notes forming part of accounts	15		

The above schedules form an integral part of the accounts

As per our report of even date attached
For **G S Ahuja & Associates**
Chartered Accountants
Firm Registration no. N 8999

For and on behalf of the Board

G S Ahuja
Proprietor
Membership No. 87732

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

R D S Bawa
Chief Financial Officer

Shilpa Verma
Manager - Corporate Affairs & Company Secretary

May 30, 2011
Noida

Profit and Loss Account for the year ended March 31, 2011

	Schedule	**Year ended 31.03.2011 Rs.**	Year ended 31.03.2010 Rs.
INCOME			
Income from Operations	10	**399,066,070**	329,619,508
Other Income	11	**273,119,278**	232,127,678
		672,185,348	561,747,186
EXPENDITURE			
Administrative and other costs	12	**426,593,614**	367,900,723
Personnel expenses	13	**104,597,891**	64,616,918
Stock option charge out		**29,856,206**	53,247,151
Interest and financial charges	14	**816,493,300**	524,941,726
Depreciation	6	**5,135,605**	5,097,677
		1,382,676,616	1,015,804,195
Loss before tax		**(710,491,268)**	(454,057,009)
Provision for wealth tax		**(40,000)**	(75,000)
Excess provision written back		**12,500,000**	-
Loss for the year		**(698,031,268)**	(454,132,009)
Loss brought forward		**(497,208,148)**	(140,542,661)
Appropriations			
Prior Period adjustments (Note 31)		**6,755,083**	8,695,992
Transfer from Reserve u/s 45IC of the RBI Act (Note 5)		**-**	88,770,530
		(1,188,484,333)	(497,208,148)
Earning per equity share (See note 9)			
(Face Value of Rs. 5 per share, previous year Rs. 5 per share)			
Basic & Diluted		**(5.97)**	(4.50)
Notes forming part of accounts	15		

The above schedules form an integral part of the accounts

As per our report of even date attached
For **G S Ahuja & Associates**
Chartered Accountants
Firm Registration no. N 8999

For and on behalf of the Board

G S Ahuja
Proprietor
Membership No. 87732

May 30, 2011
Noida

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

R D S Bawa
Chief Financial Officer

Shilpa Verma
Manager - Corporate Affairs & Company Secretary

Cash Flow Statement for the year ended March 31, 2011

	Particulars	Schedule	**Year Ended 31.03.2011 Rs.**	Year Ended 31.03.2010 Rs.
A	**Cash flow from operating activities**			
	Loss before tax		**(710,491,268)**	(454,057,009)
	Adjustment for:			
	Depreciation		**5,135,606**	5,097,677
	Stock option chargeout		**29,856,206**	53,247,151
	Interest and other financial charges		**816,493,300**	524,941,726
	Loss on sale of fixed assets		**497,279**	(1,963,229)
	Debts written off / Provision for doubtful debts		**7,283,869**	6,331,468
	Foreign exchange loss		**3,612,132**	-
	Profit on sale of investments in subsidiaries		**(3,238,615)**	-
	Profit on sale of investments(others)		**(132,609,708)**	(115,636,986)
	Prior period adjustments		**6,755,083**	8,695,992
	Operating profit before working capital changes		**23,293,884**	26,656,790
	Adjustment for:			
	Decrease (Increase) in Current Assets		**2,005,207,705**	(1,988,317,138)
	Increase (Decrease) in Current Liablities		**(118,463,038)**	(166,325,236)
	Net cash flow (Used in) operating activities		**1,910,038,551**	(2,127,985,584)
	Taxes (including Wealth Tax) (net)		**12,460,000**	(75,000)
	Net cash flow from operating activities		**1,922,498,551**	(2,128,060,584)
B	**Cash flow from Investment activities**			
	Purchase of fixed assets (including capital advances)		**(7,979,604)**	(7,886,326)
	Sales of fixed assets		**562,788**	25,849,920
	Investments			
	- In subsidiaries		**(1,073,025,250)**	(3,128,683,135)
	- In Mutual funds (Net)		**(970,883,792)**	(1,310,594,078)
	Sales of investment in Subsidiary (Note 7 d)		**811,048,615**	-
	Net cash from (Used in) investing activities		**(1,240,277,242)**	(4,421,313,619)
C	**Cash flow from Investment activities**			
	Share application money receivied		**367,500**	-
	Proceeds from issue of Equity shares (including securities premium)		**488,508,511**	5,196,072,557
	Interest and financial charges		**(816,493,300)**	(524,941,726)
	Public deposits accepted (net)		**(208,755,500)**	1,800,004,700
	PCCP's forfeited		**-**	1,207,200
	Expenses on proposed issue of securities /restructuring		**(54,517,737)**	(86,135,519)
	Increase (Decrease) in loans (Net of repayments)		**(114,273,727)**	863,928,633
	Net cash flow from (used) in financing activities		**(705,164,253)**	7,250,135,845
	Net increase (decrease) in cash and cash equivalents		**(22,942,945)**	700,761,642
	Cash and cash equivalents as at the beginning of the year		**965,376,851**	264,615,209
	Cash and cash equivalents as at the end of the year		**942,433,906**	965,376,851
	Notes forming part of accounts	15		

The above schedules form an integral part of the accounts

As per our report of even date attached
For **G S Ahuja & Associates**
Chartered Accountants
Firm Registration no. N 8999

G S Ahuja
Proprietor
Membership No. 87732

May 30, 2011
Noida

For and on behalf of the Board

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

R D S Bawa
Chief Financial Officer

Shilpa Verma
Manager - Corporate
Affairs & Company Secretary

Schedules forming part of accounts as at March 31, 2011

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
170,000,000 (170,000,000) Equity Shares of Rs.5/- each	**850,000,000**	850,000,000
1,100,000 (1,100,000) Preference Shares of Rs 100/- each	**110,000,000**	110,000,000
10,500,000 (10,500,000) Preference Shares of Rs. 200/- each	**2,100,000,000**	2,100,000,000
	3,060,000,000	3,060,000,000
ISSUED, SUBSCRIBED AND PAID UP		
118,895,641 (Previous year 114,340,817) Equity shares of Rs. 5/- each fully paid up	**594,478,205**	571,704,085
10,284,379 (Previous Year 10,284,379) Non Convertibe Cumulative Redeemable Preference shares of Rs. 150/- each fully paid up	**1,542,656,850**	1,542,656,850
	2,137,135,055	2,114,360,935
SCHEDULE 2: STOCK OPTIONS OUTSTANDING		
Opening Balance	**218,191,605**	206,137,246
Stock Options Outstanding	**(34,121,654)**	66,841,511
Less: Deferred Compensation	**(28,644,423)**	(54,787,152)
Carried to Balance Sheet	**155,425,528**	218,191,605
SCHEDULE 3 : RESERVES AND SURPLUS		
Securities Premium		
Balance brought forward	**8,998,282,226**	4,099,765,203
Add :Premium on issue of Equity Shares	**465,734,391**	4,984,652,542
Less: Expenses on Issue of Equity Shares	**-**	86,135,519
	9,464,016,617	8,998,282,226
General Reserve		
Opening Balance	**45,000,000**	45,000,000
Transfer to General Reserve	**-**	-
	45,000,000	45,000,000
Reserve u/s 45IC of the RBI Act		
Balance brought forward	**-**	88,770,530
Add :Transfer to Profit and Loss account (Note 5)	**-**	(88,770,530)
	-	-
Shares Forfeited		
Balance brought forward	**1,207,200**	-
Add :Shares Forfeited	**-**	1,207,200
	1,207,200	1,207,200
	9,510,223,817	9,044,489,426
SCHEDULE 4 : SECURED LOANS		
Secured Optionally Fully Convertible Debentures (Note 6 a)	**-**	110,000,000
Loans from Banks (Note 6 b, e)	**2,166,531,076**	1,500,000,000
Vehicle Loans (Note 6 c)	**1,562,975**	3,617,778
Other Loans (Note 6 d, e)	**1,000,000,000**	600,000,000
	3,168,094,051	2,213,617,778
SCHEDULE 5 : UNSECURED LOANS		
Fixed Deposits (Note 6 f)	**1,591,249,200**	1,800,004,700
Loans from Banks	**-**	1,068,750,000
	1,591,249,200	2,868,754,700

Schedule 6 : Fixed Assets

Amount in Rs.

	Gross Block				Depreciation				Net Block	
Particulars	As at 1.4.2010	**Additions**	**Deletions**	**As at 31.03.2011**	As at 1.4.2010	**For the year**	**Adjustments**	**As at 31.03.2011**	**As at 31.03.2011**	As at 31.03.2010
Vehicles	12,425,339	402,626	1,329,043	**11,498,922**	2,095,090	1,153,241	341,764	**2,906,567**	**8,592,355**	10,330,249
Plant & Machinery	4,626,077	2,344,599	-	**6,970,676**	998,148	1,194,644	-	**2,192,792**	**4,777,884**	3,627,929
Computer Hardware	5,800,076	1,671,315	85,116	**7,386,275**	1,639,009	1,099,584	12,327	**2,726,266**	**4,660,009**	4,161,067
Computer Software	8,456,814	102,734	-	**8,559,548**	7,223,052	355,676	-	**7,578,728**	**980,820**	1,233,762
Furniture	1,337,675	300,354	-	**1,638,029**	168,934	145,057	-	**313,991**	**1,324,038**	1,168,741
Leasehold Improvements	20,559,788	2,525,320	-	**23,085,108**	19,620,480	1,187,404	-	**20,807,884**	**2,277,224**	939,308
Free Hold Land	609,980	-	-	**609,980**	-	-	-	-	**609,980**	609,980
TOTAL	53,815,749	7,346,948	1,414,159	**59,748,538**	31,744,713	5,135,605	354,092	**36,526,226**	**23,222,312**	22,071,036
Capital work in progress	3,075,506	632,656		**3,708,162**	-	-	-	-	**3,708,162**	3,075,506
Total	**56,891,255**	**7,979,604**	**1,414,159**	**63,456,700**	**31,744,713**	**5,135,605**	**354,092**	**36,526,226**	**26,930,474**	25,146,542
Previous year	74,883,669	7,886,326	25,878,740	56,891,255	28,639,084	5,097,678	1,992,049	31,744,713	25,146,542	46,244,585

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 7 : INVESTMENTS (AT COST)		
Quoted: Non Trade : Long Term		
In subsidiary companies		
84,028,954 Equity Shares of Rs. 5/- each in Television Eighteen India Limited (Previous year 84,028,954) (Note 7a,c)	**5,499,264,087**	5,499,264,087
64,892,544 Equity Shares of Rs 2/- each in ibn18 Broadcast Limited (Previous year 47,724,140 Equity Shares of Rs. 2/- each) (Note 7b,c)	**1,819,773,323**	213,932,170
Nil (10,000,000) Ordinary Shares of no Par value in The Indian Film Company Limited, Guernsey. (Note 7 d)	**-**	807,810,000
Quoted : Non trade : Current: in Mutual funds		
5,908,488 (Previous year 8,142,621) units in Birla Sunlife Mutual Fund	**87,624,324**	116,467,448
6,201,692(Previous year Nil) units in Birla Sun Life Dynamic Bond Fund	**99,052,935**	-
16,352,577 (Previous year 15,747,115) units in IDFC Mutual Fund	**189,456,576**	173,294,931
1,485,116 (Previous year 1,297,647) ICICI Prudential Institutional Liquidity Plan	**209,920,811**	175,668,585
20,986 (Previous year 19,055,604) Baroda Pioneer Liquid Fund	**22,525,190**	200,000,000
172,687 units (Previous year 4,217,058) in Religare Mutual Fund	**221,160,851**	51,814,052
52,154 units (Previous year 521,538) units in Deutsche Mutual Fund	**6,028,355**	6,028,355
7,813,879 (Previous year 1,740,021) units in Deutsche Mutual Fund	**115,075,441**	25,075,441
9,184,508 (Previous year Nil) units in Deutsche Mutual Fund	**100,000,000**	-
115,725 units (Previous year 81,251) in Mutual Fund Dsp Merrill Lynch	**154,609,219**	106,555,478
Nil (Previous year 619,785) in SBI Mutual Fund	**-**	12,243,587
Nil (Previous year 6,865,020) in SBI Mutual Fund	**-**	100,000,000
6,727,981 (Previous year 4,554,162) in JM Mutual Fund	**87,012,649**	57,012,649
6,538,512 (Previous year 6,971,119) in JM Mutual Fund	**100,000,000**	100,000,000
Nil units (Previous year 5,771,766) in Principal Mutual Fund	**-**	85,000,000
Nil units (Previous year 7,005,156) in Principal Mutual Fund	**-**	100,000,000
84,334 units (Previous year Nil) in Tata Mutual Fund	**149,719,791**	-
104,308 units (Previous year 179,465) in Templeton Mutual Fund	**142,193,335**	242,330,133

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs
SCHEDULE 7 : INVESTMENTS (AT COST) (Contd.)		
14,431,700 units (Previous year Nil) in Reliance Mutual Fund	**201,705,780**	-
171,639 units (Previous year Nil)in Axis Mutual Fund	**176,216,383**	-
3,848,626 units (Previous year Nil) in Kotak Mutual Fund	**72,109,961**	-
4,389,625 units (Previous year Nil) in Kotak Mutual Fund	**80,000,000**	-
11,229,653 units (Previous year 1,984,961) in Fidelity Mutual Fund	**142,283,376**	24,073,781
10,264,357 units (Previous year 13,682,354) in Canara Mutual Fund	**114,321,639**	151,186,914
43,246 units (Previous year Nil) in Bharti Mutual Fund	**50,000,000**	-
126,808 units (Previous year Nil) in UTI Mutual Fund	**199,228,239**	-
98,232 units (Previous year Nil) in IDBI Mutual Fund	**100,000,000**	-
1,000,000 units (Previous year Nil) in Edelweiss Mutual Fund	**10,000,000**	-
[Market Value of quoted investments Rs.15,502,256,943 (Rs. 10,514,902,941)]	**10,149,282,264**	8,247,757,611
Unquoted : Non Trade : Long term		
a) In subsidiary companies		
1,500,000 (Previous year 1,500,000) Equity Shares of USD 1/- each fully paid up in Network 18 Holdings Limited, Cayman Islands	**67,890,000**	67,890,000
33,000 (Previous year 33,000) Equity Shares of Rs. 10/- each fully paid up in Setpro18 Distribution Limited	**50,000,000**	50,000,000
10,000 (Previous year 10,000) Equity shares of Rs. 10/- each in Network 18 India Holdings Pvt Ltd	**100,000**	100,000
2,827,000 (Previous year 2,827,000) 0.01% Redeemable Non Cumulative Non Convertible Preference Shares of Rs. 10/- each in Network 18 India Holdings Private Limited (Note 7 (e) (i))	**1,696,200,000**	1,696,200,000
6,644,000 (Previous year 6,644,000) 0.01% Redeemable Non Cumulative Non Convertible Preference Shares of Rs. 10/- each in Network 18 India Holdings Private Limited (Note 7 (e) (ii))	**666,061,000**	666,061,000
b) In other companies		
2,500,000, (Previous year 2,500,000) 8% Cumulative Redeemable Non Convertible Preference Shares of 100/- each in BK Media Private Limited (Note 7 f)	**250,000,000**	250,000,000
	2,730,251,000	2,730,251,000
	12,879,533,264	10,978,008,611

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES		
Inventory (Note 2 c)	-	1,755,260
Sundry debtors (Unsecured)		
Debts outstanding for more than 6 months	9,056,489	9,449,959
Other debts	162,611,487	168,639,034
	171,667,976	178,088,993
Less: Provision for Doubtful Debts	1,999,571	4,174,071
	169,668,405	173,914,922
Cash and bank balances		
Cash on hand [Includes foreign exchange Rs.Nil(Rs.29,564)]	189,408	147,600
Balance with scheduled banks :		
- in current accounts	277,244,498	105,229,251
- in Fixed Deposits	665,000,000	860,000,000
	942,433,906	965,376,851
Loans & advances		
(Unsecured, considered good)		
Share application Money Paid (Note 8)	1,276,000,000	1,808,815,903
Due from Subsidiaries*	-	451,718,686
Service tax input credit	28,879,126	13,224,608
Security and other deposits	6,505,569	5,269,173
Advances recoverable in cash or in kind or for value to be received		
Prepaid taxes (net off)	152,324,350	166,140,563
MAT credit entitlement	-	40,000,000
Advances to Vendors [Capital Advances Rs.122,600 (Nil)]	22,952,846	38,040,427
Interest Accrued but not due	28,214,120	22,054,375
Prepaid Expenses	7,277,069	5,560,247
Staff Loans & Advances	80,159,436	89,987,189
Other advances	1,300,722	1,502,107,768
	1,603,613,239	4,142,918,939
* includes amounts due from companies under the same management u/s370(1B)of the companies act,1956		
IBN18 Broadcast Limited	-	451,718,686
Television Eighteen India Limited	-	-
* maximum amount outstanding during the year from the companies under the same management u/s 370(1B)of the companies act,1956		
ibn18 Broadcast Limited	274,492,752	1,094,110,328
Television Eighteen India Limited	472,931,359	5,522,546
SCHEDULE 9 : CURRENT LIABILITIES AND PROVISIONS		
Current liabilities		
Sundry creditors	53,445,751	122,985,740
Expenses payable	6,909,204	1,643,899
Interest accured but not due	90,393,175	28,066,139
Statutory liabilities	31,711,021	21,322,398
Unclaimed Dividend	185,588	188,364
Advances from customers	4,487,595	5,719,147
Due to Subsidiaries	1,514,665	184,714
	188,646,998	180,110,401
Provisions		
Provision for Expenses	92,832,179	70,487,892
Provision for retirement benefits	16,231,932	11,246,074
Provision for Taxes	4,975,098	63,070,463
	114,039,209	144,804,429
	302,686,207	324,914,830

	As at 31.03.2011 Rs.	As at 31.03.2010 Rs.
SCHEDULE 10 : INCOME FROM OPERATIONS		
Income from Event / Sports Business	**368,756,956**	321,119,488
Income from Business Advisory Services	**30,309,114**	8,500,020
	399,066,070	329,619,508
Schedule 11: OTHER INCOME		
Profit on sale of current investments	**135,848,323**	115,636,986
Interest [TDS Rs.11,475,042(Previous year Rs.17,072,665)]	**121,962,476**	108,760,412
Excess provisions written back	**12,201,530**	4,467,431
Profit on sale of fixed assets	**-**	1,963,229
Miscellaneous Income	**3,106,949**	1,299,620
	273,119,278	232,127,678
SCHEDULE 12		
ADMINISTRATIVE AND OTHER COSTS		
Equipment Hire	**22,654,071**	20,879,245
Content franchise fee	**34,781,373**	8,291,356
Media professional fees	**29,710,047**	17,837,675
Production expenses	**18,272,688**	28,107,101
Rent	**22,003,782**	19,459,377
Electricity expenses	**2,037,588**	1,036,566
Insurance	**1,904,215**	1,738,076
Travelling and conveyance	**29,690,699**	22,661,887
Vehicle running and maintenance	**11,009,817**	10,244,193
Communication expenses	**7,406,601**	4,385,483
Advertisement & Business Promotion	**48,551,261**	80,013,303
Event Expenses	**141,047,659**	102,577,917
Membership and subscription	**291,937**	377,611
Repairs and maintenance		
- Plant & machinery	**863,102**	555,788
- Others	**1,425,661**	1,143,366
Legal and professional expenses	**28,667,951**	27,904,321
Directors sitting fees	**335,000**	440,500
Loss on sale / disposal of assets	**497,279**	-
Provision for Doubtful debts/Debts written off	**7,283,869**	6,331,468
Printing & Stationery	**5,886,865**	3,118,287
AGM Expenses	**624,480**	755,348
Miscellaneous expenses	**8,035,537**	10,041,855
Foreign exchange fluctuation	**3,612,132**	-
	426,593,614	367,900,723
SCHEDULE 13 : PERSONNEL EXPENSES		
Salaries and bonus	**82,443,844**	50,221,965
Contribution to provident fund	**9,299,948**	8,342,007
Staff welfare expenses	**6,194,097**	6,636,518
Retirement benefits	**6,660,002**	(583,572)
	104,597,891	64,616,918
SCHEDULE 14 : INTEREST AND BANK CHARGES		
Interest on loans	**531,061,750**	384,985,329
Interest on Public deposits	**242,501,572**	28,789,254
Others financial charges	**42,929,978**	111,167,143
	816,493,300	524,941,726

Schedule 15 : Notes forming part of accounts

1. Background / Business

a. The company was incorporated as SGA Finance and Management Services Private Limited in 1996. The name was changed to Network 18 Fincap Private Limited in April 2006. The company was converted into a Public Company on October 20, 2006. The name was further changed to Network18 Media & Investments Limited on December 1, 2007.

b. The company, as at March 31, 2011, (i) jointly with Network 18 India Holdings Private Limited holds 48.98% of the issued capital of TV 18 and (ii) jointly with RVT Investments Private Ltd,Network 18 India Holdings Private Limited and RRB Investments Pvt.Ltd. holds 50.64% of the issued capital of ibn18 Broadcast Limited (ibn18).

The company also controls the composition of the Board of Directors of both TV 18 and ibn18.

c. During the year under review, the company was engaged in Events / Sports Management and Investment / Management advisory services.

d. The company, by virtue of its then Asset size and income pattern was classified as a Systemically Important Non Banking Financial company, but was never engaged in the business of Non Banking Financial institution. Due to Ministry of Information and Broadcasting guidelines the company was in non compliance with Reserve Bank of India's (RBI) guidelines relating to Capital adequacy and Concentration of Investments. The Reserve Bank of India, on December 1, 2009 , has accepted the company's request and cancelled the Certificate of Registration to carry on the business of Non Banking Financial Institution, subject to certain conditions. The company is in the process of taking steps to comply with the RBI stipulations .

e. All operational segments of the company are making losses and the company is initiating steps to minimise the same. Additional revenue streams shall also be added to the company's business on coming into effect of the Scheme of restructuring referred to in Para 1(f) below. The company is confident of generating positive revenues in the near future which shall be further supported by the proposed capital infusion .

f. The Board of Directors of the Company in its meeting held on 7 July, 2010 considered and approved a Scheme of Arrangement ("the Scheme") between the Company, Television Eighteen India Limited ('TV18 18'), ibn18 Broadcast Limited ('ibn18') and other group companies, under sections 391 to 394 read with section 78, 100 to 103 of the Companies Act, 1956. As per the Scheme, TV18's television businesses inter-alia consisting of business news channels viz. CNBC TV18 and CNBC Awaaz will be demerged and consolidated with ibn18 . On the same date, the residual businesses of TV18 with all its investments will be merged and consolidated with the company . As per the Scheme, the shareholders of TV18 will be given 68 shares of ibn18 and 13 shares of the company in lieu of every 100 shares held in Tv18. The shareholders of the Company approved the Scheme on 21 December, 2010. The Scheme has been sanctioned by the Hon'ble High Court of Delhi on 26 April, 2011. The appointed date for the proposed restructuring is 1 April, 2010 and the Scheme shall be effective when the certified copies of the High Court Orders are filed with the jurisdictional Registrar of Companies, which is still pending. Accordingly no effect of the proposed restructuring has been given in these financial statements. Upon the Scheme becoming effective, the results of operations, assets and liabilities relating to the television business shall be transferred to ibn18 and the residual business will be merged with Network18.

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 accounts are:

a. Revenue Recognition

(i) Dividends on investments are accounted for when the right to receive dividend is established.

(ii) Revenue from sponsorships / management contracts is recognised on accrual basis in accordance with contractual arrangements. Revenue from sale of entry tickets to events is recognised on receipt basis.

(iii) Profit / Loss on sale of investments are computed on the basis of weighted average cost on date of disposal of investments.

b. Fixed Assets

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

c. Inventory

Inventory includes consumables for events and are written off over their estimated useful lives.

d. Depreciation

Depreciation on all assets other than improvement to leasehold properties and computer software is charged on straight line basis over the estimated useful lives using rates prescribed by Schedule XIV of the Companies Act, 1956.

Cost of improvements to leasehold premises is being amortised over the primary lease period . 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 less than Rs. 5,000 individually are fully depreciated in the year of purchase.

e. Impairment of Assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset.

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

If such recoverable amount of the asset or the recoverable amount of the cash-generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit & Loss Account. Reversal of impairment loss is recognised as income in the Profit and Loss Account.

f. Investments

In accordance with Accounting Standard 13 issued by the Institute of Chartered Accountants of India, Long Term Investments are stated at cost less other than temporary dilution in the value of such investments. Current investments are carried at lower of cost or fair value.

g. 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.

h. Use of Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

i. Employee benefits

i. The Company's Employees 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 is 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 for 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 liability with respect to the Gratuity Plan is determined based on actuarial valuation done by an independent actuary at the period end and any differential between the fund amount as per the insurer and the actuarial valuation is charged to revenue.

iv. Benefit comprising Long term compensated absences constitutes other long term employee benefits. The liability for compensated absence is determined using the Projected Unit Credit Method, on the basis of an actuarial valuation at the period end. Actuarial gains and losses are recognised immediately in the profit and loss account.

j. Transactions in foreign exchange

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 period 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 ruling on that date.

k. Income Tax

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 incomes 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.

Minimum alternate tax (MAT) paid in accordance with Income Tax Act, 1961, which gives rise to future economic benefit in the form of adjustment from income tax liability, is recognised when it is certain that the Company be able to set off the same and adjusted from the current tax charge for that period.

l. Earnings per Share

The company reports basic and diluted earnings per share in accordance with AS 20 on Earnings per Share. Basic earnings per equity share have been computed by dividing the Net Profit (Loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earning per share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period except where the result would be anti-dilutive.

m. Accounting for Employee Share based payments

Measurement and disclosure of the employee share based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India (ICAI). The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised on a straight line basis/graded basis over the vesting period of the stock option/award. Modifications to stock option/award schemes are effected in line with the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI.

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.

3. Contingent Liabilities and encumbrances on assets

a. Corporate guarantees given in connection with borrowings of subsidiaries (Rs million)

Name of borrowing entity	**As at March 31, 2011**	As at March 31, 2010
ibn18 Broadcast Limited	**1670**	2719
TV 18 Home Shopping Network Limited	**20**	100
Newswire18 Limited	**220**	220
Television Eighteen India Limited	**800**	3,800
Capital 18 Limited, Mauritius [(INR equivalent to Nil)(USD 25 million)]	**-**	1129
Infomedia18 Limited	**850**	1200

b. Shortfall undertaking given in favour of a lender in connection with loans extended to B K Holdings Ltd., Mauritius amounting USD 42.50 million (outstanding balance USD 40 million).

c. Investments of the market value of Rs 786 million (Rs. 1271 million) are pledged in connection with loans availed by IBN18 Broadcast Ltd &TV Eighteen India Limited.

d. Security provided given in favour of lenders in connection with loans to NT18Group Senior Professional Welfare Trust Rs. 2552 million.

e. Indemnities given to Roptonal Ltd (A subsidiary of Viacom) in connection with (a) making good the shortfall, if any, in the cash realised from exploitation of the Film library and receivables (valued together at GBP 5.05 million) of The Indian Film Company (TIFC), Guernsey. TIFC was taken over by Roptonal in September 2010 (b) reimbursement of income taxes, if any, to paid by TIFC in relation to liabilities arising in India.

4. Share Capital

a. During the period under review

i) 3,554,824 (232,645) Equity shares were issued pursuant to Stock Option plans,

ii) 1,000,000 (17,181,818) Equity shares were issued consequent to conversion of SOFCDs which were issued at a rate of Rs 110/- per SOFCD share (Note 6 a).

b. Share application money has been received from employees for employees stock option plans.

5. Consequent to cancellation of the certificate of registration granted to the company to act as a Non Banking Financial Institution, the company has transferred , in the financial year ended March 31,2010, the balance in the Special reserve created u/s 45IC of the Reserve Bank on India to the Profit and Loss account.

6. Loans

a. 1,000,000 Secured Optionally Convertible Debentures (SOFCDs) issued during the previous year were converted during the year under review . As per the terms of the issue , each SOFCD of Rs. 110/- was converted to one equity share of Rs. 5/- each.

b. Loan from Syndicate Bank is secured by pari passu charge on fixed assets and current assets,Loan from PNB is secured by sub-servient charge on the assets.The loans are additionally guaranteed by the Managing Director.

c. Vehicle loans are secured by the hypothecation of vehicles financed.

d. Other loan includes loan from L&T Infrastructure Finance which is secured by pledge of a part of the company's investments and Bank FD's amounting Rs.120 million. This loan is additionally secured by a second charge on all the movable and immovable assets.This loan is also secured by the personal guarantee of Mr.Raghav Bahl..

e. Amounts repayable within one year in respect of Secured Loans Rs. 1,723.08 million (Rs. 1670.81 million)

f. Fixed Deposits repayable within one year – Rs. 666 million (Rs. 996.29 million)

7. Investments

a. 10,129,412 (16,744,118) Equity Shares in Television Eighteen India Limited are pledged in connection with loans to subsidiaries and 16,250,000 (17,639,000) Equity shares in Television Eighteen India Limited are pledged in connection with loans availed by the Company.

b. 4,100,000 (Nil) Equity shares in ibn18 Broadcast Limited are pledged in connection with loans availed by the Company.

c. 16,344,118 (Nil) equity shares in Television Eighteen India Limited are provided as security in connection with loans availed by Network18 Group Senior Professional Welfare Trust and 13,800,000 (Nil) equity shares in IBN18 Broad cast Limited are provided as security in connection with loans availed by the NT18 Group Senior Professional Welfare Trust .

d. The Indian Film Company (TIFC) was incorporated in Guernsey as a wholly owned subsidiary of the company in April 2007 and the company invested GBP 10 million as Equity in TIFC. Consequent to dilution upon listing of TIFC, on the Alternative Investment Market of the London Stock Exchange in June 2007, it had ceased to be a subsidiary of the company. However pursuant to the acquisition , in an open offer , of 58.74 % shares of TIFC, Guernsey by Network18 Holdings, Cayman Island (a subsidiary of the company),and in addition to the 18.18% held directly by the company, TIFC became subsidiary of the company on September 7, 2009. The company has disinvested its investment in TIFC in an open offer on 20th October 2010 to Roptonal Limited which is 100% subsidiary of Viacom18 Media Private Limited (See also Note 3(e) above).

e. **(i)** 2,827,000, .01% Redeemable Non Cumulative Non Convertible Preference Shares of Rs. 10/- each, in Network 18 India Holdings Private Limited (a subsidiary)are redeemable at issue price of Rs 600/- per share at any time within 10 years from the date of allotment.

(ii) 6,644,000, .01% Redeemable Non Cumulative Non Convertible Preference Shares of Rs. 10/- each in Network 18 India Holdings Private Limited are redeemable at an effective annualised return of 10% on the issue price of Rs 100/- per share. These are redeemable at such time as determined by the holder or upon the expiry of the maximum period prescribed under the Companies Act, 1956. In view of losses incurred by the issuer and the consequent uncertainty, the company has not recognized the effective annualised return in its books

(iii) The subsidiary is incurring losses and has a negative Net Worth . However, having regard to the continued long term strategic involvement, management is of the view that no provision is considered necessary for diminution in the value of these investments.

f. The 8% Cumulative Redeemable Non Convertible Preference Shares of Rs. 100 each in BK Media Pvt Ltd, an entity owned and controlled by the Managing Director of Network 18 Media and Investments Limited are (a) redeemable at the end of 5 years from the date of issue, unless otherwise agreed by the Company and the issuer company and (b) proposed to be secured either by a personal guarantee of the promoters or by way of a first charge on all assets created or acquired by the issuer company.Note Non impairment .The investee company is incurring losses and has a negative Net Worth. However, having regard to the continued long term strategic involvement, management is of the view that no provision is considered necessary for diminution in the value of these investments.

8. Share application money includes Rs. 1,276 million paid in the financial year ended March 31, 2009 to Network 18 India Holdings Private Limited, a wholly owned subsidiary towards a proposed issue of securities. The subsidiary is incurring losses and has a negative Net worth. However, having regard to the continued long term strategic involvement, management is of the view that no provision is considered necessary for the non recoverability of the said monies.

9. **Earnings per Share**

Basic and diluted earnings per equity share have been computed by dividing the net profit (loss) after tax by the number of equity shares outstanding for the period, as below.

Particulars	**Units**	**As at March 31, 2011**	As at March 31, 2010
Net Loss after tax	Rs (a)	**(691,276,185)**	(445,436,017)
Weighted Average number of Equity Shares used in computing basic earnings per share	Nos (b)	**115,735,050**	98,952,556
Basic Earning per share	Rs (a/b)	**(5.97)**	(4.50)
Shares to be issued under Stock Options (Net of forfeitures)	(c)	**1,446,398**	5,942,421
Adjustment for number of shares that would have been issued at the fair value	(d)	**(1,090,087)**	(3,816,740)
Weighted average number of Equity shares used for computing Diluted Earning Per Share	(e)	**116,091,361**	101,078,237
Diluted Earning per share	Rs (a/e)	**(5.95)**	(4.41)

10. **Leases**

a) The Company has taken various office premises under operating lease agreements. These are generally non cancelable and are renewable by mutual consent on mutually agreed terms.

b) Lease payments during the period - Rs. 30.79 million (Rs. 29.53 million)

c) The future minimum lease payments under non-cancelable operating leases are:

(Rs in million)	**Current Year**	Previous Year
Not later than one year	**24.66**	25.14
Later than one year but not later than five years	**6.82**	29.25
Later than five years	**-**	-

11. **Amount Due from Director or Officer**

Amount due from Director / officer of the company Rs Nil (Nil). The maximum amount due from a Director / officer of the company during the period was Rs. Nil (Nil).

12. **Payment to Auditors**' (net of service tax)

	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee (including for limited reviews)	**3,000,000**	2,500,000
For Audit / Review of Subsidiaries' accounts	**180,000**	700,000
For Certification	**250,000**	212,650
For other matters	**500,000**	-
Reimbursement of Expenses	**-**	20,453
Total	**3,930,000**	3,433,103

13. Additional Information required to be given pursuant to Part II of Schedule VI of the Companies Act, 1956 (on accrual basis)

		Current Year (Rs.)	Previous Year (Rs.)
a.	Remuneration paid to Managing Director		
	Salary	**7,200,000**	7,200,000
	HRA	**2,880,000**	2,880,000
	LTA	**-**	-
	Contribution to Provident Fund	**864,000**	864,000
	Total	**1,09,44,000**	1,09,44,000

Note : The company's application for approval of remuneration paid to the Managing Director for the years 2008-09, 2009-10 and 2010-11, (being in excess of that allowed under Schedule XIII of The Companies Act, 1956) has been partially approved. The company has filed an application for reconsideration of the matter. The amount paid in excess of such approval for the years ended March 31, 2009, March 31, 2010 and March 31, 2011 is Rs. 5,412,400/-, Rs. 4,896,000/- and Rs. 4,896,000/- respectively.

b.	Expenditure in foreign Exchange	**Current Year (Rs.)**	Previous Year (Rs.)
	Traveling	**5,154,685**	904,886
	Artist Fees	**3,841,811**	640,404
	Professional Charges	**4,158,096**	1,251,147
	Membership Fees	**445,051**	24,311
	Event Expenses	**13,331,260**	2,325,327

14. Detail of purchase and sale of investments during the period are as follows

Particulars	**Purchases**		**Sales**	
Equity Shares	**No.**	**Rs.**	**No.**	**Rs.**
IBN 18 Broadcast Limited (pursuant to rights issue)	17,168,404	1,605,841,153	-	-
Units in Mutual Funds				
Birla Mutual Fund	31,949,838	490,000,000	27,982,278	432,886,391
Kotak Mutual Fund	20,542,555	380,000,000	12,304,304	233,187,973
Principal Mutual Fund	51,804,823	750,000,000	64,581,745	944,495,740
Reliance Mutual Fund	18,817,195	263,000,000	4,385,495	63,000,000
SBI Mutual Fund	11,179,572	191,500,000	18,664,377	307,679,204
Tata Mutual Fund	469,184	822,000,000	384,850	685,145,861
Franklin Templeton Mutual Fund	72,624	100,000,000	147,782	204,000,000
UTI Mutual Fund	224,769	350,000,000	97,961	152,500,000
Fidelity Mutual Fund	11,753,736	150,000,000	2,509,044	33,500,000
J M Mutual Fund	25,711,218	380,000,000	23,970,006	362,382,323
DSP Mutual Fund	213,203	286,000,000	178,729	246,000,000
Deutsche Mutual Fund	15,310,520	196,028,355	521,538	6,028,355
IDFC Mutual Fund	48,807,910	557,400,000	48,202,449	553,690,303

Particulars	Purchases		Sales	
Equity Shares	**No.**	**Rs.**	**No.**	**Rs.**
Religre Mutual Fund	53,640,753	949,725,985	57,685,123	788,725,985
Canara Mutual Fund	8,870,438	100,000,000	12,288,436	144,000,000
Prudential ICICI	5,029,907	700,000,000	4,842,438	680,000,000
Mutual Fund - Baroda PioneerLQ	42,163,364	597,661,166	61,197,982	785,804,075
Mutual Fund - Axis Liquid Fund	331,388	340,000,000	159,750	168,000,000
Mutual Fund -Bharti Axa Liquid	87,726	100,000,000	44,479	51,405,503
IDBI	9,921,415	200,000,000	9,823,183	100,000,000
Edelweiss	1,000,000	10,000,000	-	-

Note : The difference in the number of units purchased and sold represents accretions due to dividends reinvested.

15. In the opinion of the Board, current assets, loans and advances have a value not less than the amount at which they are stated.

16. The company has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 – Accounting for taxes on income, referred to in Companies (Accounting Standards) Rules, 2006. In view of accumulated losses and absence of virtual certaintity, the company has not provided for deferred tax assets.

17. Figures for the previous year have been regrouped and rearranged wherever necessary to conform to the current period's presentation.

18. Related party disclosures

a. List of related parties

i. *Direct Subsidiaries by virtue of shareholding*

- Setpro18 Distribution Limited (earlier Setpro Holdings Private Limited).
- Network18 India Holdings Private Limited.
- Network18 Holdings Limited, Cayman Islands.

ii. *Direct Subsidiaries by virtue of Control*

- Television Eighteen India Limited.
- ibn18 Broadcast Limited.

iii. *Subsidiary companies of Subsidiaries*

- Television Eighteen Mauritius Limited, Mauritius
- TV 18 UK Limited, UK.
- TV18 HSN Holdings Limited, Cyprus.
- TV18 Home Shopping Network Limited.
- Web 18 Holdings Limited, Cayman Islands.
- E-18 Limited, Cyprus.
- e - Eighteen.com Limited.
- Money control Dot Com India Limited.
- Television Eighteen Commoditiescontrol.com Limited.
- Web 18 Software Services Limited.
- RVT Investments Private Limited.
- iNews.com Limited.
- NewsWire18 Limited.

- Big Tree Entertainment Private Limited.
- BK Holdings Limited, Mauritius.
- Capital 18 Limited, Mauritius.
- Care Websites Private Limited.
- Digital 18 Media Limited.
- RVT Media Private Limited.
- Namono Investments Limited, Cyprus
- Capital 18 Acquisition Corporation, Cayman Island.
- Television Eighteen Media and Investment Limited,Mauritius.
- ibn18 (Mauritius) Limited,Mauritius
- Infomedia 18 Limited.
- The India Film Company (Cyprus) Limited,Cyprus. (The Company ceased to be subsidiary of subsidieries w.e.f.30 th September 2010)
- IFC Distribution Private Limited,. (The Company ceased to be subsidiary of subsidieries w.e.f30 th September 2010)
- The Indian Film Company Limited, Guernsey. (The Company ceased to be subsidiary of a subsidiary w.e.f.30 th September 2010)
- Ibn18 Media & Software Private Limited.
- AETN18 Media Private Limited.
- RRB Investments Private Limited.
- Roptonal Limited,Cyprus.

iv Joint Ventures of subsidiaries

- Viacom18 Private Limited.
- Film Investments Managers (Mauritius)Limited..
- IBN Lokmat News Private Limited.

v. *Key Management Personnel*

- Raghav Bahl (Also exercises control by virtue of having a substantial interest in the voting power of the Company)

vi. *Relatives of Key Management Personnel*

- Ms .Subhash Bahl.
- Ms. Ritu Kapur.
- Ms. Vandana Malik.

vii. *Entities over which persons listed above are able to exercise significant Influence*

- RB Investments Private Limited.
- RVT Holdings Private Limited.
- RRK Holdings Private Limited.
- RB Software Private Limited.
- BK Media Private Limited.
- BK Media Mauritius Private Limited, Mauritius.
- VT Holdings Private Limited.
- RVT Softech Private Limited.
- Greycells 18 Media Limited.

- RRK Finhold Private Limited.
- VT Softech Private Limited.
- Network 18 Publications Limited.
- RVT Finhold Private Limited.
- Wespro Digital Private Limited.
  BK Ventures Limited.
- BK Capital Limited, Cayman Island.
- BK Network Limited.
- International Media Advisors Private Limited,Mauritius.
- BRR Securities Private Limited (Earlier Kishore Securities Pvt Ltd).
- Capital18 Advisors Limited, Mauritius.
- Web18 Securities Private Limited.
- RRK Media Private Limited.
- Capital18 Limited, Cayman Island.
- RB Holdings Private Limited.
- The Network18 Trust.
- VT Media Private Limited.
- RB Media Holdings Private Limited.
- Network 18 Group Senior Professionals Welfare Trust.
- Network 18 Employee Welfare Trust.
- Media Venture Capital Trust II.
- IBN Lokmat News Private Limited.
- Viacom18 Media Private Limited.
- Film Investment Managers (Mauritius)Limited,Mauritius.
- Jagran18 Publications Limited.
- Webchutney Studio Private Limited.
- Blue Slate Media Private Limited.
- Networkplay Media Private Limited (formerly Goosefish Media Venture Private Limited).
- 24X7 Learning Private Limited.
- SRC Media Limited.
- Keyman Financial services Pvt.Ltd.
- RRB Investments Private Limited.
- RVT Softech Private Limited.
- RB Media Holdings Private Limited.
- Colosceum Media Private Limited.
- Stargaze entertainment Private Limited.
- Ubona Technologies Private Limited.
- Juxt Consult research and consulting private Limited.
- Networkplay Media Private Limited.
- RB Holding Private Limited.
- Yatra Online Private Limited.

Note: Related party relationships are as identified by the Company and relied upon by the Auditors

b. Transactions / balances outstanding with related parties (Amount in Rs)

Particulars	Subsidiaries	Subsidiaries of subsidiaries	Entity Under Significant Influence	Key Management Personnel
Service Income				
Television Eighteen India Limited	28,506,855 (31,999,285)			
ibn18 Broadcast Limited	8,160,731 (24,683,536)			
Bigtree Entertainment Private Limited		1,310,870 (759,360)		
Setpro18 Distribution Limited	21,750,000 (-)			
TV18 Home Shopping Network Limited		135,930 (394,910)		
E-Eighteen.Com Limited		2,388,505 (7,000,000)		
Digital 18 Media Limited			- (917,000)	
Infomedia 18 Limited		2,879,610 (-)		
Web 18 Software Services Limited		- (480,000)		
Viacom18 Media Private Limited			8,561,116 (-)	
Assets Transferred				
ibn18 Broadcast Limited	- (25,808,968)			
Indian International Film Advisors Private Limited			1,205,956 (-)	
Interest paid to				
Television Eighteen India Limited	684,804 (3,611,879)			
Interest received from				
ibn18 Broadcast Limited	2,612,421 (48,016,903)			
Television Eighteen India Limited	1,501,240 (133,271)			
E-Eighteen.Com Limited		795,157 (614,806)		

Particulars	Subsidiaries	Subsidiaries of subsidiaries	Entity Under Significant Influence	Key Management Personnel
Colosceum Media Private Limited		4,323 (3,347)		
Infomedia 18 Limited		2,535,057 (1,378,252)		
Digital 18 Media Limited			47,511 (-)	
IBN Lokmat News Private Limited			- (2,496)	
Newswire 18 Limited		1,835,074 (1,031,441)		
Network18 Group Senior Proff. Welfare Trust			55,166,957 (24,843,940)	
RVT Investments Private Limited		- (1,630)		
Setpro18 Distribution Limited	- (30,680)			
Stargaze Entertainment Private Limited		- (1,630)		
TV18 Commodities Control.com Limited		- (7,385)		
Web 18 Software Services Limited		210,216 (961,379)		
Webchutney Studio Private Limited			- (8,557)	
TV18 Home Shopping Network Limited		70,266 (82,944)		
Reimbursement of Expenses (Paid)				
Television Eighteen India Limited	86,777,911 (23,100,376)			
TV18 Home Shopping Network Limited		2,794,450 (2,716,000)		
Ibn18 Broadcast Limited	10,682,396 (9,084,254)			
Web 18 Software Services Limited		2,341,569 (77,286)		
E-Eighteen.Com Limited		- (11,291)		
Bigtree Entertainment Private Limited		676,154 (-)		

Particulars	Subsidiaries	Subsidiaries of subsidiaries	Entity Under Significant Influence	Key Management Personnel
Infomedia 18 Limited		49,006 (-)		
Viacom18 Media Private Limited			81,739 (-)	
Reimbursement of Expenses (Received)				
Television Eighteen India Limited	94,594,166 (65,862,053)			
Care Websites Private Limited		- (31,748)		
E-Eighteen.Com Limited		17,937,302 (21,578,416)		
Money Control Dot Com India Limited		- (9,875)		
IBN Lokmat News Private Limited			1,716,366 (999,683)	
RVT Investments Private Limited		43,387 (128,519)		
Ibn18 Broadcast Limited	85,385,793 (46,939,931)			
Setpro18 Distribution Limited	1,888,865 (1,686,344)			
Television Eighteen Commodities control.com Limited		226,165 (726,057)		
Newswire 18 Limited		4,829,281 (3,610,886)		
Web 18 Software Services Limited		10,046,084 (5,288,796)		
TV18 Home Shopping Network Limited		9,023,091 (6,825,229)		
Colosceum Media Private Limited		409,126 (549,521)		
Digital 18 Media Limited			7,761,577 (1,927,475)	
IFC Distribution Private Limited			507,481 (854,061)	
Indian International Film Advisors Private Limited			507,474 (-)	
Infomedia 18 Limited		19,651,834 (18,027,223)		

Particulars	Subsidiaries	Subsidiaries of subsidiaries	Entity Under Significant Influence	Key Management Personnel
Stargaze Entertainment Private Limited		43,387 (128,519)		
Viacom18 Media Private Limited			7,711,578 (-)	
Expenditure for Services Received				
TV18 Home Shopping Network Limited		- (50,601)		
Television Eighteen India Limited	24,320,556 (23,603,625)			
Ibn18 Broadcast Limited	519,288 (5,033,047)			
Digital 18 Media Limited			400,000 (525,000)	
Web 18 Software services Limited		2,433,394 (2,085,300)		
Raghav Bahl				10,944,000 (10,944,000)
Vandana Malik				3,600,000 (-)
Investments made in				
Television Eighteen India Limited	- (2,525,867,232)			
Ibn18 Broadcast Limited	1,605,841,153 (-)			
Loan / Advance given during the period				
Ibn18 Broadcast Limited	420,000,000 (1,450,000,000)			
Television Eighteen India Limited	380,000,000 (-)			
Network18 Group Senior Professional Welfare Trust			552,500,000 (1,475,800,000)	
Infomedia 18 Limited		500,000 (-)		
Loan / Advance Returned during the period				
Ibn18 Broadcast Limited	870,000,000 (1,030,000,000)			
Television Eighteen India Limited	380,000,000 (-)			

Particulars	Subsidiaries	Subsidiaries of subsidiaries	Entity Under Significant Influence	Key Management Personnel
Network18 Group Senior Professional Welfare Trust			2,028,300,000 (-)	
Balances at the end of the period				
Amounts due to				
BK Media Mauritius Private Limited			182,709 (184,714)	
Amount due from				
ibn 18 Broadcast Limited (loan)	- (450,460,274)			
ibn 18 Broadcast Limited (for expenses)	13,448,907 (22,471,085)			
Television Eighteen India Limited	2,605,544 (5,522,546)			
IBN18 Trust			- (9,870)	
Network18 Group Senior Professional Welfare Trust			- (1,498,159,546)	
Network18 Employee Welfare Trust			700,000 (600,000)	
IBN Lokmat News Private Limited		448,569 (32,065)		
Digital 18 Media Limited			1,772,998 (1,611,504)	
RVT Investments Private Limited		- (1,630)		
E.Eighteen.com Limited		11,162,985 (17,108,418)		
Television Eighteen Commodities control.com Limited		201,605 (214,453)		
Newswire18 Limited.		20,100,128 (14,474,879)		
Web 18 Software services Limited		4,334,461 (2,391,694)		
Tangerine Digital Entertainment Private Limited			- (197,055)	
Webchutney Studio Private Limited		- (95,922)		
Colosceum Media Private Limited.		- (133,350)		

Particulars	Subsidiaries	Subsidiaries of subsidiaries	Entity Under Significant Influence	Key Management Personnel
Capital 18 Media Advisors Private Limited		- (2,746,646)		
Network 18 India Holding Private Limited	1,276,000,000 (1,276,000,000)			
TV18 Home Shopping Network Limited		1,924,873 (953,525)		
Studio 18 UK Limited			88,042 (83,270)	
Studio 18 USA Limited			512,679 (518,306)	
Setpro 18 Distributions Limited	649,850 (493,972)			
Stargaze Entertainment Private Limited		- (24,263)		
Network18 Holdings Limited, Cayman Islands	446,429 (451,328)			
Infomedia18 Limited		15,112,669 (26,869,382)		
Big Tree Entertainment Private Limited		873,860 (-)		
Viacom18 Media Private Limited			20,211,759 (-)	
Guarantees and Collaterals				
Capital 18 Limited, Mauritius (INR equivalent to USD 25 million) (USD 25 million)		- (1,129,000,000)		
BK Holdings Limited (INR equivalent to USD 42.50 million) (USD 85 million)		1,897,625,000 (3,972,320,000)		
Ibn18 Broadcast Limited	1,670,000,000 (2,719,600,000)			
Newswire 18 Limited		220,000,000 (220,000,000)		
TV 18 Home Shopping Network Limited		20,000,000 (100,000,000)		
Television Eighteen India Limited	800,000,000 (3,800,000,000)			
Infomedia18 Limited		850,000,000 (1,200,000,000)		
NT18 Group Senior Professional Welfare Trust			2,050,000,000 (Nil)	

19. Employee Stock Option / Stock Purchase / Stock Awards Plans

a. The Company's Employee Stock Option Plans (ESOPs) framed 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 are listed below. Schemes listed at serial (i) to (viii) were established as mirror schemes of the then existing ESOP schemes in Television Eighteen India Limited, in terms of the Scheme of Arrangement.

i) The Network 18 Employees Stock Option Plan 2002 (ESOP 2002)
ii) *The Network 18 Employees Stock Purchase Plan 2003 (ESPP 2003)
iii) The Network 18 Employees Stock Option Plan 2004 (ESOP 2004)
iv) The Network 18 Senior Employees Stock Option Plan 2004 (Senior ESOP 2004)
v) The Network 18 Employees Stock Option Plan 2005 (ESOP 2005).
vi) The Network 18 Long Term Retention Employees Stock Option Plan 2005 (Long Term Retention ESOP 2005").
vii) *The Network 18 Strategic Acquisition Employees Stock Option Plan 2005 (Strategic Acquisition ESOP 2005")
viii) The Network 18 Stock Award Plan 2005 (Stock Awards Plan 2005)
ix) *The Network 18 Employees Stock Option Plan A 2007 (ESOP A 2007)
x) *The Network 18 Employees Stock Option Plan B 2007 (ESOP B 2007)
xi) The Network 18 Employees Stock Option Plan C 2007 (ESOP C 2007)
xii) The Network 18 Employees Stock Option Plan 2007 (ESOP 2007)
xiii) The Network18 Employees Stock Purchase Plan 2008 (ESPP 2008)

* Plans closed

b. Salient terms of the ESOP schemes of the company, in force, are:

Particulars	ESOP 2002	ESOP 2004	Senior ESOP 2004
a. Year of establishment	2006-07	2006-07	2006-07
b. Total Number of options to be vested	322,380	573,600	600,000
c. No. of options to be vested in respect of which terms have been changed	-	213,000	143,994
d. Exercise price in respect of vested options (terms of which have not been modified)	Rs. 5 value on grant date	a. In respect of grants in lieu of options granted in TV 18 ESOP 2004, at the under mentioned prices (in Rs) 02.04.05- 19.86 02.04.05- 53.49 29.06.05- 54.50 29.06.05- 84.67 06.08.05- 66.63 06.08.05- 95.59 15.06.06- 64.85 15.06.06- 93.99 20.07.06- 131.62 20.07.06- 154.09	a. in respect of grants in lieu of options granted in TV 18 Senior ESOP 2004 02.04.05 - Rs 27.77 02.04.05- Rs 53.49 29.06.05- Rs 62.42 29.06.05- Rs 84.67 15.06.06- Rs 72.77 15.06.06- Rs 93.99 b. In respect of fresh grants (i) 50% of options granted at discount of Rs. 100 to the market value on grant date;

Particulars	ESOP 2002	ESOP 2004	Senior ESOP 2004
		b.In respect of fresh grants in respect of (i) 50% of the options at a discount of Rs. 125/- to the market price and (ii) 50% of the options at 90% of the market price	(ii) 50% of the options granted at a discount of 90% of market value on grant date.
e. Exercise price in respect of options regranted (as per 'c' above)		Rs. 20/-	45,331 @Rs. 10/- 26,666 @ Rs. 20/- 45,331@ Rs. 10/- 26,666 @ Rs. 20/-
f. Vesting date in respect of grants (terms of which have not been modified)	1. 50% of the options, after one year from the date of grant. 2. Balance 50% of the options two years after from the date of grant.	After three years from the dated of grant	1.One third after two years from the date of grant 2. Remaining two third after 4 years from the grant date.
g. Vesting date in respect of grants at 'c' above		50% on 11 Feb 2010; 50% on 11 Feb 2011	71,997 on Feb 11, 2010 71,997 on Feb 11, 2011
h. Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
i. Exercise period	During three years after the vesting date.	During two years after the vesting date.	During two years after the vesting date.
j. Un-granted options cancelled	-	-	24,024

Particulars	Strategic Acquisition 2005	Stock Awards Plan 2005	ESOP 2005	Long Term Retention ESOP 2005
a) Year of establishment	2006-07	2006-07	2006-07	2006-07
b) Total Number of options to be vested	720,000	-	1,080,000	300,000
c) No. of options to be vested in respect of which terms have been changed	-	-	51,200	-
d) Exercise price in respect of vested options (terms of which have not been modified)	Rs. 31.67	Average of two weeks' high and low price of the share from the date of listing of shares of the company on the stock exchange with highest trading volumes in that period.	a. Rs. 97.31 for old grants For fresh grants b. At discount of of 10% to the market price of the shares determined.	a. Rs. 108.13 for old grants b. For fresh grants at a price equal to the market value on grant date.

Particulars	Strategic Acquisition 2005	Stock Awards Plan 2005	ESOP 2005	Long Term Retention ESOP 2005
e) Exercise price in respect of vested options (As per 'c' above)	-	-	20/-	-
f) Vesting date (terms of which have not been modified)	After one year from the date of grant of options.	At the end of one year from the date of grant of awards	Options to vest equally over three years from the date of grant.	At any time at the end of 4 years from the date of grant.
g) Vesting date(As per 'c' above)	-	-	50% of 51,200 on Feb 11, 2010 50% of 51, 200 on Feb 11, 2011	-
h) Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
i) Exercise period	During one year after vesting date.	During one year after vesting date.	During one year after vesting date.	During one year after vesting date.
j) Un-granted options cancelled	480,000	-	164,400	

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP (C) 2007	ESOP 2007
a) Year in which Scheme was established	2006-07	2006-07	2006-07	2007-08
b) Number of Options Authorised to be Granted	1,000,000	1,000,000	1,000,000	10,000,000
c) Exercise price	At discount of 25% to the market price share determined with respect to the date of grant.	At Rs. 5 on the grant date.	Rs. 5 per option.	The exercise price will be decided by the Board provided that exercise price shall not be less that the par value of the Equity Shares of the Company and shall not be more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP (C) 2007	ESOP 2007
d) Vesting date	Options shall vest equally over average period of 4 years.	After a period of one year from the date of grant.	Equally over a period of six years from the date of grant.	After one year from the date of Grant. The vesting shall happen in one or more tranches as may be decided by the Board
e) Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
f) Exercise Period	During four year after vesting date.	During four years after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extended upto the expiry period of the option as may be decided by the Board.
g) Un-granted options cancelled				-

Particulars	ESPP 2008	ESPP 2003
a) Year in which Scheme was established	2008-09	2006-07
b) Number of Equity shares authorised to be Issued	3,000,000	28,272
c) Offer price	The offer price will be decided by compensation committee, provided that the offer price shall not be less than par value of Equity shares of the company and shall not be more than the price prescribed under Chapter XIII of SEBI (DIP) Guidelines 2000	At a value equivalent to 95% of the market price on the date of offer of shares
d) Exercise period	-	30 days
e) Lock in requirements	Share issued under the scheme shall be subject to lock in for a minimum period of One year from the date of allotment.	Share issued under the scheme shall be subject to lock in for a minimum period of One year from the date of allotment.

c. Details of options and weighted average prices

	Particulars	ESOP 2002		ESOP 2004		SENIOR ESOP 2004	
		Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a)	Outstanding at the beginning of the period	20,010 (20,010)	5.0 (5.00)	169,500 (253,200)	37.46 (31.69)	348,662 (410,657)	38.15 (33.90)
b)	granted during the period	- (-)	- -	- (-)	- (-)	- (-)	- (-)
c)	Excercised during the period	- (-)	- (-)	87,300 (83,700)	28.17 (20.00)	155,991 (61,995)	50.94 (10.00)
d)	forfeited during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
e)	Expired during the period	- (-)	- (-)	21,600 (-)	53.00 (-)	- (-)	- (-)
f)	Additions pursuant to bonus issue	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
g)	outstanding at the end of the period	20,010 (20,010)	5.00 (5.00)	60,600 (169,500)	45.31 (37.46)	192,671 (348,662)	70.44 (38.15)
h)	Exercisable at the end of the period	20,010 (20,010)	5 (5)	60,600 (63,000)	45.31 (66.98)	192,671 (184,661)	70.44 (-)
i)	number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	20,010 (20,010)	5.00 (5.00)	60,600 (169,500)	45.31 (37.46)	192,671 (348,662)	70.44 (38.15)
j)	weighted average share price at the date of exercise	- (-)	N.A (5.00)	87,300 (83,700)	28.17 (20.00)	155,991 (61,995)	50.94 (10.00)
k)	weighted average remaining contractual life (years)	- (-)	N.A. N.A.	- (0.63)	N.A. N.A.	- (0.26)	N.A. N.A.
l)	Unvested Option outstanding at the end of the period	- (-)	- (-)	- (106,500)	- (37.46)	- (164,001)	- (38.15)

	Particulars	LONG TERM RETENTION ESOP 2005		ESOP 2005		ESOP 2007 (C)	
		Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a)	Outstanding at the beginning of the period	300,000 (300,000)	348.35 (348.35)	33000 (51,200)	20.00 (20.00)	700,000 (700,000)	5.00 (5.00)
b)	granted during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
c)	exercised during the period	- (-)	- (-)	13,200 (18,200)	20.00 (20.00)	233,333 (-)	5.00 (-)
d)	forfeited during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
e)	Expired during the period	- (-)	- (-)	9,600 (-)	20.00 (-)	- (-)	- (-)

	Particulars	LONG TERM RETENTION ESOP 2005		ESOP 2005		ESOP 2007 (C)	
		Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
f)	Additions pursuant to bonus issue	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
g)	outstanding at the end of the period	300,000 (300,000)	348.35 (348.35)	10,200 (33,000)	20.00 (20.00)	466,667 (700,000)	5.00 (5.00)
h)	Exercisable at the end of the period	10,200 (-)	20.00 (-)	116,667 (7,400)	5.00 (20.00)	(233,333)	(5.00)
i)	number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	300,000 (300,000)	348.35 (348.35)	10,200 (33,000)	20.00 (20.00)	466,667 (700,000)	5.00 (5.00)
j)	weighted average share price at the date of exercise	- (-)	- (-)	13,200 (-)	20.00 (-)	233,333 (-)	5.00 (-)
k)	weighted average remaining contractual life (years)	0.62 (1.62)	N.A. N.A.	- (0.87)	N.A. N.A.	0.76 (2.99)	N.A. N.A.
l)	Unvested Option outstanding at the end of the period	300,000 (300,000)	348.35 (348.35)	- (25,600)	- (20.00)	350,000 (466,667)	5.00 (5.00)

	Particulars	ESOP 2007	
		Options	Weighted Average Price
a)	Outstanding at the beginning of the period	3,371,250 (295,000)	46.99 (30.00)
b)	granted during the period	100,000 (3,145,000)	- (89.91)
c)	exercised during the period	3,065,000 (68,750)	89.41 (30)
d)	forfeited during the period	- (-)	- (-)
e)	Expired during the period	10,000 (-)	30.00 (-)
f)	Additions pursuant to bonus	- (-)	- (-)
g)	outstanding at the end of the period	396,250 (3,371,250)	56.52 (46.99)
h)	Exercisable at the end of the period	45,000 (5,000)	65.04 (30)
i)	number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	396,250 (3,371,250)	56.52 (46.99)
j)	weighted average share price at the date of exercise	3,065,000 (-)	89.41 (-)
k)	weighted average remaining contractual life (years)	1.08 (2.80)	N.A. N.A.
l)	Unvested Option outstanding at the end of the period	351,250 (3,366,250)	56.52 (46.99)

20. Reconciliation between Fair Value of ESOPs granted and the charge determined as per the Intrinsic Method as adopted by the company and as required by the Guidance Note on Accounting for share based payments issued by the Institute of Chartered Accountants of India is as under :

a. **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 plans. 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	**31-03-2011 (Rs.)**	31-03-2010 (Rs.)
a. Net Profit as reported	**(691,276,185)**	(445,436,017)
i. Add: Stock based employee compensation expense debited to Profit and Loss account	**29,856,206**	53,247,151
ii. Less: Stock based employee compensation expense based on fair value	**172,746,812**	84,891,290
b. Difference between (i) and (ii)	**142,890,606**	31,644,139
c. Adjusted pro forma profit	**(834,166,791)**	(477,080,156)
d. Difference between (a) and (c)	**142,890,606**	31,644,139
e. Basic earnings per share as reported	**(5.97)**	(4.50)
f. Pro forma basic earnings per share	**(7.21)**	(4.82)
g. Diluted earnings per share as reported	**(5.95)**	(4.41)
h. Pro forma diluted earnings per share	**(7.19)**	(4.72)

b. The fair value of the options granted during the year ended March 31, 2011, 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 March, 2011**	Year ended 31 March, 2010
a. Risk free interest rates (in %)	**7.98**	7.16
b. Expected life (in years)	**3.00**	4.02
c. Volatility (in %)	**42.20**	61.96
d. Dividend yield (in %)	**0.00**	0.00

The volatility of the options is based on the historical volatility of the share price since the Company's equity shares are publicly traded and has been calculated on the basis of the share price and trading volume data.

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

Particulars	**Current Year**	Previous year
a. Total options granted	**100,000**	3,145,000
b. Weighted average exercise price (in Rs.)	**72.00**	89.91
c. Weighted average fair value (in Rs.)	**78.71**	57.20

21. In respect of the disposal / write off of company's erstwhile investments in SGA Media Inc, USA, the company is yet to seek approval of the Reserve Bank of India.

22. Disclosures as per Micro, Medium and Small 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 (Nil) and no interest has been paid or is payable under the terms of the MSMED Act, 2006

23. Utilisation of Funds raised

The Company has utilised an aggregate sum of Rs. 1,979.78 millions towards the stated purposes, from the proceeds of the Rights Issue of Partly Convertible Cumulative Preference Shares of Rs. 200/- each. The Unutilised fundsof Rs. 59.21 millions are invested in Mutual Funds / Bank Fixed Deposits.

24. Contracts remaining to be executed on capital account: Rs. 0.12 million (net of advances) (Rs. 0.06 million).

25. Figures in (brackets) refer to the corresponding figures in the accounts for the year ended March 31, 2010.

26. Employee Benefits

a. Defined Benefit Plans:-

The present value of defined benefit obligation 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 reconciliation of opening and closing balances of the present value of the defined obligation for the continuing businesses as at :				
Particulars	**Year ended 31-Mar-2011**		Year ended 31-Mar-2010	
	Gratuity Benefits	**Compensated Absences**	Gratuity Benefits	Compensated Absences
Obligation at the period beginning (A)	**55,39,871**	**57,06,203**	54,26,510	91,55,125
Adjustment for increase in opening provision for retirement benefits (B)	**-**	**-**	-	-
Past service cost (C)	**42,68,850**			
Current service cost (D)	**18,05,558**	**16,70,371**	13,56,869	16,56,790
Interest cost (E)	**4,43,190**	**4,56,496**	4,34,121	7,32,410
Actuarial loss/(gain) (F)	**(14,35,996)**	**(5,48,467)**	(16,77,629)	(30,86,133)
Benefits paid (G)	**(3,26,163)**	**(13,47,981)**	-	(27,51,989)
Fair Value of Assets	**-**	**-**	-	-
Obligation at the period end (A+B+C+D+E+F-G)	**1,02,95,310**	**59,36,622**	55,39,871	57,06,203

b. **Cost for the period**

Particulars	**Year ended 31-Mar-2011**		Year ended 31-Mar-2010	
	Gratuity Benefits	**Compensated Absences**	Gratuity Benefits	Compensated Absences
Current service cost (A)	**18,05,558**	**16,70,371**	13,56,869	16,56,790
Past service cost (B)	**42,68,850**			
Interest cost (C)	**4,43,190**	**4,56,496**	4,34,121	7,32,410
Actuarial loss/(gain) (D)	**(14,35,996)**	**(5,48,467)**	(16,77,629)	(30,86,133)
Net cost (A+B+C+D)	**50,81,602**	**15,78,400**	1,13,361	(6,96,933)

c. Actuarial assumptions used:-

Particulars	**Year ended 31-Mar-2011**		Year ended 31-Mar-2010	
	Gratuity Benefits	**Compensated Absences**	Gratuity Benefits	Compensated Absences
Discount Rate	**8%**	**8%**	8%	8%
Expected Salary Escalation Rate	**6%**	**6%**	6%	6%
Mortality Table	**LIC(1994-96) duly Modified**	**LIC(1994-96) duly Modified**	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified
Retirement Age	**60 Yrs**	**60 Yrs**	60 Yrs	60 Yrs
Withdrawal Rates	**Percentage**	**Age**	Percentage	Age
	3	**Upto 30 Year**	3	Upto 30 Year
	2	**Upto 44 Year**	2	Upto 44 Year
	1	**Above 44 year**	1	Above 44 year

27. Information required by the Accounting Standard on Segment Reporting, for the period under review, is as below:

Income / Expenditure	**Events Management**	**Sports Management**	**Others Services**	**Total (Rs)**
Revenues	214,495,572 (201,294,319)	154,261,384 (119,825,169)	303,428,392 (240,627,698)	672,185,348 (561,747,186)
Expenses	242,929,667 (182,968,362)	185,792,183 (157,678,332)	99,780,062 (150,215,775)	528,501,912 (455,686,861)
Segment result	-28,434,095 (18,325,957)	-31,530,799 (-37,853,163)	203,648,330 (90,411,923)	143,683,436 (106,060,415)
Less: Interest & Financial Charges				816,493,300 (524,941,726)
Less: Other unallocable expenses				37,681,404 (35,175,698)

Income / Expenditure	**Events Management**	**Sports Management**	**Others Services**	**Total (Rs.)**
Prior Period Adjustments				-6,755,083 (-8,695,992)
Profit (Loss) before taxes				-703,736,185 (-445,361,017)
Tax (Net of MAT Credit)				12,460,000 (75,000)
Profit (Loss) for the period				-691,276,185 (-445,436,017)
Assets / Liabilities				
Segment Assets	142,347,301 (60,443,221)	49,792,575 (9,740,200)	15,484,557,148 (16,216,937,705)	15,676,697,025 (16,287,121,126)
Segment Liabilities	76,381,046 (47,087,897)	33,331,795 (42,932,531)	3,919,257,813 (5,038,250,337)	4,028,970,653 (5,128,270,765)
Capital expenditure	2,923,321 (227,299)	514,415 (314,486)	3,909,212 (4,269,035)	7,346,948 (4,810,820)
Depreciation	1,210,650 (518,595)	81,010 (15,018)		1,291,660 (533,613)
Other Non cash expenses*	- (-)			3,843,945 (4,564,064)

* other than Stock Option Charge out

28. Amounts due / to from Debtors / Creditors are subject to confirmation.

29. Income from Investments includes:

	Current Year (Rs)	Previous Year (Rs.)
Profit on sale of Current investments	**135,848,323**	115,636,986

30. **Foreign Currency Exposure and Derivative Contracts**

The Company's foreign currency exposure not hedged by a derivative instrument or otherwise as on March.31, 2011 is as follows on account of advances paid :

Currency	**Foreign currency amount**	**Rupee equivalent (Rs.)**
USD	250,000	9,905,000
EURO	32,889	2,066,741

31. Prior period adjustments

The components of prior period adjustments are as follows:

Particulars	**Year ended 31.03.2011 (Rs.)**	Year ended 31.03.2010 (Rs.)
Provision for expenses written back	**-**	(8,695,992)
Income Short Provided	**(6,994,315)**	-
Expenses short provided	**239,232**	-
Total	**(6,755,083)**	(8,695,992)

32. Computation of net profits in accordance with Section 349 of the Companies Act, 1956

Sl. No.	**Particulars**	**Year ended 31.03.2011 (Rs.)**	Year ended 31.03.2010 (Rs.)
i.	Net profit/(loss) before tax from ordinary activities	**(710,491,268)**	(454,057,009)
Add:			
ii.	Whole-time Directors' remuneration	**10,944,000**	10,944,000
iii.	Directors' sitting fees	**335,000**	440,500
iv.	Provision for doubtful debts	**304,000**	4,174,071
v.	Depreciation as per books of account	**5,135,605**	5,097,677
vi.	Loss on sale of fixed assets	**497,279**	-
	Total (ii to vi)	**17,215,884**	20,656,248
Less:			
vii.	Depreciation as envisaged under Section 350 of the Companies Act, 1956*	**10,129,862**	10,091,934
viii.	Profit on sale / disposal of assets	**-**	1,963,229
ix.	Profit on sale of long term investment	**-**	-
x.	Profit on sale of current investments	**135,848,323**	115,636,986
	Net profit/ (loss) for calculation on which remuneration is payable.	**(839,253,569)**	(561,092,910)

Notes: The Company's assessment of the useful lives of certain assets is different from that implicit in Schedule XIV of the Companies Act, 1956. The rates of depreciation used by the Company for those assets are higher than the minimum rates prescribed by Schedule XIV.

33. The company has the outstanding balance of Rs 20.00 millions of the loans given (Previous year Rs. 35.12 millions) to employees of subsidiary companies.

34. Miscellaneous expenditure includes expenses relating to a proposed issue of securities / restructuring .

For and on behalf of the Board

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

R D S Bawa
Chief Financial Officer

Shilpa Verma
Manager Corporate Affairs
& Company Secretary

May 30, 2011
Noida

Additional Information 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.	076419	State Code	55
Balance Sheet Date	31-03-11		

II Capital raised during the year (Amount in Rs. Thousands)

Public Issue	NIL	Rights Issue	NIL
Bonus Issue	NIL	Preferencial Allotment	NIL
Others	22774		

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

Total Liabilities (including Shareholders' Funds)	15374011	**Total Assets**	15374011
Sources of Funds :			
Paid-Up Capital	2137135	Reserves & Surplus	8321739
Secured Loans	3168094	Unsecured Loans	1591249
Share Application Money /ESOP Outstanding	155793		
Application of Funds :			
Net Fixed Assets	26930	Investments	12879533
Net Current Assets	2413029	Miscellaneous Expenditure	54518

IV Performance of Company (Amount in Rs. Thousands)

Turnover (including Other Income)	672185	Total Expenditure	1382677
Profit/Loss before Tax (+ / - : ✓ -)	710491	Profit After Tax (+ / - : ✓ -)	698031
Earnings per Share (Rs.) (+ / - : ✓ -)	5.97	Dividend Rate (%)	NIL

V Generic Names of Three Principal Products of the Company

The Company is engaged in media & allied businesses for which no item code has been prescribed.

For and on behalf of the Board

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

R D S Bawa
Chief Financial Officer

Shilpa Verma
Manager - Corporate Affairs & Company Secretary

May 30, 2011
Noida

Auditor's Report

To the Board of Directors of **Network18 Media & Investments Limited**

1. We have examined the attached Consolidated Balance Sheet of **Network18 Media & Investments Limited** ('the Company"),its Subsidiaries, and jointly controlled entities (the Company, its Subsidiaries and jointly controlled entities constitute 'the Group") as at March 31,2011 , the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed hereto. The Consolidated Financial Statements include financials of 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.

2. These financial statements, are the responsibility of the management of Network18 Media & Investments Limited, and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit and representations made by the management during the audit.

3. 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 prepared, in all material respects, in accordance with an indentified financial reporting framework and are free of material misstatements. An audit includes examining, on a test check, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

4. We did not audit the financial statements of subsidiaries and joint venture(s), whose financial statements reflect total assets of Rs. 40,363 million as at March 31,2011 and total revenues of Rs. 16,208 millions and net cash outflows of Rs. 3182 millions for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these entities, is based solely on the report of the other auditors.

5. *Attention is drawn to*

   i) *Note 40 of Schedule 17 to the financial statements regarding payment of remuneration to the Managing Director of Network 18 Media & Investments Limited, in excess of the limits prescribed under Schedule XIII of the Companies Act,1956 . The Central Government has partially approved the Company's application for payment of the remuneration and the Company has filed an application for reconsideration of the matter.*

   ii) *Note 27 of Schedule 17 to the financial statements regarding the non provision for other than temporary impairment in the value of Investments of Rs 3368 millions and the non impairment of goodwill arising on consolidation of Rs 13,270 million.*

   iii) *The Auditors' of a Subsidiary have reported that the subsidiary has received an income tax demand of Rs. 52.9 million, which is disputed by the subsidiary. The subsidiary has been legally advised that is unlikely that the demand shall be upheld. No provision has been made by the subsidiary for the said demand. We are unable to comment on the adjustments and impact, if any, on the financial statements in respect of the above matters.*

6. Attention is also drawn to,

   a) Note 1(C) of Schedule 17 to the financial statements regarding the non consolidation of Network 18 Group Senior Welfare Trust as the management does not expect any economic benefit will flow to the group from that Trust.

   b) Note 4(a) of Schedule 17 to the financial statements wherein it is stated that no effect has been given in these financial statements of the Scheme of Restructuring referred therein.

   c) Note 41 of Schedule 17 to the financials statements concerning the uncertainties involved in the share in loss of a subsidiary of a joint venture.The matter explained therein indicate the existence of a material uncertainty for the subsidiary of the joint venture in respect of the predicted future revenues which form basis of calculation of the carrying value of inventories of the joint venture. The revenues eventually earned by the joint venture may differ from those predicted but the potential impact on carrying value of inventories of the joint venture and the resultant impact on the share of loss of the company cannot be determined.

7. 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), Accounting Standard 23 (Accounting for investments in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

8. 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 associates, 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 5 above*, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of :

i) the Consolidated Balance Sheet of the state of affairs of the Group as at March 31, 2011.

ii) the Consolidated Profit and Loss account, of the loss of the Group for the year ended on that date.

iii) the consolidated Cash Flow statement, of the cash flows of the Group for the year ended on that date.

For **G S Ahuja & Associates**
Chartered Accountants
Firm registration no. N8999

G S Ahuja
Proprietor
Membership No. 87732

Noida
May 30, 2011

Consolidated Balance Sheet as at March 31, 2011

	Schedule	**As at March 31,2011 (Rs.)**	As at March 31,2010 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	**2,137,135,055**	2,114,360,935
50 % Preference Share Capital of Viacom 18 (Note 2C(vi))		**219,677,500**	—
Share Application Money		**4,014,215**	797,775,654
Stock Options Outstanding	2	**194,040,694**	374,625,544
Reserves and surplus	3	**11,203,635,415**	11,978,628,410
Loan Funds			
Secured loans	4	**9,212,705,259**	8,162,676,968
Unsecured loans	5	**8,519,481,332**	12,948,118,047
Deferred Tax Liablity		**21,143,564**	9,996,100
Minority Interest		**7,847,307,490**	7,162,097,128
		39,359,140,524	43,548,278,786
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	6	**6,101,251,975**	11,356,855,053
Less: Depreciation		**3,967,400,662**	6,844,532,160
Net block		**2,133,851,313**	4,512,322,893
Capital work in progress		**22,691,086**	1,085,807,358
		2,156,542,399	5,598,130,251
Goodwill on Consolidation		**13,270,604,401**	12,517,162,974
Investments	7	**6,812,186,067**	8,377,935,212
Deferred Tax Assets		**102,551,796**	89,201,598
Current Assets, Loans & Advances	8		
Inventories		**3,538,947,240**	441,454,397
Sundry debtors		**5,245,680,899**	4,401,284,329
Unbilled Revenue		**50,380,828**	386,650,977
Cash & bank balances		**4,621,714,917**	8,098,079,616
Loans & advances		**6,592,950,277**	6,373,021,280
		20,049,674,161	19,700,490,599
Less: Current Liablities and Provisions	9		
Current Liabilities		**5,963,302,171**	5,766,195,697
Provisions		**293,506,408**	296,942,089
Net Current Assets		**13,792,865,582**	13,637,352,813
Miscellaneous Expenditure	10	**138,278,475**	113,606,312
Profit & Loss Account	11	**3,086,111,804**	3,214,889,626
		39,359,140,524	43,548,278,786

Notes forming part of the accounts 17

The above schedules form an integral part of accounts

As per our report of even date attached

For **G S Ahuja & Associates**
Chartered Accountants
Firm registration no. N 8999

G S Ahuja
Proprietor
Membership no. 87732
Noida
May 30, 2011

For and on behalf of the Board

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

R D S Bawa
Chief Financial Officer

Shilpa Aggarwal
Manager - Corporate Affairs & Company Secretary

Consolidated Profit & Loss Account for the year ended March 31, 2011

	Schedule	**Year ended March 31,2011 (Rs.)**	Year ended March 31,2010 (Rs.)
Income			
Income from operations	12	**14,677,665,811**	12,650,659,234
Other income	13	**2,223,216,545**	1,607,930,985
		16,900,882,356	14,258,590,219
Expenditure			
Production, administrative and other costs	14	**11,055,271,994**	9,775,360,916
Personnel expenses	15	**3,405,290,637**	3,159,526,089
Interest and financial charges	16	**2,258,415,669**	2,126,297,521
Depreciation	6	**617,249,675**	1,308,196,794
Option premium paid		**—**	658,113,750
		17,336,227,975	17,027,495,070
Profit(Loss) before tax		**(435,345,619)**	(2,768,904,851)
Less: Prior period adjustments		**(1,968,732)**	(3,494,106)
Profit(Loss) before tax after prior period adjustment		**(433,376,887)**	(2,765,410,745)
Provisions for taxes		**331,349,808**	96,024,099
Profit(Loss) after tax		**(764,726,695)**	(2,861,434,844)
Minority Interest in Current Profits		**(505,919,225)**	(1,517,073,076)
Extra Ordinary items		**108,034,212**	—
Profit(Loss) after tax after minority interest		**(366,841,682)**	(1,344,361,768)
Appropriations			
Short provision of earlier year's dividend and tax thereon		**—**	3,783,342
Carried Forward		**(366,841,682)**	(1,348,145,110)
Earning per equity share (Note 14)			
(Face Value of Rs. 5 per share)			
Basic & Diluted		**(3.17)**	(13.59)
Notes forming part of the accounts	17		
The above schedules form an integral part of accounts			

For **G S Ahuja & Associates**
Chartered Accountants
Firm registration no. N 8999

G S Ahuja
Proprietor
Membership no. 87732
Noida
May 30, 2011

For and on behalf of the Board

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

R D S Bawa
Chief Financial Officer

Shilpa Aggarwal
Manager - Corporate Affairs
& Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2011

	Particulars	Schedule	Year Ended 31.03.2011 (Rs.)	Year Ended 31.03.2010 (Rs.)
A	**Cash Flow From Operating Activities**			
	Profit before tax		**(435,345,619)**	(2,768,904,851)
	Adjustment for:			
	Depreciation		**621,364,802**	1,308,196,794
	Employee stock compensation expenses		**56,452,126**	110,451,161
	Dividend Paid		**—**	3,783,342
	Interest and other financial Expenses		**2,258,415,669**	2,126,297,521
	Bad debts written off/ provision for doubtful debts		**196,546,254**	178,230,695
	Other Non-cash items		**—**	(346,678,251)
	Loss / (profit) on sale of fixed assets		**(20,254,186)**	21,367,163
	Option Premium Paid		**—**	658,113,750
	Interest income		**(477,510,410)**	(195,415,079)
	Dividend on current investments		**(14,593,667)**	(11,426,450)
	Dividend on Long term Investments		**(2,674,000)**	—
	Share in surplus of venture capital trust - long term investment		**(222,000,000)**	(217,400,000)
	Profit on sale of current investments		**(527,498,533)**	(669,403,596)
	Profit on sale of long term investment		**(815,782,822)**	—
	Loss on exchange rate fluctuation (net)		**30,962,066**	78,747,349
	Excess provisions written back		**(77,205,891)**	(241,751,615)
	Prior period adjustments and extraordinary items		**106,065,480**	(3,494,106)
	Operating profit before working capital changes		**676,941,269**	30,713,827
	Adjustment for:			
	Decrease/(Increase) in current assets		**(3,866,704,302)**	(5,941,966,575)
	Increase/(Decrease) in current liabilities		**459,259,336**	7,731,944,821
	Net cash flow/ (Used in) operating activities		**(2,730,503,697)**	1,820,692,073
	Tax on operational income (including fringe benefit tax)		**(331,349,808)**	96,024,099
	Net cash flow from operating activities		**(3,061,853,505)**	1,916,716,172
B	**Cash flow from Investment Activities**			
	Share application money paid		**(197,600,000)**	(122,500,000)
	Purchase of fixed assets (including capital WIP)		**(327,035,133)**	(4,121,387,453)
	Sale of assets/claim received		**3,167,512,369**	201,436,596
	(Purchase)/ Sale of long term investments		**(35,580,716)**	—
	Investments (purchased)/ sold			
	- in affiliate/ joint venture		**767,717,820**	2,424,836,160
	- Venture capital trust		**345,600,000**	(239,400,000)
	- Mutual funds and others (net)		**1,831,293,396**	(3,031,934,935)
	Acquisition of minority interest in subsidiary		**(663,094,615)**	(4,503,684,474)
	Foreign exchange translation adjustment (arising on consolidation)		**(53,153,208)**	155,728,165
	Interest received		**477,510,410**	195,415,079
	Dividend received on current investments		**14,593,667**	11,426,450
	Dividend on Long term Investments		**2,674,000**	—
	Share in surplus of venture capital trust (long term investment)		**222,000,000**	217,400,000
	Net cash from/(Used in) investing activities		**5,552,437,990**	(8,812,664,412)
C	**Cash flow from financing activities**			
	Interest paid		**(2,258,415,669)**	(2,126,297,521)
	Proceeds from issue of equity shares		**22,774,120**	212,026,015
	Proceeds from issue of Preference shares		**—**	601,200
	Proceeds from Security premium on Equity		**465,734,391**	6,132,677,595
	Share Application Money received / adjusted		**(793,761,439)**	797,177,181
	Issue (Repayment) of Bonds/Debentures		**(790,783,000)**	976,688,000
	Preference share application money forfeited		**—**	(1,207,200)
	Issue (Repayment) of Debentures		**(110,000,000)**	—

Network18 Media & Investments Limited

Consolidated Cash Flow Statement for the year ended March 31, 2011 (Contd.)

Particulars	Schedule	**Year Ended 31.03.2011 (Rs.)**	Year Ended 31.03.2010 (Rs.)
Increase (Decrease) in loans		**(2,477,825,424)**	6,286,464,663
Increase in Miscellaneous Expenses		**(24,672,163)**	8,010,617
Net cash flow from (used in) financing activities		**(5,966,949,184)**	12,286,140,550
Net increase (decrease) in cash and cash equivalents		**(3,476,364,699)**	5,390,192,310
Cash and cash equivalents as at the beginning of the year		**8,098,079,616**	2,707,887,306
Cash and cash equivalents as at the end of the year		**4,621,714,917**	8,098,079,616
Notes forming part of the accounts	17		

The above schedules form an integral part of accounts

For **G.S.AHUJA & ASSOCIATES**
Chartered Accountants
Firm registration no. N 8999

G S Ahuja
Proprietor
Membership no. 87732

Noida
May 30, 2011

For and on behalf of the Board

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

R D S Bawa
Chief Financial Officer

Shilpa Verma
Manager - Corporate Affairs
& Company Secretary

Schedules to Consolidated Balance Sheet

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED		
170,000,000 (170,000,000) Equity Shares of Rs. 5/- each	**850,000,000**	850,000,000
1,100,000 (1,100,000) 5% Preference Shares of Rs. 100/- each	**110,000,000**	110,000,000
10,500,000 (10,500,000) Preference Shares of Rs. 200/- each	**2,100,000,000**	2,100,000,000
	3,060,000,000	3,060,000,000
ISSUED, SUBSCRIBED AND PAID UP		
118,895,641 (Previous year 114,340,817) Equity shares of Rs. 5/- each fully paid up	**594,478,205**	571,704,085
10,284,379 (Previous Year 10,284,379) Non Convertible Cumulative Redeemable Preference shares of Rs. 150/- each fully paid up	**1,542,656,850**	1,542,656,850
	2,137,135,055	2,114,360,935
SCHEDULE 2 : EMPLOYEE STOCK OPTIONS OUTSTANDING		
Employee stock options outstanding	**235,141,706**	440,006,642
Less: Deferred employee compensation	**41,101,012**	65,381,098
Closing Balance	**194,040,694**	374,625,544
SCHEDULE 3 : RESERVES AND SURPLUS		
Securities premium		
Opening balance	**10,358,027,449**	3,672,963,074
Add: Share Premium on conversion of Preference shares	**—**	789,619,391
Add: Amounts received pursuant to issue of equity shares	**465,734,391**	6,132,677,595
Less: Expenses on issue of securities	**—**	177,300,638
Less: Adjustment on account of merger	**—**	59,931,973
Closing balance	**10,823,761,840**	10,358,027,449
General reserve		
Opening balance	**78,003,256**	56,182,738
Add: Transfer from profit & loss Account	**—**	16,938,499
Add: Change in Minority	**(21,820,518)**	4,882,019
Closing balance	**56,182,738**	78,003,256
Capital Reserve, on Consolidation	**121,480,214**	1,211,984,465
Capital Reserve	**271,428,842**	346,678,251
Exchange translation reserve	**(69,218,219)**	(16,065,011)
	11,203,635,415	11,978,628,410
SCHEDULE 4 : SECURED LOANS		
Secured Optionally Fully Convertible Debentures of Rs. 110/- each	**—**	110,000,000
Cash credit	**2,356,038,940**	1,085,575,562
Term loans	**4,641,225,333**	4,249,740,267
Vehicle & Other loans	**37,234,743**	16,480,846
Interest accrued but not due	**2,774,178**	4,659,193
Working Capital Loan	**542,432,065**	596,221,100
Other Loans	**1,633,000,000**	2,100,000,000
	9,212,705,259	8,162,676,968
SCHEDULE 5 : UNSECURED LOANS		
Zero coupon covertible bonds (Note 23)	**75,905,000**	640,988,000
Optionally Convertible Debentures (Note 23)	**—**	225,700,000
Term Loans	**358,287,546**	1,332,568,051
Other Loans	**842,153,588**	3,976,631,188
Public deposits	**5,241,638,217**	3,570,738,257
Commercial paper loan	**2,000,000,000**	1,700,000,000
Bank Overdrat	**1,496,981**	1,501,492,551
	8,519,481,332	12,948,118,047

SCHEDULE 6 : FIXED ASSETS As On 31-03-2011

	GROSSBLOCK						DEPRECIATIONBLOCK							NETBLOCK	NETBLOCK
Particulars	As At 1-Apr-10	Addition on A/c of Acquisition / Merger	Addition	Viacom18 Op. Additions	Sales / Adjustments	Total Gross Block	Depreciation As At 1/4/2010	Addition on A/c of Acquisition / Merger	Depreciation Up to 31/03/11	Viacom18 Op. Additions	Adjustments	Impairment	Total Depreciation	As at 31-Mar-11	As at 31-Mar-10
Tangible Assets:															
Leasehold Land	1,873,125	-	-	-	-	1,873,125	780,472	-	31,218	-	-	-	811,690	1,061,435	1,092,653
Freehold land	1,356,244	-	-	-	-	1,356,244	-	-	-	-	-	-	-	1,356,244	1,356,244
Leasehold Improvements	566,575,046	-	21,385,460	-	5,206,513	582,753,993	319,502,396	-	94,494,387	-	4,095,616	-	409,901,167	172,852,826	247,072,650
Furniture & Fixture	237,252,441	20,223	7,588,262	-	39,387,621	204,871,757	120,549,409	7,276	19,201,670	-	15,700,826	3,068,750	120,988,779	83,882,978	116,703,032
Plant & Machinery	3,951,317,304	7,025,217	211,687,411	-	79,439,273	4,091,192,155	2,273,778,887	1,830,583	351,125,267	-	54,326,959	4,158,656	2,568,249,122	1,522,943,033	1,677,538,417
Plant & machinery on finance lease	-	-	1,453,839	-	-	1,453,839	-	-	25,625	-	-	-	25,625	1,428,214	-
Electric Installation	18,705,306	-	368,344	-	279,135	18,794,515	5,078,930	-	1,324,265	-	51,407	-	6,351,788	12,442,727	13,626,376
Vehicles	95,844,095	-	20,276,096	-	14,992,016	101,128,174	32,639,933	-	11,205,614	-	7,733,387	-	36,112,160	65,016,014	63,204,162
Building	72,546,741	-	-	-	13,463,212	59,083,529	36,379,165	-	3,998,405	-	1,141,743	332,642	38,903,185	20,180,344	36,167,576
Ownership Flats	23,741,895	-	-	-	-	23,741,895	5,559,341	-	386,993	-	-	-	5,946,334	17,795,561	18,182,554
Computers	164,036,672	34,927	27,168,593	-	1,733,852	189,506,340	96,979,354	17,999	32,473,087	-	1,662,692	-	127,807,748	61,698,592	67,057,318
Computers on finance lease			385,875			385,875	-		15,595				15,595	370,280	-
Intangible Assets:															
Brand	207,913,826	-	352,812	-	-	208,266,639	78,756,822	-	42,987,348	-	795,819	-	120,948,351	87,318,288	129,157,004
Goodwill	182,288,351	-	379,067	-	50,000	182,617,444	143,978,458	-	21,752,170	-	1,893,151	-	163,837,477	18,779,967	38,309,893
News Archives	5,431,322,460	-	-	-	5,407,533,304	23,789,155	3,407,469,193	-	2,070,484	-	3,394,945,763	-	14,593,914	9,195,241	2,023,853,267
Software	402,081,547	3,135,262	21,171,472	-	15,950,985	410,437,296	323,079,800	986,487	40,272,674	-	11,431,234	-	352,907,727	57,529,569	79,001,747
Total	**11,356,855,053**	**10,215,629**	**312,217,231**	**-**	**5,578,035,911**	**6,101,251,975**	**6,844,532,160**	**2,842,345**	**621,364,802**	**-**	**3,493,778,597**	**7,560,048**	**3,967,400,662**	**2,133,851,313**	**4,512,322,893**
Capital Work in Progress	1,085,807,358	-	4,602,273	-	1,067,718,545	22,691,086	-	-	-	-	-	-		22,691,086	1,085,807,358
Total	**12,442,662,411**	**10,215,629**	**316,819,504**	**-**	**6,645,754,456**	**6,123,943,061**	**6,844,532,160**	**2,842,345**	**621,364,802**	**-**	**3,493,778,597**	**7,560,048**	**3,967,400,662**	**2,156,542,399**	**5,598,130,251**
Previous Year	**5,702,423,471**	**6,367,586,231**	**810,969,812**	**216,568,749**	**(154,575,047)**	**12,442,662,411**	**2,694,680,120**	**2,798,727,586**	**1,313,058,745**	**134,844,835**	**84,326,398**	**12,452,728**	**6,844,532,160**	**5,598,130,250**	**3,007,743,350**

Note:

a) Includes Rs. 3,500 (Previous year Rs. 3,500) being the face value of shares in co-operative housing societies.

b) Additions to fixed assets include foreign exchange translation difference of Rs. 4,539,193 (Previous year Rs. 46,425,000).

c) Depreciation for the period includes adjustments of Rs. 4,115,127 (Previous year Rs. 4,861,951) pertaining to transfer to pre-operative expenses.

d) Adjustments related to accumulated depreciation include foreign exchange translation difference of Rs. 9,495,045 (Previous year Rs. 26,263,716).

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
SCHEDULE 7 : INVESTMENTS		
Investment - At Cost, Not Trade.		
Quoted - Long Term		
474,308 (592,885) equity shares Rs. 4 each fully paid up in KSL and Industries Limited	**119,999,905**	149,999,905
500,000 (500,000) equity shares of Rs. 2 each fully paid up in Provouge (India) Limited	**110,000,000**	110,000,000
275,000 (275,000) equity shares of Rs. 10 each fully paid up in Refex Refrigerants Limited	**55,000,000**	55,000,000
5,000 (Nil) Equity Shares of USD 1 each in Film Investment Managers (Mauritius) Ltd.	**45**	—
90,05,348 (Nil) equity shares of Rs. 10 each in Den Networks Limited	**65,580,671**	—
Aggregate of Quoted - Long Term Investments	**350,580,621**	314,999,905
Quoted, Current		
2,048,229 (Nil) units in Fidelity Cash Fund	**10,243,703**	—
3,998,430 (Nil) units in Fidelity Mutual Fund	**20,013,940**	
6,201,692 (Nil) units in Birla Sun Life Dynamic Bond Fund	**99,052,935**	—
5,000,862 (Nil) units in DSP BlackRock Liquidity Fund	**50,008,620**	—
Nil (7,166,121) units in 'Birla Sun Life Mutual Fund	—	104,694,395
1,542,681 (10,561,084) units in HDFC Mutual Fund	**15,475,422**	170,252,787
Nil (55,935) units in Tata Mutual Fund	—	94,829,499
4,507 (165,479) units DSP Merrill Lynch Mutual Fund	**6,198,804**	217,288,392
5,162,689 (3,005,581) units in LIC Mutual Fund	**51,634,116**	30,055,814
Nil (16,127,556) units of Rs. 10 each in Fidelity Mutual Fund	—	190,074,531
Nil (3,180,461) units in 'DWS Mutual Fund	—	45,697,750
152,898 (11,73,557) units in DWS Mutual Fund	**1,536,614**	11,322,691
115,725 (81,251) units in DSP Merrill Lynch Mutual Fund	**154,609,219**	106,555,478
Nil (10,388,243) units in SBI Mutual Fund	—	150,000,000
5,200,499 (265,048) units in UTI Mutual Fund	**52,004,987**	400,000,000
'Nil (9,625,239) units in 'IDFC Mutual Fund	—	107,051,006
Nil (13,819,175) units in 'JM Financial Mutual Fund	—	176,071,861
Nil (3,386,717) Units in Deutche Mutual Fund	—	48,959,397
1,394,105 (17,106,802) units in Kotak Mutual Fund	**14,056,484**	289,584,091
273,500 (Nil) units in ICICI Prudential Mutual Fund	**50,000,000**	—
Nil (7,005,156) units in Principal Mutual Fund	—	100,000,000
16,352,577 (15,747,115) units in IDFC Mutual Fund	**189,456,576**	173,294,931
Nil (187,270) units in Taurus Mutual Fund	—	199,500,020
Nil (4,334,824) Units of Rs.10 each in L&T Mutual Fund	—	78,864,456
Nil (5,771,766) units in Principal Mutual Fund	—	85,000,000
2,456 (13,121,952) units in Religare Mutual Fund	**3,224,936**	164,051,044
Nil (6,865,020) units in SBI Mutual Fund	—	100,000,000
Nil (619,785) units in SBI Mutual Fund	—	12,243,587
Nil (47,942) Units of Rs. 10 each in Reliance Liquidity Fund	—	655,790
Nil (2,490,966) units of Rs. 10 each in Birla Sun Life Mutual Fund	—	36,191,743

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
Nil (460)Units of Rs. 1000 each in Axis Liquid Fund	—	462,230
Nil (11,811) units of Rs.1000 each in Templeton Mutual Fund	—	15,861,338
1,485,116 (1,297,647) ICICI Prudential Mutual Fund	**209,920,811**	175,668,585
20,986 (19,055,604) Baroda Pioneer Liquid Fund	**22,525,190**	200,000,000
6,538,512 (6,971,119)in JM Mutual Fund	**100,000,000**	100,000,000
Nil (10,305,121) units of Rs. 10 each in Reliance Mutual Fund	—	150,217,155
52,154 units (521,538) units in Deutsche Mutual Fund	**6,028,355**	6,028,355
7,813,879 (1,740,021) units in Deutsche Mutual Fund	**115,075,441**	25,075,441
9,184,508 (Nil) units in Deutsche Mutual Fund	**100,000,000**	—
172,687 (4,217,058) units in Religare Mutual Fund	**221,160,851**	51,814,052
6,727,981 (4,554,162) units in JM Mutual Fund	**87,012,649**	57,012,649
5,908,488 (8,142,621) units in Birla Sunlife Mutual Fund	**87,624,324**	116,467,448
84,334 (Nil) units in Tata Mutual Fund	**149,719,791**	—
98,232 (Nil) units in IDBI Mutual Fund	**100,000,000**	—
1,000,000 (Nil) units in Edelweiss Mutual Fund	**10,000,000**	—
104,308 (179,465) units in Templeton Mutual Fund	**142,193,335**	242,330,133
14,431,700 (Nil) units in Reliance Mutual Fund	**201,705,780**	—
171,639 (Nil) units in Axis Mutual Fund	**176,216,383**	—
3,848,626 (Nil) units in Kotak Mutual Fund	**72,109,961**	—
4,389,625 units (Nil) in Kotak Mutual Fund	**80,000,000**	—
11,229,653 (1,984,961) units in Fidelity Mutual Fund	**142,283,376**	24,073,781
10,264,357 (13,682,354) units in Canara Mutual Fund	**114,321,639**	151,186,914
43,246 (Nil) units in Bharti Mutual Fund	**50,000,000**	—
126,808 (Nil) units in UTI Mutual Fund	**199,228,239**	—
Aggregate of Quoted - Short Term Investments	**3,104,642,481**	4,408,437,344
Unquoted (Equity shares)		
a. Other companies		
898,500 (898,500) equity shares of Rs. 10 each fully paid up in Delhi Stock Exchange Association Limited	**62,895,000**	62,895,000
5,000 equity shares (5,000) of USD 1 each fully paid up in BK Holdings Limited, Mauritius	**223,250**	225,700
2,500,000 (Nil) Preference shares of Den Entertainment Network Private Limited	**25,000,000**	—
8,100 (Nil) equity shares of Rs.10 each fully paid in Inca Finlease Limited	**1,513,960**	—
220,000 (Nil) equity shares of Rs.10 each fully paid up in Royal Traders Limited	**2,200,000**	—
1 equity share (1) of USD 1 fully paid up in Capital 18 Limited, Mauritius	**45**	45
6 years National Savings Certificates	**5,500**	5,500
975,700 (975,700) Series B Preference shares of USD 0.0001 each fully paid up in Yatra Online Inc.	**55,812,500**	56,425,000
23,756 (27,212) Units of Rs. 100,000 each in Media Venture Capital Trust-II	**2,375,600,000**	2,721,200,000
1,500,015 (1,500,015) Series A Preference Shares of USD 0.0001 each fully paid up in Yatra Online Inc.	**29,307,322**	29,628,948
2,500,000 (2,500,000) 8% Cumulative Redeemable Non Convertible Preference Shares of Rs.100 each in BK Media Pvt Ltd	**250,000,000**	250,000,000
2,700,000 (2,700,000) ordinary shares of USD 0.0001 each of Yatra Online Inc.	**99,435,550**	100,526,780

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
250,000 (Nil) 0.10% Non Cumulative Redeemable Preference Shares of Series "II" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	**25,000,000**	—
1,500,000 (1,500,000) share warrants of Series "C" of Viacom18 Media Private Limited of Rs. 1 each fully paid up	**1,500,000**	1,500,000
Nil (1,475) equity shares of Viacom 18 Media (UK) Ltd of GBP 1 each fully paid up	**—**	117,964
Nil (50) equity shares of Viacom 18 Media US Inc of USD 0.01 each fully paid up	**—**	117,964
437,459 (437,459) Series C Preference Shares of USD 0.0001 each fully paid up in Yatra Online Inc.	**62,894,838**	63,585,062
3,192 (3,192) equity shares of Rs. 10 each fully paid up in Skorydov Systems Private Limited	**60,000,000**	60,000,000
83,763 (83,763) equity shares of Rs. 10 each fully paid up in Ensemble Infrastructure India Limited	**60,000,000**	60,000,000
55 (Previous year 55) Loan Bonds of USD 100,000 each in B K Holdings Limited, Mauritius	**245,575,000**	248,270,000
Aggregate of unquoted investments	**3,356,962,965**	**3,654,497,963**
Total	**6,812,186,067**	**8,377,935,212**

SCHEDULE 8 : CURRENT ASSETS, LOANS & ADVANCES

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
Inventories (at cost)		
Raw materials, stores and spare parts	**75,917,724**	15,278,710
Work in progress	**760,747,197**	6,048,479
Finished goods	**5,435,662**	48,440,234
Tapes	**2,696,846,657**	371,686,974
	3,538,947,240	441,454,397
Sundry debtors (Unsecured, considered good)		
Debts outstanding for more than 6 months		
- considered good	**2,190,208,017**	966,037,795
- considered doubtful	**271,302,445**	315,857,970
Other debts - considered good	**3,061,594,732**	3,435,246,535
Other debts - considered doubtful	**147,886,863**	9,157,263
	5,670,992,057	4,726,299,563
Less: Provision for doubtful debts	**425,311,158**	325,015,234
	5,245,680,899	4,401,284,329
Cash and bank balances		
Cash on hand	**3,770,336**	8,174,213
Cheques in hand	**295,223,234**	231,424,232
Balance with scheduled banks :		
- in current accounts	**2,571,417,840**	3,178,279,623
- in deposit accounts	**1,751,149,661**	2,939,293,920
Balance with Other Banks		
- in current accounts	**153,846**	1,740,907,628
	4,621,714,917	8,098,079,616

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
Loans & advances		
(Unsecured, considered good)		
Share application Money Paid for Shares	**320,100,000**	122,500,000
Amounts due from subsidiaries & Companies	**50,162,737**	1,515,613,760
Advance to vendors	**104,951,022**	101,910,700
Security and other deposits	**387,046,486**	394,002,822
Service tax input credit	**64,443,811**	43,605,952
Interest accrued but not due	**62,917,210**	38,390,884
Advances recoverable in cash or in kind or for value to be received	**4,089,448,767**	2,570,247,231
- Income tax paid [net of provision Rs. 61,557,000 (30,900,000)]	**1,404,870,430**	1,426,240,564
- MAT credit entitlement	**—**	48,124,661
- Fringe benefit tax paid	**1,490,349**	2,765,159
- Other advances	**107,519,465**	109,619,547
	6,592,950,277	6,373,021,280

SCHEDULE 9 : CURRENT LIABILITIES & PROVISIONS

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
Current liabilities		
Book Overdraft	**49,562,871**	—
Sundry creditors (MSME)	**519,604**	2,301,901
Sundry creditors (Others)	**3,693,127,675**	3,973,806,947
Advances from customers	**965,820,036**	931,277,176
Refundable Application Money	**—**	52,553,515
Sundry Deposits	**17,416,140**	10,125,366
Interest accrued but not due	**284,264,825**	57,544,174
Other liabilities	**904,881,728**	645,557,911
Unclaimed dividend	**3,225,286**	3,541,831
Unclaimed interest and matured Public Deposits	**43,908,493**	88,883,915
Unclaimed debenture redemption money	**575,513**	602,961
	5,963,302,171	5,766,195,697
Provisions		
Provision for retirement benefits	**222,973,056**	180,285,803
Provision for fringe benefit tax (net of advances)	**7,723,513**	8,713,002
Provision for Income tax	**48,302,519**	89,275,463
Provision for rebate returns	**14,358,627**	10,886,086
Provision for Wealth Tax	**144,094**	133,985
Provision for Corporate Dividend tax	**4,599**	7,647,750
	293,506,408	296,942,089

SCHEDULE 10 : MISCELLANEOUS EXPENDITURE

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
(To the extent not Written off or adjusted)		
Preliminary expenses	**74,437,485**	55,380,549
Debenture redemption premium	**—**	23,004,375
Pre-operative expenses	**63,840,990**	35,221,388
	138,278,475	113,606,312

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
SCHEDULE 11 : PROFIT & LOSS ACCOUNT		
Opening balance	**(3,214,889,626)**	(1,922,172,914)
Add : Profit & Loss balance of I-Ven Intereactive Limited	—	66,558,443
Less: Amount adjusted as per Scheme of Arrangement	—	51,582,294
Less: (Profit)loss transferred from subsidiary	**1,281,379**	—
Less: Transfer to General reserve	—	16,938,498
Add: Adjustment of profit on account of disposal	**(1,260,182)**	—
Less: Adjustment on account of change in minority interest	**(495,640,701)**	31,379,783
Add: Transfer from RBI Reserve	—	88,770,530
Profit /(Loss) brought forward from Profit and loss account	**(366,841,682)**	(1,348,145,110)
Closing balance	**(3,086,111,804)**	(3,214,889,626)
SCHEDULE 12 : INCOME FROM OPERATIONS		
Income from business operations	**14,496,783,760**	12,464,621,064
Equipment rentals and other receipts	**180,882,051**	186,038,170
	14,677,665,811	12,650,659,234
SCHEDULE 13 : OTHER INCOME		
Interest on		
- Fixed deposits	**78,542,755**	111,889,928
- Others	**398,967,655**	83,525,151
Dividend on short term investments	**14,593,667**	11,426,450
Dividend on Long term Investments	**2,674,000**	387,154
Profit / (Loss) on short term investments	**527,498,533**	669,403,596
Share in surplus of long term investment	**222,000,000**	217,400,000
Profit on sale of long term Investment	**815,782,822**	47,360,000
Loan Written off	—	5,737,220
Profit on Sale Of Assets	**20,254,186**	13,860,455
Exchange rate fluctuation	—	144,893,743
Excess provision written back	**77,205,891**	241,751,615
Net Income from Option Premium	—	1,963,229
Miscellaneous income	**65,697,036**	58,332,444
	2,223,216,545	1,607,930,985
SCHEDULE 14 : PRODUCTION, ADMINISTRATIVE AND OTHER COSTS		
Cost of Shows	**2,055,284,676**	1,731,021,471
Cost of Film rights	**568,605,511**	279,777,102
Cost of Music rights	**59,739,289**	46,580,107
Film and production shoot expenses	**56,073,286**	91,025,006
Tapes consumed	**8,517,631**	15,292,953
Content and franchise expenses	**448,932,944**	493,974,822
Media professional fees	**263,787,784**	318,070,891
Consumables and spares	**18,551,353**	18,728,714
Other production expenses	**328,343,971**	168,740,006
Rent	**496,855,983**	457,564,661
Electricity expenses	**150,621,777**	138,939,849
Insurance	**27,611,700**	26,606,015
Traveling and conveyance	**436,836,980**	351,143,702

	As at March 31,2011 (Rs.)	As at March 31,2010 (Rs.)
Vehicle running and maintenance	**130,203,443**	120,219,456
Communication expenses	**161,248,686**	165,475,205
Distribution, Advertising and Business Promotion	**2,644,840,172**	2,229,167,097
Event Expenses	**113,374,421**	67,111,092
Studio and equipment hire charges	**115,691,671**	138,788,763
Telecast and uplinking fees	**266,893,926**	147,212,322
Freight & Distribution Expenses	**34,517,358**	288,265,462
Membership and subscription	**129,559,827**	2,612,539
Repairs and maintenance		
- Plant & machinery	**143,983,596**	54,659,848
- Building	**5,694,077**	42,174,057
- Others	**83,879,028**	103,771,438
Legal and professional expenses	**360,638,885**	375,396,227
Directors sitting fees	**3,361,539**	4,832,327
Loss on sale / disposal of assets	**—**	21,367,163
Miscellaneous expenditure written off	**1,062,384**	3,269,075
Loss on exchange rate fluctuation	**30,962,066**	78,747,349
Bad debts written off/ Provisions	**196,546,254**	178,230,695
Material consumed	**303,233,498**	263,636,819
Miscellaneous expenses	**205,191,715**	274,236,679
Band Placement fee paid	**835,544,203**	803,978,884
Support costs	**245,662,301**	224,255,944
Airtime Purchased	**21,363,175**	12,325,572
Software expenses	**3,954,035**	2,518,656
Office expenses	**36,577,357**	35,642,948
Rebates & Returns	**53,243,352**	—
Pre-operative expenses written off	**8,282,140**	—
	11,055,271,994	9,775,360,916

SCHEDULE 15 : PERSONNEL EXPENSES

Salaries and bonus	**2,928,779,337**	2,702,309,101
Contribution to provident fund and other funds	**149,105,959**	143,942,753
Staff welfare expenses	**210,347,826**	184,437,701
Retirement benefits	**60,605,389**	18,385,373
Employee stock compensation expenses	**56,452,126**	110,451,161
	3,405,290,637	3,159,526,089

SCHEDULE 16 : INTEREST AND OTHER CHARGES

Interest on:		
-Term loans	**1,131,400,706**	1,292,242,672
- Cash credit	**156,056,210**	173,264,746
- WCDL	**28,147,086**	23,096,509
- Fixed Deposit	**554,442,941**	163,462,369
- Commercial Paper	**86,099,548**	142,376,041
- Others	**64,580,393**	64,186,779
Other financial charges	**237,688,785**	267,668,405
	2,258,415,669	2,126,297,521

Schedule forming part of Consolidated accounts as at March 31, 2011

Schedule 17: Notes to accounts

1.

A. These financial statements comprise a consolidation of the accounts of Network 18 Media and Investments Limited, the company, its subsidiaries and Joint Ventures / Associates, as listed below.

S. No.	Name of Subsidiary	Country of Incorporation	Percentage of holding by the Company as at 31.03.2011
Direct Subsidiaries			
1	Network18 Holdings Limited	Cayman Islands	99.99
2	Network18 India Holdings Private Limited	India	100.00
3	Setpro18 Distribution Limited	India	66.00
Subsidiary by virtue of Control			
4	Television Eighteen India Limited	India	48.98
5	ibn18 Broadcast Limited	India	50.64
Subsidiaries of Subsidiary Companies			
Subsidiaries of ibn18 Broadcast Limited			
6	RVT Media Private Limited	India	100.00
7	ibn18 Media & Software Limited	India	100.00
8	Ibn18 Mauritius Limited	Mauritius	100.00
Subsidiaries of Television Eighteen India Limited			
9	iNews.com Limited	India	100.00
10	Newswire18 Limited	India	77.50
11	RVT Investments Private Limited	India	100.00
12	Television Eighteen Mauritius Limited	Mauritius	100.00
13	Television Eighteen Media and Investments Limited	Mauritius	100.00
14	Infomedia18 Limited	India	47.80
Subsidiaries of Television Eighteen Mauritius Limited, Mauritius			
15	Web18 Holdings Limited (Note 1)	Cayman Island	84.27
16	Namono Investments Limited	Mauritius	100.00
17	TV18 UK Limited,	U.K.	100.00
Subsidiaries of Web18 Holdings Limited, Cayman Islands (Note 1)			
18	E-18 Limited	Cyprus	100.00
Subsidiaries of E-18 Limited, Cyprus			
19	e-Eighteen.com Limited	India	91.95
20	Television Eighteen Commoditiescontrol.com Limited	India	79.97
21	Web18 Software Services Limited	India	100.00
22	Big Tree Entertainment Private Limited	India	60.00
23	Care Websites Private Limited	India	100.00
Subsidiaries of e-Eighteen.com Limited, India			
24	Moneycontrol Dot Com India Limited	India	100.00
Subsidiaries of Infomedia18 Limited, India			
25	Cepha Imaging Private Limited	India	100.00
26	Glyph International US LLC	U.S.A.	100.00

S. No.	Name of Subsidiary	Country of Incorporation	Percentage of holding by the Company as at 31.03.2011
Subsidiaries of RVT Investments Private Ltd			
27	RRB Investments Private Limited	India.	100.00
28	Digital18 Media Limited	India	100.00
Subsidiaries of Network18 Holdings Limited, Cayman Island			
29	TV18 HSN Holdings Limited (Note 2)	Cyprus	54.32
30	The Indian Film Company Limited (till September 30,2010)(Note 3)	Guernsey	76.92
Subsidiaries of TV18 HSN Holdings Limited, Cyprus			
31	TV18 Home Shopping Network Limited	India	100.00
Joint ventures of ibn18 Broadcast Limited			
32	Ibn Lokmat News Private Limited	India	50.00
33	Viacom18 Media Private Limited	India	50.00
Joint venture of Television Eighteen India Limited			
34	Jagran 18 Publications Limited	India	50.00
Joint venture of E-18 , Cyprus			
35	e-Eighteen.com Limited	India	91.95
Joint Venture of Infomedia18 Limited			
36	Reed Infomedia India Private Limited	India	49.00

Note 1. TV18 holds additional 84.27% of the capital in Web 18 Holding through its wholly owned subsidiary TEMIL. Shares of Web 18 comprise Class A and Class B equity shares. Holders of Class A ordinary shares are entitled to ten votes for every Class A ordinary shares held and the holders of Class B ordinary shares are entitled to one vote for every Class B ordinary shares held. TV18 holds Class A equity shares through its subsidiaries. Its voting power in Web 18 Holding is 88.20% which is different from the percentage of shareholding. (See also Note 2B below)

Note 2: Percentage determined as per shareholders agreement between SAIF, G S Home Shopping and Network 18 Holdings Limited and includes the stake proposed to be diluted for creation of Stock Option plan.

B. Investments held for Disposal

The following investments held by Television Eighteen Mauritius Limited for disposal have been disclosed Separately and the financials of these companies have not been disclosed, and their downstream subsidiaries have not been consolidated

Company	Country of incorporation	Percentage shareholding as at 31.03.2011
B K Holdings Limited (BKH) w.e.f 17 May, 2007-Subsidiary of TEML	Mauritius	100.00
Capital 18 Limited (Capital 18) w.e.f 6 June, 2007-Subsidiary of TEML	Mauritius	100.00

C. The financials of Network 18 Group Senior Professional Welfare Trust , a trust formed for the welfare of past and present employees (including Directors) of the Company and its subsidiaries have not been consolidated since ,as per the management , it is not likely that any economic benefit will flow to the group from that trust.

2. Background:

A. In relation to Network18 Media and Investments Limited (N18/Parent/The Company)

i. The company was incorporated as SGA Finance and Management Services Private Limited in 1996. The name was changed to Network 18 Fincap Private Limited in April 2006. The company was converted into a Public Company on October 20, 2006. The name was further changed to Network18 Media & Investments Limited on December 1, 2007.

ii. The company, by virtue of its Asset size and income pattern was classified as a Systemically Important Non Banking Financial company, but was never engaged in the business of Non Banking Financial institution. Due to Ministry of Information and Broadcasting guidelines the company was in non compliance with Reserve Bank of India's (RBI) guidelines relating to Capital adequacy and Concentration of Investments. The Reserve Bank of India, on December 1, 2009, has accepted the company's request and cancelled the Certificate of Registration to carry on the business of Non Banking Financial Institution.

B. In relation to Television Eighteen India Limited (TV18/ the company)

i. Television Eighteen India Limited was incorporated in 1993 and is primarily engaged in content production and broadcasting.

ii. Television Eighteen Mauritius Limited (TEML) was incorporated in 1996 in the Republic of Mauritius under the Mauritius Offshore Business Activities Act, 1992 with production of television programmes as its principal business activity. The said Act has since been repealed and replaced by the Companies Act, 2001 under which TEML is a company holding Category 1 Global Business License and is regulated by the Financial Services Commission of Mauritius. TEML is the wholly owned subsidiary of Television Eighteen India Limited.

iii. e-Eighteen.com Limited (E-18) was incorporated on 28 March, 2000 as a subsidiary of the Company with the primary objective of setting up of business and finance internet portal. E-18 acquired the business of an established personal finance portal Moneycontrol Dot Com India Limited (MCD) on 21 May, 2000. Shares of E-18 were sold to E-18 Limited, Cyprus (E-18, Cyprus) on 15 June 2006 and subsequent to the sale E-18 became a subsidiary of E-18 Limited, Cyprus.

iv. iNews.com Limited was incorporated on 28 August, 2000 as a subsidiary of TV18 and is yet to commence operations.

v. RVT Investments Private Limited was incorporated on 9 July, 2006 as the subsidiary of TV18 with the primary objective of dealing or trading in shares, securities and debentures.

vi. Newswire18 Limited (Newswire) was incorporated on 18 September, 2006 as Livewire Motion Pictures Private Limited. Newswire became a subsidiary of the Company consequent to the transfer of the entire share capital of the promoters of Livewire Motion Pictures Private Limited i.e. Raghav Bahl, Sanjay Ray Chaudhuri and Vandana Malik, to the Company on 15 November, 2006. The name change was effective from 1 December, 2006 pursuant to a resolution passed by the members for the same. During the year ended 31 March, 2007 Newswire acquired the staff and business of Crisil Market Wire Limited, India's first real-time financial news agency and market data platform Company.

vii. Television Eighteen Media and Investment Limited (TEMIL) was incorporated in Mauritius under the Companies Act 2001, on 28 November, 2007 and is a wholly owned subsidiary of the Company. TEML has been incorporated with the primary objective of engaging in media business and investing in media undertakings.

viii. TV18 acquired a majority stake in I-Ven Interactive Limited during the year ended 31 March, 2009. Further, TV18 acquired control of the Board of Directors of Infomedia18 Limited (formerly Infomedia India Limited), a listed company which is a subsidiary of I-Ven, on 21 August, 2008. A scheme of arrangement to merge I-Ven into Infomedia had been filed with the Hon'ble High Court of Bombay on 18 February, 2009.The scheme became effective from 25 August, 2009(See note 8&35) . Infomedia, its subsidiaries and its joint venture company are engaged in print media operations including publishing of business directories and special interest magazines in India, printing, E-publishing services and agency services.

ix. Jagran 18 Publications Limited was incorporated on 10 March, 2008 as a 50:50 Joint Venture between Television Eighteen India Limited and Jagran Prakashan Limited. TV18 had not yet commenced its business operations as at the year end.

C. In relation to ibn18 Broadcast Limited (ibn18)

i. ibn18 Broadcast Limited was incorporated on 6 June, 2005 as Global Broadcast News Private Limited. It 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 ibn18 was changed to ibn18 Broadcast Limited 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".

ii. RVT Media Private Limited (RVT Media), a 100% subsidiary of ibn18 (including its 100% subsidiary AETN Media Private Limited with effect from 21 September 2011), is engaged in the business of broadcasting, telecasting, transmitting or distributing in any manner, any audio, video or other programmes or software.

iii. Ibn18 Media & Software Limited (Jagran TV) is a 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.

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

v. IBN Lokmat News Private Limited , 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".

vi. Viacom18 Media Private Limited (Viacom18), a joint venture of ibn18 (with 50% shareholding), operates four TV channels ("Colors", "MTV" (India), "Nick" (India) and "VH1"), and has a films division ("Studio18").. 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 net worth of Viacom18 is considered as Goodwill.

D. In relation to Setpro18 Distribution Limited (Setpro)

Setpro18 Distribution Limited was originally incorporated on 28 September 1993 as Setpro18 Holdings Private Limited. The name of company was changed to Setpro18 Distribution Private Limited on 11 May 2007. Setpro was converted into a public limited company w.e.f. 20th May, 2008 and fresh Certificate of Incorporation was issued by The Registrar of Companies, NCT of Delhi & Haryana on 9th June 2008.Setpro is engaged in the business of Distribution of television channels.

E. In relation to Network 18 Holdings Limited, Cayman Islands (N18CI)

Network 18 Holdings Limited, Cayman Islands is the holding company of TV18 HSN Holdings Private Limited. The company held 58.74% shares in The Indian Film Company, Guernsey which were sold

F. In relation to TV18 HSN Holdings Limited, Cyprus

TV18 HSN Holding Limited is a Joint Venture between Network 18 Holdings Limited, Cayman Islands and SAIF II Mauritius Company Limited for the purpose of promoting and holding the Investment in TV18 Home Shopping Network Limited.

G. In relation to TV18 Home Shopping Network Limited, India (TV18HSN)

TV18 Home Shopping Network Limited (Formerly TV18 Home Shopping Network Private Limited), (the Company), was incorporated in India on 13 June 2006 as TV18 Home Shopping Network Private Limited. A fresh certificate of incorporation consequent to the change in name to TV18 Home Shopping Network Limited was issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana on 10 June, 2008 under section 23(1) of the Companies Act, 1956.

The Company is primarily engaged in the business of distribution of consumer and other products and to provide services to customers at their doorstep pursuant to orders placed by the customers for listed vendor products on its television channel, website and on call centres operated specifically for this purpose.

3. 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.

The significant accounting policies adopted in presentation of the financial statement

A. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the 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, and useful life of fixed and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

B. Basis of consolidation

These consolidated financial statements are prepared in accordance with the principles and procedures prescribed by Accounting Standard (AS 21) Consolidated Financial Statements, Accounting Standard (AS 23) Accounting for Investments in Associates in Consolidated Financial Statements and Accounting Standard (AS 27) Financial Reporting of Interests in Joint Ventures prescribed by the Companies (Accounting Standards) Rules 2006 for the purpose of preparation and presentation of consolidated financial statements.

The financial statements of the subsidiary companies, joint ventures and associates used in the consolidation are drawn up to the same reporting date as that of the Parent.

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

i. The financial statements of the Company and its subsidiary companies have been consolidated 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 jointly controlled entities is reported using proportionate consolidation.

iii. The consolidated financial statements include the share of profit/loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit/loss of the associate company has been added/adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

iv. The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

v. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

C. Revenue Recognition

i. Revenue from media operations includes advertising income, sponsorship income, income from portal operations, publishing of business directories, special interest magazines, printing services, E-publishing services and agency services and other related income and is recognised as follows:

- Revenue from sale of advertising time is recognised on the accrual basis when advertisements are telecast in accordance with contractual obligations.
- Advertising revenue from business directories is recognised in the period in which the directories are given for pagination (printing) and are accounted net of commissions and discounts.
- Advertising revenue from special interest magazines is recognised in the period in which the magazines are published and are accounted net of commissions and discounts.
- Advertisement revenue earned from displaying banner advertisements on the portal is recognised proportionately on the number of impressions achieved.
- Revenue from sponsorship contracts is recognised proportionately over the term of the sponsorship.
- Subscription revenue is recognised on the accrual basis in accordance with the terms of the contract with the distribution and collection agency for the services rendered.
- Subscription revenue from the Group's print publications is recognised as earned, prorata on a per issue basis over the subscription period.
- Circulation revenue includes sales to retail outlets/newsstands, which are subject to returns. The Group records these retail sales upon delivery, net of estimated returns. These estimated returns are based on historical return rates and are revised as necessary based on actual returns.
- Revenue from media related professional and consultancy services is recognised in accordance with contracts on rendering of services.
- Revenue from sponsor buttons placed on specific areas of the Group's websites which provide users with direct link to sponsor's websites, is recognised ratably over the period during which the advertisement is displayed.
- Revenue from content licensing is recognised proportionately over the period of the contract for sale of content.
- Income from online trading, comprising exclusivity fees received from customers for displaying their logos on the portal is recognised proportionately based on the volume of online trading generated or at the end of the contract period, whichever is earlier.
- Revenue from printing jobs is recognised on completion basis and is accounted net of taxes.
- Revenue from traded products is recognised when the significant risks and rewards of ownership of the products has passed to the buyer and is stated net of taxes and discounts.
- Revenue from event sale is recognised on the completion of the event and on the basis of the related service performed.
- Revenue from E-publishing for projects undertaken is recognised at the time when invoice is raised as per the terms settled with the customers.
- Program revenue is accounted for on dispatch of programs to customers in accordance with contract on rendering services.
- Agency commission revenue is recognised as per the terms of agreement with the principals, on rendering of relevant services.
- Circulation revenue is recognized as and when magazine is dispatched to the news stand for sale.
- Subscription revenue of TV channels 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.
- Income from operations in the case of TV18 Home Shopping Network Limited primarily comprises commission earned on sale of products directly by the vendors to the customers whose orders are processed through the company's distribution channel and is recognize at the time of delivery of products or services to the customers in accordance with contracted terms with the vendors.

ii. 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

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

iv. 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.

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

vi. 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.

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

viii. Equipment rental is accounted for on the accrual basis for the period of use of equipment by the customer. Other receipts are recognised on rendering of services or accrual basis in accordance with contracts with customers.

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

x. Profit / Loss on sale of investments are computed on the basis of weighted average cost on the date of disposal of investments.

D. 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.

In case of Television Eighteen India Limited, Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use. Acquired brands/domain names are capitalized at cost of acquisition and disclosed as intangible assets.

E. Depreciation

Depreciation on all assets 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, except in respect of:

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

ii. Computer software which is depreciated over a period of 5 years in case of Television Eighteen India Limited (TV18) and Newswire18 Limited and 4 years in case of Infomedia and 3 years in case of Web 18 Holding and its subsidiaries (Web Group).

iii. In the case of Infomedia group, Furniture, Fixtures, Electrical and office equipment in leased premises are depreciated over the period of office lease on a straight line method or life of the asset whichever is lower.

iv. Furniture and fixtures which are depreciated over a period 10 years in case of TEML and 5 years in case of the Web Group.

v. Vehicles which are depreciated over a period of 4 years in case of Web Group.

vi. Vehicles of Infomedia and its subsidiaries, which are depreciated on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956

vii. Plant & machinery - distribution equipment which is depreciated over a period of 8 years in case TV18.

viii. Plant & machinery which is depreciated over a period of 5 years in case of TEML and 2-5 years in case of the Web Group.

ix. Computer hardware which is depreciated over a period of 3 years in case of the Web Group.

x. Web site development costs that provide additional functions or features to the Web Group's website are capitalised and amortised over the estimated life of two years.

xi. Major reconditioning expenses on plant, machinery and equipment of Infomedia Group are depreciated over a period of three years or life of the assets, whichever is lower.

xii. Cost of leasehold land is amortised over the period of lease.

xiii. News archives are depreciated on a straight line basis at the rate of 4.75% per annum. Useful life of news archives is estimated for a period longer than 10 years as the contents of the same are continuously used in day to day programming and hence the economic benefits from the same arise in a period longer than 10 years.

xiv. Goodwill arising on acquisition of assets and acquired brands are amortised over a period of five years.

xv. Depreciation on additions is charged proportionately from the date of acquisition/ installation except in case of TEML where the assets are depreciated for the full year in the year of acquisition. Assets costing Rs. 5,000 or less individually are fully depreciated in the year of purchase.

xvi. Depreciation on assets disposed-off during the year is charged proportionately till the date of sale except in the case of TEML where no depreciation is charged in the year of disposal.

xvii. 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%*

xviii. In the case of TV18 Home Shopping Network Limited Vehicles are depreciated over a period of 6.67 years and plant and machinery –office equipment (communication equipment) and office equipment (others) is being depreciated over a period of 3 years and 6.67 years respectively. These rates are higher than those prescribed under Schedule XIV of the Companies Act, 1956.

F. Goodwill on consolidation

The Group accounts for goodwill arising on consolidation at cost and recognises where applicable, any impairment. The difference between the proceeds from the disposal of investment in the subsidiary companies and the carrying amount of its assets less liabilities as of the date of disposal is adjusted against the unamortized goodwill and capital reserve as on the date of disposal.

G. Impairment of tangible assets

At each balance sheet date, the Group reviews the carrying amounts of its 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.

H. Inventory valuation

In the case of Network 18 Inventory includes consumables for events and are amortised over their estimated useful lives.

Inventories comprising stocks of used and unused tapes, work-in-progress and completed pilot programmes are stated at cost on first in first out basis. Stocks of tapes in the case of TV18 are written off over their useful life which is estimated to be three years, while in the case of ibn18 these are written off at the time of purchase. In the case of the parent company, inventory comprises consumables for events , which are written off over the estimated useful life of 3 events.

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.

v. In relation to Infomedia18 - Other inventories of raw materials like paper and binding material, work in progress and finished goods are valued at lower of cost or net realisable value. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and to make the sale.

I. Investments

Long term investments are stated at cost less provision for other than temporary diminution in the carrying value of each investment. Current investments are carried forward at lower of cost or fair value.

J. 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 is 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.

The Group makes contributions to funds administered and managed by the insurance companies for the amount notified by the said insurance companies. The present value of the obligation under such defined benefit plans for the Group 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 liability with respect to the Gratuity Plans is determined based on actuarial valuations done by independent actuaries at the year end and any differential between the fund amount as per the insurer and the actuarial valuation is charged to revenue.

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/ period end. Actuarial gains and losses are recognised immediately in the profit and loss account.

v. In case of Infomedia, voluntary retirement compensation is fully charged off in the year of severance of service of the employee

K. Miscellaneous Expenditure

Processing fees paid to various lenders are shown as preliminary expanses and amortised equally over the period for which the funds are acquired in case of Infomedia Group.

L. 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 case of forward exchange contracts, the premium or discount arising at the inception of such contract, is amortised as income or expense over the life of contract as well as exchange difference on such contracts i.e. difference between the exchange rate at the reporting/ settlement date and the exchange rate on the date of inception/ last reporting date, is recognised as income/ expense for the period. Any income or expense on account of exchange differences either on settlement of the contract or on translation of unmatured foreign currency contract at the rate prevailing on the balance sheet date is 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.

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. 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.

O. Tax

Income tax comprises current income tax and deferred tax. Current tax is determined in accordance with the provisions of the 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.

Minimum alternate tax (MAT) paid in accordance with the provisions of the Indian Income Tax Act, 1961, which gives rise to future economic benefit in the form of adjustment from income tax liability, is recognised when it is reasonably certain that the same will be set off and adjusted from the current tax charge for that year.

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

P. Website development costs

Costs incurred in the planning or conceptual development of websites are expensed as incurred. Once the planning or conceptual development of a web site has been achieved, and the project has reached the application development stage, the Group capitalises all costs related to web site application and infrastructure development including costs relating to the graphics and content development stages. Training and routine maintenance costs are expensed as incurred.

Q. Accounting for Employee Share Based Payments

Measurement and disclosure of the employee share based payment plans is done in accordance with the Guidance Note on Accounting for Employee Share-based Payments, issued by the Institute of Chartered Accountants of India (ICAI). The Company measures compensation cost relating to employee stock options using the intrinsic value method. Compensation expense is amortised on a straight line basis/graded basis over the vesting period of the stock option/award. Modifications to stock option/award schemes are effected in line with the Guidance Note on Accounting for Employee Share-based Payments, issued by ICAI.

R. 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.

S. 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 assets and present value of minimum lease rentals is capitalised as fixed assets with the 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 the profit and loss account.

T. Earnings per Share

The Group reports basic and diluted earnings per equity share in accordance with Accounting Standard 20, Earnings Per Share. A 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. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year except where the result would be anti dilutive.

U. Segment Information

i. Business segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Group operates in the media business segment mainly comprising media and related operations. This includes television, internet and print media including publishing.

ii. Geographic segments

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

V. 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.

W. Derivative Instruments

As per the Institute of Chartered Accountants of India announcement on derivative accounting, accounting for derivative contracts other than those covered under Accounting Standard 11 (AS-11) – The Effects of Changes in Foreign Exchange Rates, are marked to market on a portfolio basis and the net loss after considering the offsetting impact on the underlying hedged item is charged to the profit and loss account. Net gains are ignored.

4. Schemes of Arrangement

A. The Board of Directors of the Network 18 Media & Investments Limited (Network 18) , Television Eighteen India Limited (TV18) and ibn18 Broadcast Limited (ibn18) in their meetings held on 7 July, 2010 considered and approved a Scheme of Arrangement ("the Scheme") between 'Network 18', ibn18 , TV18 and other group companies, under sections 391 to 394 read with section 78, 100 to 103 of the Companies Act, 1956. As per the Scheme :

i. TV18's television businesses inter-alia consisting of business news channels viz. CNBC TV18 and CNBC Awaaz will be demerged and consolidated with ibn18. On the same date, the residual businesses of TV18 with all its investments will be merged and consolidated with Network18. As per the Scheme, the shareholders of TV18 will be given 68 shares of ibn18 and 13 shares of Network18 in lieu of 100 shares held in TV18. Upon the Scheme becoming effective, the results of operations, assets and liabilities relating to the television business of TV18 shall be transferred to ibn18 and the residual business will be merged with Network18. TV18 will be dissolved without the process of winding up in accordance with the provisions of the Scheme and the provisions of the Companies Act, 1956.

ii. the web business of some subsidiaries i.e., Web18 Software Services Limited, Care Websites Private Limited, and Television Eighteen Commoditiescontrol.com Limited ("Web business") will be transferred to Network18.

The above mentioned Schemes have been sanctioned by the Hon'ble High Court of Delhi on 26 April011. The appointed date for the proposed restructuring is 1 April, 2010 and the Scheme shall be effective when the certified copies of the High Court Orders are filed with the jurisdictional Registrar of Companies, which is still pending. Accordingly no effect of the proposed restructuring has been given in these financial statements.

B. The Board of Directors of Infomedia 18, on July 7, 2010 announced and approved a Scheme of Arrangement ('the Scheme') between Infomedia 18 Limited and Network 18 Media & Investments Limited ('Network 18") and their respective shareholders and creditors. As per the Scheme, the Business Directories business, the New Media business and the Publishing business of the Company shall be demerged into Network 18 while the Printing Press business will continue to remain with Infomedia 18. The Scheme has been approved by the shareholders and creditors (secured and unsecured) of Infomedia 18 at their meetings held on 23 February, 2011, convened pursuant to the directions of the Hon'ble High Court of Delhi.

The Appointed date for the proposed restructuring is 01 April, 2010 and the Scheme shall be effective when the Scheme is approved by the High Court and certified copies of the High Court Orders are filed with the Registrar of Companies .Accordingly no effect of the proposed restructuring has been given in these financial statements.

5. Contingent Liabilities

A. In respect of Guarantees given by the group for borrowings of others

Name of Guarantor	Current year	Previous Year	Borrower
Ibn18 Broadcast Limited	249	272.50	IBN Lokmat
TV18/ Network 18 (USD 25 million in the previous year)	Nil	1129.00	Capital 18 Limited, Mauritius
TV18/Network 18/ RVT (USD 42.50 million)(USD 85 million)	1,897.63	3,972.32	BK Holdings Limited

B. In the case of Network 18

i. Shortfall undertaking given in favour of a lender in connection with loans extended to B K Holdings Ltd., Mauritius amounting USD 42.50 million (the out standing balance 40 million).

ii. Security provided given in favour of the lender in connection with the loan to NT18Group Senior Professional Welfare Trust Rs 2552 million.

iii. Indemnities given to Roptonal Ltd (A subsidiary of Viacom) in connection with (a) making good the shortfall, if any, in the cash realised from exploitation of the Film library and receivables (valued together at GBP 5.05 million) of The Indian Film Company (TIFC) , Guernsey. TIFC was taken over by Roptonal in September 2010 (b) reimbursement of income taxes ,if any , to pay by TIFC in relation to liabilities arising in India.

C. In the case of TV18

i. Claims against the TV18 , Infomedia and its subsidiaries (Infomedia Group) not acknowledged as debts include demands raised by Income Tax authorities Rs. 84.93 million (Previous year Rs. 84.93 million) and Rs. 109.87 million (Previous year Rs. 40.46 million respectively. Amounts deposited by the Companies against claims - Rs.82.41million (Previous year Rs.82.41 million). No provision has been made in the accounts for these demands as the Group expects a favorable decision in appeal.

ii. Sales tax / Works contract tax matters disputed by the Infomedia Group relating to issues of applicability, allowability, etc. aggregate to Rs. 41.56 million (Previous year Rs. 6.62 million). No provision has been made in the accounts for these demands as in the opinion of management no material liability is likely to arise on account of such matters.

iii. Value Added Tax (VAT) matters disputed by the Infomedia Group with VAT authorities relating to issues of allowability aggregating to Rs. Nil (Previous year Rs. 1.78 million). The Infomedia Group had made an appeal on this issue with appellate authorities. No provision has been made in the accounts for these demands as in the opinion of the management no material liability is likely to arise on account of such matters.

iv. Third party claim relating to Service Tax matters disputed by the Infomedia Group aggregating to Rs. 16.99 million (Previous year Rs. Nil).Matter is pending with Allahabad High Court. No provision has been made in the accounts for these demands as in the opinion of the management no material liability is likely to arise on account of such matters.

v. In respect of Infomedia Group, third party claims relating to compensation before Monopolies and Restrictive Trade Practices Commission aggregate to Rs. nil million (Previous year Rs. 20 million) net of tax Rs. nil million (Previous year Rs. 13.27 million).

vi. Guarantees given by banks on behalf of the company outstanding at year end Rs. 37.39million (Previous year Rs. 37.77 million). Bank guarantee given by Infomedia Group to Bombay Stock Exchange ('BSE') towards issue of Equity shares on rights basis amounting to Rs. 5 million (Previous year Rs. 5 million). Share in corporate guarantees given by an associate amounts to Rs.29.50million (Previous year 57.69 million).

vii. TV18 and its subsidiary iNews.com Limited have extended corporate guarantee amounting to Rs.50.90 million (Previous year Rs. 50.90 million), in favour of ICICI Home Finance Company Limited in consideration of loan facility extended by ICICI Home Finance Company Limited to the employees of the Parent. As at the year end, Rs. 47.48 million (Previous year Rs. 47.92 million) was outstanding in respect of such loan.

viii. TV18 has given corporate guarantee of Rs.320 million (Previous year Rs. 320 million) towards fund based/non - fund based credit facility given by ICICI Bank Limited to ibn18 Broadcast Limited (formerly Global Broadcast News Limited). As at the year end, Rs. 40 million (Previous year Rs. 120 million) was outstanding in respect of such loans.

ix. TV18 had extended corporate guarantee of USD 25 million (Previous year USD 25 million i.e. approximately Rs. 1,128.50 million) to The Hongkong and Shanghai Banking Corporation Limited for loans taken from Kingfisher Capital CLO Limited by Capital 18 Limited, a company incorporated in Mauritius and a step down subsidiary of the Company. As at the year end, the entire loan has been repaid by Capital 18 Limited and the corporate guarantee has been discharged.

x. The Parent has extended corporate guarantee of USD 85 million, i.e., approximately Rs.3,795.25 million (Previous year Rs. 3,836.90 million) to ICICI Bank Canada for BK Holdings Limited, a company incorporated in Mauritius and a step down subsidiary of the Company. As at the year end, USD 40 million, i.e. approximately Rs. 1,786 million (Previous year Rs. 3,611.20million) was outstanding in respect of such loans.

xi. The Parent had extended corporate guarantee of USD 40 million (Previous year USD 40 million i.e. approximately Rs. 1,805.60 million) to Viacom 18 Media Private Limited (Viacom) (formerly MTV Networks India Private Limited) for and on behalf of BK Holdings Limited, Mauritius in respect of investments to be made by BK Holdings Limited/ ibn18 Broadcast Limited. During the year, the balance commitment of investments of 10 millions (Previous year USD 10 million i.e approximately Rs. 451.40 million) was met and the corporate guarantee stands discharged at the year end.

xii. The Parent and an associate have purchased fixed assets under the 'Export Promotion Capital Goods Scheme'. As per the terms of the license granted under the scheme, the Parent/associate have undertaken to achieve an export commitment of Rs. 351.32 million (Previous year Rs. 398.34 million)and Rs. 155.76 million (Previous year Rs. 156.79 million) respectively over a period of 8 years, which expire over the period 7 August, 2013 to 13 November, 2014.In the event the Parent/associate are unable to execute the export obligations, the Parent shall be liable to pay customs duty of Rs. 12.88 million (Previous year Rs. 23.51 million) and share in the customs duty liability of the associate would be Rs. 19.47 million(Previous year Rs. 19.60 million) along with interest on the same at the rate of 15 per cent compounded annually in the event of non fulfillment of the export obligations. The Parent had fulfilled its export obligations of Rs. 351.32 million (Previous year Rs. 351.32 million) and had made an application to the Director General of Foreign Trade for issuance of the export obligation discharge certificates (EODC). As at the yearend 31 March, 2011 the Parent had received EODC aggregating to Rs. 248.30 million and approval for the balance is awaited. The associate is hopeful of meeting the export obligations of Rs.24.25 million (Previous year Rs. 24.41 million).

xiii. Mr. Victor Fernandes and other ("plaintiffs") had on 25 August, 2006 filed a suit as derivative action on behalf of e-Eighteen.com Limited before the High Court of Bombay against Mr. Raghav Bahl, Television Eighteen India Limited (TV18) and other TV18 group entities. The plaintiffs are minority shareholders of e-Eighteen.com Limited and have alleged that Mr. Raghav Bahl, TV18, ICICI Global Opportunities Fund and e-Eighteen.com Limited had entered into a subscription cum shareholders agreement dated 12 September, 2000 under which Mr. Raghav Bahl and TV18 had inter alia undertaken that any opportunity offered to them shall only be pursued or taken up through e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that Mr. Raghav Bahl and TV18 have promoted and developed various businesses through various entities which should have under the aforesaid agreement rightfully been undertaken by e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that by not doing so Mr. Raghav Bahl and TV18 have caused monetary loss to e-Eighteen.com Limited as well as to the plaintiffs. The plaintiffs have valued their claim in the suit at Rs. 31,140.60 million and have inter alia prayed that Mr. Raghav Bahl, TV18 and other TV18 group entities be ordered to transfer to e-Eighteen.com Limited all their businesses, activities and ventures along with all assets and intellectual property. The plaintiffs had filed a notice of motion on 18September, 2006 seeking ad interim relief. A reply had been filed with the Bombay High Court on 14 November, 2006. The said notice of motion was dismissed on 8 August, 2008 against which the plaintiffs have filed an appeal before the division bench of the Bombay High Court. The said appeal is pending for hearing and final disposal.

Based on the legal advice by the legal counsel, management is of the view that the above claim made by the plaintiffs is unlikely to succeed and has accordingly made no provisions in the financial statements.

xiv. The Group has received legal notices of claims, lawsuits and proceedings filed against it which arise in the ordinary course of the business and relating to monetary loss and defamation suits in relation to the news content broadcast by the Company and /or TV18 group entities {the aggregate claim in respect of the latter being Rs. 3,100.00 million, (Previous year Rs. 3,100.00 million)}. Further, the share in the contingent liability of an associate amounted to Rs. 5.08 million (Previous year Rs. 5.10 million). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits in relation to its financial position, or results of operations.

xv. Damages/ claims filed against the Company and other group entities amounting to Rs. 2,600 million, by the former channel distributor of the Company. A counter claim has been filed for damages of Rs. 2,540 million along with a claim for recovery of dues of Rs. 214 million against the distributor. The matter is pending before the Hon'ble High court of Delhi. No provision has been made in the accounts for these demands as the Company expects a favorable decision.

xvi. RVT Investments Private Limited has given a shortfall undertaking, for a loan of USD 40millioni.e., approximately Rs.1,786 million (Previous year USD 77 million i.e. approximately Rs. 3,475.78 million)from ICICI Bank Canada, availed by BK Holdings Limited, a company incorporated in Mauritius and a step down subsidiary of the Parent, to the extent of its investment in ibn18 Broadcast Limited.

xvii. The Group's share in the contingent liability of a joint venture of an associate in respect of claims not acknowledged as debts amounted to Rs. 5 million (Previous year Rs. 0.20 million) and guarantees amounted to Rs. 778.87 million (Previous year Rs. 0.11 million) as at the year end.

D. In the case of ibn18

i. 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.

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

iii. 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. 3,124.15 million (Previous year Rs 3,124.11 million). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits and thus no provision has been made against these in financial statements.

iv. Viacom18 has following contingent liabilities:

(Rs. In million)

Particulars	Total	Group's share
Claims against the Viacom18 not acknowledge as debts	47.59	23.80
Taxation matters in respect of which appeals are pending	740.63	370.32

v. In the case of **TV18 Home Shopping Network Limited**

Bank guarantees issued by bank on behalf of company Rs.95,00,000 (Previous year Rs.Nil)

6. Operational outlook

The Group has incurred post tax losses of Rs.764.73 million during the year ended 31 March, 2011. These losses mainly arose due to losses in the Infomedia Group, Web Group, TV18, Network 18 and in Newswire.

During the previous year, the Infomedia had raised equity vide rights issue to augment its equity. The Infomedia Group is in the process of restructuring its businesses (refer note 4 above) . The Group's Printing Press business may also be sold off. In the event that the assets of the Printing Press business are sold off, the Group shall consider starting a new line of business in the Company out of the resulting cash. The Infomedia Group has also sold its entire equity stake in its four subsidiaries carrying on the Publishing BPO business which has resulted in significant cash flows to the Company during the year ended 31 March, 2011.

Web Group is also currently implementing a restructuring plan (refer note 4 above) . As per the Scheme the Web business of some subsidiaries i.e., Web18 Software Services Limited, Care Websites Private Limited, and Television Eighteen Commoditiescontrol.com Limited ("Web business") will be transferred to Network18. The Web Group has received a letter of support from the ultimate Holding Company, Network18 Media & Investments Limited of continuing operating and financial support in the foreseeable future.

Newswire has incurred operating losses during the year ended 31 March, 2011 and there has been an erosion in its networth. Management expects to achieve operational break even and to generate profits in due course.

7. Share Capital

A. In relation to Network 18 Media & Investments Limited (N18 Media)

i. During the period under review

- 3,554,824 (232,645) Equity shares were issued pursuant to Stock Option plans,
- 1,000,000 (17,181,818) Equity shares were issued consequent to conversion of SOFCDs which were issued at a rate of Rs. 110/- per SOFCD share (Note 6 a) ,

ii. Share application money has been received from employees for employees stock option plans.

B. In relation to TV 18 (TV18/the company)

i. Increase in the Authorised Share capital

The Company had given a postal ballot notice dated 13 May, 2009 to its shareholders pursuant to Section 192A of the Companies Act, 1956 for reclassification of the authorised share capital of the Company comprising 20,00,00,000 equity shares of Rs. 5 per share and5,00,000 preference shares of Rs. 100 each aggregating to Rs. 1,050,000,000, to 210,000,000 equity shares of Rs. 5 each aggregating to Rs. 1,050,000,000 and for increasing the authorised share capital of the Company from Rs. 1,050,000,000 (comprising 210,000,000 equity shares of Rs. 5 each) to Rs. 2,050,000,000 (comprising 410,000,000 equity shares of Rs. 5 each). The result of the postal ballot was announced on 22 June, 2009 whereby the aforesaid resolutions were duly approved by the shareholders of the Company.

ii. Rights issue

During the previous year ended 31 March, 2010 the Company had made a rights issue of 60,007,121 equity shares of Rs. 5 each at a premium of Rs. 79 per share aggregating to Rs. 50,405.98 lakhs to the existing shareholders of the Company. The rights issue opened on 29 September, 2009 and closed on 14 October, 2009.

Pursuant to the approval dated 26 October, 2009 of the Right Issue Committee, the Company had allotted 60,007,121 equity shares of Rs. 5 each at a premium of Rs. 79 per share. The Company had called Rs. 21.00 per share on application, Rs. 29.40 per share on first call and Rs. 33.60 per share on the final call on the allotted shares.

During the year ended 31 March, 2011, of the 1,979,148 equity shares which were partly paid up to the previous year 1,354,752 equity shares have been converted into fully paid up equity shares. Consequently, the paid up equity share capital of the Company has increased by Rs. 39.13 lakhs and Securities premium amount has increased by Rs. 618.25 lakhs. As on 31 March, 2011, there were 624,396 partly paid shares in respect of which calls were in arrears.

C. In relation to IBN 18

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 Parent had allotted the aforesaid Warrants on 13 January, 2009 pursuant to which the Parent received Rs. 153 Million being 10% of the total amount of Rs. 1,530 million in respect thereof.

RVT Investments had in the year ending 31 March, 2009 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 1 April, 2009, 2,500,000 fully paid up Warrants amounting to Rs. 25.50 Million were outstanding for conversion into equity shares. The Parent had received the share application money against these Warrants for conversion into equity shares. During the year ending 31 March, 2010, the Parent had 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.

D. In relation to TV18 Home Shopping Network Ltd

Preference Shares were issued as under:

i. 5% Optionally Convertible Preference Shares

During the period ended 31 March, 2007, TV18HSN had issued 101,181 5% optionally convertible preference shares of Rs. 100 each at a premium of Rs. 400 each to the holding company. These preference shares carry a 'put/call' option of conversion into equity shares of TV18 HSN at a price determined mutually by the subscriber and the Board of Directors of TV18 HSN in conformity with the applicable regulatory provisions relating to pricing prevailing at the time of exercise of the option. These shares will be redeemed after the expiry of 10 years, at a premium of Rs. 400 per share.

As at 31 March, 2010, in the absence of distribution profits, TV18 HSN has not created any Capital Redemption Reserve towards the repayment of 5% Optionally Convertible Preference Shares. TV18 HSN intends to use the balance in 'Security Premium Account' in providing for the premium payable on the redemption/conversion of preference shares and hence, not appropriated any amount towards the same.

ii. 0.01% Compulsory Convertible Preference Shares

During the previous year TV18HSN had issued 291,998 0.01% Compulsory Convertible Preference Shares of Rs. 100 each at a premium of Rs. 450 each to the holding company. These preference shares are compulsorily convertible into equity shares at any time during the period of 10 years from the date of issue at a price determined mutually by the subscriber and the Board of Directors of TV18 HSN in conformity with the applicable regulatory provisions relating to the price prevailing at the time of conversion. The preference shares shall be entitled to a premium, to be determined based on the maximum rate of dividend payable by an Indian company under the prevailing regulatory guidelines (on preference shares held by a foreign investor). The amount of premium will be reckoned over the term of the preference shares until conversion.

TV18 HSN intends to use the balance in 'Security Premium Account' in providing for the premium payable on the redemption/conversion of preference shares and has hence, not appropriated any amount towards the same.

8. Investments

A. In relation to Network 18

i. The Indian Film Company (TIFC) was incorporated in Guernsey as a wholly owned subsidiary of the company in April 2007 and the company invested GBP 10 million as Equity in TIFC. Consequent to dilution upon listing of TIFC, on the Alternative Investment Market of the London Stock Exchange in June 2007, it had ceased to be a subsidiary of the company. However pursuant to the acquisition , in an open offer , of 58.74 % shares of TIFC, Guernsey by Network18 Holdings, Cayman Island (a subsidiary of the company),and in addition to the 18.18% held directly by the company, TIFC became subsidiary of the company on September 7, 2009. The company has disinvested its investment in TIFC in an open offer on 20th October 2010 to Roptonal Limited which is 100% subsidiary of Viacom18 Media Private Limited.

ii. The 8% Cumulative Redeemable Non Convertible Preference Shares of Rs. 100 each in BK Media Pvt Ltd, an entity owned and controlled by the Managing Director of Network 18 Media and Investments Limited are (a) redeemable at the end of 5 years from the date of issue, unless otherwise agreed by the Company and the issuer company and (b) proposed to be secured either by a personal guarantee of the promoters or by way of a first charge on all assets created or acquired by the issuer company. Note Non impairment .The investee company is incurring losses and has a negative Net Worth. However, having regard to the continued long term strategic involvement, management is of the view that no provision is considered necessary for diminution in the value of these investments.

B. In relation to TV18 group

i. Investment in Infomedia 18 Limited

a. The Company, I-Ven Interactive Limited ('I-Ven'), Infomedia 18 Limited (Infomedia) (formerly Infomedia India Limited) ('Target Company') and India Advantage Fund – II ('IAF II'), a trust constituted under the provisions of the Indian Trust Act, 1882, had entered into a Share Purchase, Share Subscription and Warrant Subscription Agreement dated 11 December, 2007 ('agreement'). As at the date of the agreement, the Target Company was a subsidiary of I-Ven and is listed on the Bombay Stock Exchange Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). Further, as at the date of the agreement, I-Ven held 12,396,999 equity shares of the Target Company representing 62.73% of the outstanding equity shares of the Target Company. As per the terms of the agreement, subject to statutory and regulatory clearances:

i. The Company agreed to purchase from IAF II such number of fully paid up equity shares of I-Ven ('sale shares') which would transfer to the Company an economic interest of 40% of the issued and paid up equity shares of the Target Company. In addition, the Company agreed to subscribe to and I-Ven agreed to issue and allot a stipulated number of fully paid up equity shares ('subscription shares') of I-Ven. As at the year ended 31 March, 2008, the Company had not purchased/subscribed to the above mentioned shares and had a commitment of Rs. 1,779 million as at the year ended 31 March, 2008, in respect of the above. Pursuant to the agreement, the said consideration was to be placed in an escrow account pending which the Company was to provide for interest, at the rate of 14 % per annum compounded monthly.

ii. It was envisaged that the Company would make an offer ('offer') as per the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 to the shareholders of the Target Company for acquiring up to 20% of the voting capital of the Target Company. In the event, the Company is not able to acquire an economic interest of 53% of the issued and paid up equity shares of the Target Company after the offer and purchase of sale shares, IAF II agreed to sell additional equity shares ('subsequent sale shares') of I-Ven to the Company to ensure that the Company acquires an economic interest of 53% in the issued and paid up equity capital of the Target Company.

The offer closed on 28 April, 2008 and the Company acquired 720,931 equity shares (face value Rs. 10 each) at an aggregate cost of Rs. 170.86 million representing 3.63% of the voting capital of the Target Company pursuant to such offer.

iii. The Target Company agreed to issue 5,000,000 warrants ('warrants') to the Company, in accordance with Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 – Guidelines for Preferential Issues. The warrant consideration price was fixed at Rs. 237 per warrant. Each warrant was convertible into one fully paid equity share of Rs. 10 each of the Target Company on exercise of options and on payment of the stipulated warrant exercise price. The option was exercisable during a period of 18 months from the date of allotment of warrants that is 7 February, 2008. During the year ended 31 March, 2008, the Company had paid 10% of the consideration price i.e. Rs. 23.70 per warrant aggregating to Rs. 118.50 million to the Target Company and 5,000,000 warrants were allotted to the Company.

b. Further on 21 August, 2008:

i. IAF II agreed to transfer 5,451,900 shares of I-Ven held by it to the Company.

ii. The Company agreed to subscribe to and pay for 2,775,566 shares of I-Ven, being the subscription shares, at a fair value determined as Rs. 216.17 per share.

As at 31 March, 2009, the Company had purchased/subscribed to 8,227,466 shares i.e 63.98% of the issued and paid up equity shares of I-Ven amounting to Rs. 1,778.55 million. Further the Company had taken control of the Board of Directors of Infomedia on 21 August, 2008.

The Company had also paid interest amounting to Rs. 98.66 million during the year ended 31 March, 2009 for acquisition of Infomedia.

c. The Company had decided to not subscribe to the warrants at the aforementioned consideration price subsequent to the year ended 31 March, 2009, in view of the market conditions, and had accordingly written off its investment in 5,000,000 partly paid convertible equity warrants amounting to Rs. 118.50 million as per the principles laid down under Accounting Standard Contingencies and Events Occurring After Balance Sheet Date' during the year ended 31 March, 2009.

d. A scheme of arrangement to merge I-Ven into Infomedia had been filed with the Hon'ble High Court of Bombay on 18 February, 2009. The scheme became effective from 25 August, 2009 and I Ven Interactive Limited merged with Infomedia 18 Limited on the effective date. The Company had been allotted 7,894,052 equity shares of Rs. 10 each of Infomedia 18 Limited in exchange of 8,227,466 equity shares of Rs. 10 each held in I-Ven Interactive Limited. Consequently, the Company's direct holding in Infomedia 18 Limited increased to 43.32% of the equity share capital.

e. Infomedia 18 Limited had made a rights issue of equity shares of Rs. 10 each at a premium of Rs. 23.50 per share aggregating to Rs. 9,989.89 lakhs to the existing shareholders of Infomedia 18 Limited. The rights issue opened on 29 December, 2009 and closed on 15 January, 2010. The Company subscribed to 15,298,078 equity shares at Rs. 33.50 per share (face value of Rs 10 per share at a premium of Rs 23.50 per share) amounting to Rs. 5,124.86 lakhs in the right's issue and its direct holding in Infomedia further increased to 48.11% as at the year ended 31 March, 2010. The Company held 47.80 % stake in the equity share capital of Infomedia as at the year ended 31 March, 2011.

ii. Investment in Media Venture Capital Trust-II (MVCT)

The shareholders of the Company vide postal ballot resolutions dated 12 September, 2006 and 16 July, 2007 permitted the Company to take an indirect equity exposure in a venture capital trust structure post which the Company executed a trust deed to form the Media Venture Capital Trust-II ('MVCT'). The objective of the Trust is to make strategic investments in businesses including in the media and entertainment industry through companies/special purpose vehicles (SPVs). The Company also entered into a co-investment agreement with Mr. Raghav Bahl, the promoter, who has guaranteed a minimum stipulated rate of return on the investment over a specified period. The investment in MVCT as at 31 March, 2011 was Rs.2375.60 million(Previous year Rs. 2,721.20 million) as against the limit of Rs. 4,000 million approved by the shareholders. MVCT directly or through companies/SPVs has invested in various companies which are at different stages of start up/ operations.

iii. Investment in ibn18 Broadcast Limited

The Company through its subsidiary RVT Investments Private Limited (RVT) had acquired 15,000,000 convertible warrants of Rs. 102 each in ibn18 Broadcast Limited (IBN) on a preferential basis in accordance with Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. Each warrant is convertible into one fully paid equity share of Rs. 2 each.

RVT had paid Rs. 153 million being 10% of the total consideration as per the terms of allotment. During the year ended 31 March, 2009, subsequent to payment of balance 90% consideration of Rs. 1,377 million, 12,500,000 warrants were converted into 12,500,000 fully paid equity shares of Rs. 2 each. The option to convert the balance 2,500,000 warrants into equity shares of Rs. 2 each was yet to be exercised as on 31 March, 2009.

During the previous year ended 31 March, 2010, RVT exercised the option to convert the balance 2,500,000 warrants into equity shares of Rs. 2 each. This has resulted in an increase in the stake of RVT in the paid up share capital of IBN to 21.03% (Previous year 21.17%). Further, RVT had subscribed for issue of 11,536,848 equity shares of Rs. 2 each of ibn18 Broadcast Limited at a premium of Rs. 91.50 on rights basis.

Of the 12,500,000 equity shares received on conversion of warrants during the previous year 8,502,131 equity shares have a lock in period of three years from the date of allotment.

iv. Acquisition of Big Tree Entertainment Private Limited

On 1 March, 2007, Web Group (part of TV18 group) had entered into a business purchase agreement with Big Tree Entertainment Private Limited (Big Tree) and the promoters of Big Tree to acquire 60% post issue equity share capital in Big Tree. The said share capital was acquired by way of subscription of 8,548 partly paid up equity shares issued by Big Tree and purchase of 2,581 fully paid up equity shares from the promoters for Rs. 145 million (USD 3.21 million). The agreement also provided for a further consideration of Rs. 50 million (USD 1.11 million) to be paid to Big Tree for the partly paid up shares if Big Tree's current account bank balance fell below Rs. 10 million (USD 0.22 million). Of this Rs. 36.5 million (USD 0.81 million) has been paid until 31 March, 2011.

Further, as per the business purchase agreement, the promoters of Big Tree have the following options to require the Group to subscribe for:

a. Additional 5% post issue equity shares on the expiry of 18 months from the completion date for a consideration amounting to Rs. 37.5 million (USD 0.83 million); and

b. Additional 5% post issue equity shares on the expiry of 24 months from the completion date. for a consideration amounting to Rs. 37.5 million (USD 0.83 million).

The above options have not been exercised and accordingly there has been no further subscription in the equity share capital of Big Tree as at the year end.

v. Acquisition of Care Websites Private Limited

Web Group had purchased 90% equity shares of Care Websites Private Limited on 18 August 2006 from the existing shareholders on that date for a consideration of Rs. 17 million (USD 0.37 million). The balance 10% shares have a put / call option after 30 months from 18 August, 2006 at higher of the following:

Rs. 2,222,222 (USD 0.05 million) or proportionate value of the balance interest based on an enterprise valuation computed as higher of the following valuation bases:

- 2.5 times of net revenues of the business for the 12 month period immediately preceding the month in which the option is exercised.
- 15 times of net profits after taxes of the business for the 12 month period immediately preceding the month in which the option is exercised.

During the year, the above put/ call options have been exercised by Web18 Software Services Limited, a wholly owned subsidiary of E18 Limited, Cyprus, for Rs. 2,222,222.

vi. Acquisition of Cricketnext.com

On 2 December, 2006, the Web Group entered in to a Business Transfer Agreement (BTA) and acquired the brand cricketnext.com for a consideration of Rs 10 million (USD 221,533), which has been capitalised as an intangible asset. TV18 is required to pay additional consideration at the end of 24 months and 48 months from the date of acquisition, based on specified revenue and earning targets. The future payments are recorded as additional purchase price when the contingency is resolved and amortised over the remaining useful life of the brand. Such additional consideration as at 31 March, 2010 was Rs. 4,483,569 (USD 99,325).

vii. Joint Ventures

Web Group had invested in 50% of the equity share capital of JobStreet.com India Private Limited on 15 November, 2006. During the previous year, the Group entered into an agreement dated 11 March, 2010 for sale of its investment in JobStreet.Com India Private Limited to the joint venture partner, Jobstreet.Com Pte Limited, Singapore. The sale consideration comprises of:

- Cash consideration of USD 126,501 i.e. approximately Rs. 5,710,255; and
- 25% of the account receivable and tax deducted at source (TDS) balances as at 31 December 2009 that will be collected by 30 June, 2010.

Collections made in respect of account receivable and TDS balances from 1 January, 2010 to 31 March, 2010 aggregate to USD 28,831 i.e. Rs. 1,301,431. Accordingly, 25% of such collections amounting to USD 7,207 i.e. approximately Rs. 325,324 has also been considered as a part of the sales consideration.

viii. Investment held for disposal

Television Eighteen Mauritius Limited, Mauritius incorporated two wholly owned subsidiaries BK Holdings Limited, Mauritius and Capital 18 Limited, Mauritius for making investments in certain media companies. Investment made by TEML in BK Holdings Limited, and Capital 18 Limited, were intended for subsequent disposal. TEML entered into separate agreements to dispose off its entire holding in these two entities. In view of the temporary control of TEML in these two entities, financials of these entities have not been included for consolidation.

ix. The Infomedia Group had issued 5,000,000 and 1,000,000 preferential Equity Warrants to Television Eighteen India Limited and India Advantage Fund II respectively, convertible into equity shares at an exercise price of Rs.237/- per equity share. The Convertible warrants were issued as per Chapter XIII of SEBI Guidelines on preferential basis and each warrant was convertible into one equity share within a period of eighteen months from the date of allotment i.e. January 30, 2008. The amount received from the above parties was Rs.142,200,000 representing 10% of the total value of convertible warrants as per the terms of issue the investors were required to pay balance 90% at the time of conversion of said warrants into equity. Further in case the investors do not opt for conversion of the warrants, the upfront amount so paid would stand forfeited by the Company and all the rights attached to the warrants lapse automatically.

However, none of the warrant holders exercised the option to convert any of the aforesaid warrants till the last date of conversion (within 18 months from the date of allotment). Accordingly, during the previous year the Company forfeited the amount of Rs. 142,200,000 paid on the warrants due to non-exercise of the option by the warrant holders. This amount had been transferred from Share Application money account and credited to Capital Reserve Account during the year ended March 31, 2010.

During the year 2009-10, Infomedia18 Limited (Infomedia) had made an issue of equity shares on rights basis in the ratio of three equity shares for every two equity shares held on the record date. The rights issue consisted of 29,827,655 equity shares issued at a premium of Rs.23.50 per equity share aggregating to Rs.998,989,062. The issue opened on 29 December, 2009 and closed on 15 January, 2010 and was fully subscribed.

Infomedia has utilised an aggregate sum of Rs. 889,535,062 towards the purposes as stated in the prospectus filed for the offer of shares on rights basis, from the proceeds of the rights issue of equity shares of Rs.33.50 each. The unutilised funds of approximately Rs. 109,454,000 are deployed in Liquid Mutual Funds disclosed as Current Investments in the Balance sheet.

Infomedia had incurred expenses of Rs. 213.25 lakhs in connection with the rights issue of equity shares in the previous year's. This amount had been set off against the securities premium arising from the issue of shares on rights basis, as permitted under Section 78 of the Companies Act, 1956.

C. In relation to ibn18 Broadcast Limited

i. Investments in Viacom18 Media Private Limited (Viacom18)

The Parent had in earlier years subscribed to 12 million 'Investor Warrants' of USD 3.33 (Rs.148.68 approximately) per warrant aggregating to USD 40 million (Rs.1,786.00 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 had paid Rs. 1 each for these warrants aggregating to Rs. 12 million.

Each warrant was 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 was 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 ended 31 March 2011, the Parent has an amount of Rs. 200 million outstanding towards share application money and Rs. 440.20 million outstanding towards the balance consideration payable for the subscribed and allotted warrants of Series "C" which warrants are yet to be converted by Viacom18.

The Parent's total investments in the capital of Viacom18 is Rs. 6,744.23 million as at the year ended 31 March 2011.

As at 31 March 2011, Viacom18 has accumulated losses and its net worth has been partially eroded.

9. Secured Loans

A. In the case of N18 Media & Investments Ltd

i. 1,000,000 Secured Optionally Convertible Debentures (SOFCDs) issued during the previous year were converted during the year under review. As per the terms of the issue , each SOFCD of Rs. 110/- was converted to one equity share of Rs. 5/- each.

ii. Loan from Syndicate Bank is secured by pari passu charge on fixed assets and current assets, Loan from PNB is secured by sub-servient charge on the assets. The loans are additionally guaranteed by the Managing Director.

iii. Vehicle loans are secured by the hypothecation of vehicles financed.

iv. Other loan includes loan from L&T Infrastructure Finance which is secured by pledge of a part of the company's investments and Bank FD's amounting Rs.120 million. This loan is additionally secured by a second charge on all the movable and immovable assets. This loan is also secured by the personal guarantee of Mr. Raghav Bahl.

v. Amounts repayable within one year in respect of Secured Loans Rs 1,723.08 million (Rs 1670.81 million)

vi. Fixed Deposits repayable within one year – Rs. 666 million (Rs 996.29 million)

B. In the case of TV18

i. Cash credit/Working capital demand loan (WCDL) of Rs. 921.75 million with banks are secured by:

- Out of the above, Rs. 774.12 million is secured by first charge on all current assets of the Parent, on paripassu basis with others working capital lenders;
- Out of the above, Rs. 99.01million is secured by paripassu first charge on all current assets and second paripassu charge on all Fixed assets of the Infomedia Group, further secured by corporate guarantee from Network18 Media & Investments Limited ('Network 18');
- Out of the above, Rs. 48.62million is secured by first charge on all current assets of e-Eighteen.com Limited and by personal guarantee of Managing Director of the Parent;

ii. Term loans from banks as on 31 March, 2011 amounted to Rs. 852.30 million:

- Out of the above, Rs. 382.29 million is secured by way of first charge on the fixed assets of the Parent financed out of the loan and is also supported by way of pledge of shares held by the promoters/ group entities and personal guarantee of Mr. Raghav Bahl;
- Out of the above, Rs. 250 million is secured by subservient charge on movable fixed assets of the Parent and is also supported by a letter of comfort provided by Mr. Raghav Bahl;
- Out of the above, Rs. 110.01 million is secured by first exclusive charge/ mortgage on all immovable and moveable assets of the Infomedia Group and second charge on all existing fixed assets of the Infomedia Group and is collaterally secured by corporate guarantee of Network18 Media & Investments Limited;
- Out of the above, Rs. 110 million is secured by way of first charge on all fixed assets and currents assets of Newswire18 Limited (Newswire) and is additionally secured by a corporate guarantee from Network18 Media & Investments Limited.

iii. Other loans from banks amounting to Rs. 9.81million are secured by hypothecation of vehicles financed by them.

iv. Term Loans from others as on 31 March, 2011 amounted to Rs. 633.00 million is secured by first paripassu charge on movable fixed assets of the existing news channels and is collaterally secured by pledge of shares by the promoters/ group entities, personal guarantee of the Managing Director of the Company and corporate guarantee of Network18 Media & Investments Limited.

v. Term loans include amounts aggregating to Rs. 1,207.44 lakhs which are pending utilization for the purposes for which they were obtained on account of deferment of expansion plans and are held in the current/ deposit accounts with banks. The Parent had applied for modification of the purpose for which a term loan of Rs. 6,000 lakhs (amount outstanding Rs. 3,822.93 lakhs as at the year end) was sanctioned, approval of which from the bank was pending as at the year end. This loan was paid subsequent to the year end.

C. In the case of ibn18

i. Cash credit from banks of Rs 1,935.83 million are secured as follows:

- Cash credit from banks of Rs. 547.35 million are secured as follows:
  - o First pari passu charge on all the current assets of the Parent.
  - o Additionally secured by unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited
  - o Cash credit facility of Rs. 159.98 million is additionally secured by second charge on the Company's movable fixed assets of the Parent.
- Cash credit facility of Rs. 127.37 million is secured by hypothecation of book debts of the Parent.
- Cash credit facility of Rs. 5.82 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.
- Cash credit facility of Rs. 1,225.29 million is secured only by hypothecation on the Viacom18's Stock, book debts and fixed assets.

ii. The term loan of Rs. 1,622.40 million taken from banks is secured as follows:

- Term loan of Rs. 40 million is secured by:
  - o 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.
  - o Unconditional and irrevocable personal guarantee of a Director of the Parent.
  - o 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.

- Term loan of Rs. 74.03 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
- Term loan of Rs. 20.15 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
- Term loan of Rs. 320.84 million is secured by:
  - Subservient charge on all movable fixed assets (all present & future) of the Parent.
  - Unconditional and irrevocable corporate guarantee of Network18 Media & Investment Limited, to remain valid during currency of credit facility.
- Term loan of Rs. 100.00 million is secured by:
  - Subservient charge on all movable fixed assets (all present & future) of the Parent.
  - Unconditional and irrevocable corporate guarantee of Network18 Media & Investment Limited, to remain valid during currency of credit facility.
  - Exclusive charge over the assets purchased by the Parent.
- Term loan of Rs. 67.38 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
- Term loan of Rs. 1,000 million is secured by:
  - Hypothecation on the Viacom18's Stock, book debts and fixed assets.
- Other secured loans are secured by hypothecation of vehicle and plant and machinery.

D. In the case of TV18 Home shopping Network Limited

i. Cash Credit from the bank is secured by:

- First exclusive charge on current assets and moveable fixed assets.
- Personal guarantee of a director.
- Corporate guarantee of Network18 Media & Investments Limited, the ultimate holding company.

ii. Vehicle loan is secured by hypothecation of the respective vehicle.

10. Employee Stock Option / Stock Purchase / Stock Awards Plans

A. In the case of Network 18 Media & Investments Limited

i. The Company's Employee Stock Option Plans (ESOPs) framed 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 are listed below. Schemes listed at serial (i) to (viii) were established as mirror schemes of the then existing ESOP schemes in Television Eighteen India Limited, in terms of the Scheme of Arrangement.

i) The Network 18 Employees Stock Option Plan 2002 (ESOP 2002)
ii) *The Network 18 Employees Stock Purchase Plan 2003 (ESPP 2003)
iii) The Network 18 Employees Stock Option Plan 2004 (ESOP 2004)
iv) The Network 18 Senior Employees Stock Option Plan 2004 (Senior ESOP 2004)
v) The Network 18 Employees Stock Option Plan 2005 (ESOP 2005).
vi) The Network 18 Long Term Retention Employees Stock Option Plan 2005 (Long Term Retention ESOP 2005").
vii) *The Network 18 Strategic Acquisition Employees Stock Option Plan 2005 (Strategic Acquisition ESOP 2005")
viii) The Network 18 Stock Award Plan 2005 (Stock Awards Plan 2005)
ix) *The Network 18 Employees Stock Option Plan A 2007 (ESOP A 2007)
x) *The Network 18 Employees Stock Option Plan B 2007 (ESOP B 2007)
xi) The Network 18 Employees Stock Option Plan C 2007 (ESOP C 2007)
xii) The Network 18 Employees Stock Option Plan 2007 (ESOP 2007)
xiii) The Network18 Employees Stock Purchase Plan 2008 (ESPP 2008)

* Plans closed

ii. Salient terms of the ESOP schemes of the company, in force, are:

Particulars	ESOP 2002	ESOP 2004	Senior ESOP 2004
a. Year of establishment	2006-07	2006-07	2006-07
b. Total Number of options to be vested	322,380	573,600	600,000
c. No. of options to be vested in respect of which terms have been changed	-	213,000	143,994
d. Exercise price in respect of vested options (terms of which have not been modified)	Rs. 5 value on grant date	a. In respect of grants in lieu of options granted in TV 18 ESOP 2004, at the under mentioned price (in Rs.) 02.04.05-19.86 02.04.05-53.49 29.06.05-54.50 29.06.05-84.67 06.08.05-66.63 06.08.05-95.59 15.06.06-64.85 15.06.06-93.99 20.07.06-131.62 20.07.06-154.09 b. In respect of fresh grants in respect of (i) 50% of the options at a discount of Rs. 125/- to the market price and (ii) 50% of the options at 90% of the market price	a. in respect of grants in lieu of options granted in TV 18 Senior ESop 2004 02.04.05 - Rs. 27.77 02.04.05- Rs. 53.49 29.06.05- Rs. 62.42 29.06.05- Rs. 84.67 15.06.06- Rs. 72.77 15.06.06- Rs. 93.99 b. In respect of fresh grants (i) 50% of options granted at discount of Rs. 100 to the market value on grant date; (ii) 50% of the optionsgranted at adiscount of 90% of market value on grant date.
e. Exercise price in respect of options regranted (as per 'c' above)		Rs. 20/-	45,331 @Rs. 10/- 26,666 @ Rs. 20/- 45,331@ Rs. 10/- 26,666 @ Rs. 20/-
f. Vesting date in respect of grants (terms of which have not been modified)	1. 50% of the options, after one year from the date of grant. 2. Balance 50% of the options two years after from the date of grant.	After three years from the dated of grant	1. One third after two years from the date of grant 2. Remaining two third after 4 years from the grant date.
g. Vesting date in respect of grants at 'c' above		50% on Feb 11, 2010; 50% on 11 Feb 2011	71,997 on Feb 11, 2010 71,997 on Feb 11, 2011
h. Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
i. Exercise period	During three years after the vesting date.	During two years after the vesting date.	During two years after the vesting date.
j. Un-granted options cancelled	-	-	24,024

Particulars	Strategic Acqui-sition 2005	Stock Award Plan 2005	ESOP 2005	Long Term Retention ESOP 2005
a) Year of establishment	2006-07	2006-07	2006-07	2006-07
b) Total Number of options to be vested	720,000	-	1,080,000	300,000
c) No. of options to be vested in respect of which terms have been changed	-	-	51,200	-
d) Exercise price in respect of vested options (terms of which have not been modified)	Rs. 31.67	Average of two weeks' high and low price of the share from the date of listing of shares of the company on the stock exchange with highest trading volumes in that period.	a. Rs. 97.31 for old grants For fresh grants b. At discount of 10% to the market price of the shares determined.	a. Rs 108.13 for old grants b. For fresh grants at a price equal to the market value on grant date.
e) Exercise price in respect of vested options (As per 'c' above)	-	-	20/-	-
f) Vesting date (terms of which have not been modified)	After one year from the date of grant of options.	At the end of one year from the date of grant of awards	Options to vest equally over three years from the date of grant.	At any time at the end of 4 years from the date of grant.
g) Vesting date (As per 'c' above)	-	-	50% of 51,200 on Feb 11, 2010 50% of 51, 200 on Feb-11, 2011	-
h) Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
i) Exercise period	During one year after vesting date.	During one year after vesting date.	During one year after vesting date.	During one year after vesting date.
j) Un-granted options cancelled	480,000	-	164,400	

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP (C) 2007	ESOP 2007
a) Year in which Scheme was established	2006-07	2006-07	2006-07	2007-08
b) Number of Options Authorised to be Granted	1,000,000	1,000,000	1,000,000	10,000,000
c) Exercise price	At discount of 25% to the market price share determined with respect to the date of grant.	At Rs. 5 on the grant date.	Rs. 5 per option.	The exercise price will be decided by the Board provided that exercise price shall not be less that the par value of the Equity Shares of the Company and shall not be more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines,2000
d) Vesting date	Options shall vest equally over average period of 4 years.	After a period of one year from the date ofgrant.	Equally over a period of six years from the date of grant.	After one year from the date of Grant. The vesting shall happen in one or more tranches as may be decided by the Board
e) Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
f) Exercise Period	During four year after vesting date.	During four years after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extended up to the expiry period of the option as may be decided by the Board.
g) Un-granted options cancelled	1,000,000	1,000,000	300,000	-

Particulars	ESPP 2008	ESPP 2003
a) Year in which Scheme was established	2008-09	2006-07
b) Number of Equity sharesauthorised to be Issued	3,000,000	28,272
c) Offer price	The offer price will be decided by compensation committee, provided that the offer price shall not be less than par value of Equity shares of the company and shall not be more than the price prescribed under Chapter XIII of SEBI (DIP) Guidelines 2000	At a value equivalent to 95% of the market price on the date of offer of shares
d) Exercise period	-	30 days
e) Lock in requirements	Share issued under the scheme shall be subject to lock in for a minimum period of One year from the date of allotment.	Share issued under the scheme shall be subject to lock in for a minimum period of One year from the date of allotment.

iii. Details of options and weighted average prices

Particulars	ESOP 2002		ESOP 2004		SENIOR ESOP 2004	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the period	20,010 (20,010)	5.0 (5.00)	169,500 (253,200)	37.46 (31.69)	348,662 (410,657)	38.15 (33.90)
b) granted during the period	- (-)	- -	- (-)	- (-)	- (-)	- (-)
C) Exercised during the period	- (-)	- (-)	87,300 (83,700)	28.17 (20.00)	155,991 (61,995)	50.94 (10.00)
d) forfeited during the period	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
e) Expired during the period	- (-)	- (-)	21,600 (-)	53.00 (-)	- (-)	- (-)
f) Additions pursuant to bonus issue	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
g) outstanding at the end of the period	20,010 (20,010)	5.00 (5.00)	60,600 (169,500)	45.31 (37.46)	192,671 (348,662)	70.44 (38.15)
h) Exercisable at the end of the period	20,010 (20,010)	5 (5)	60,600 (63,000)	45.31 (66.98)	192,671 (184,661)	70.44 (-)
i) number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	20,010 (20,010)	5.00 (5.00)	60,600 (169,500)	45.31 (37.46)	192,671 (348,662)	70.44 (38.15)
j) weighted average share price at the date of exercise	- (-)	N.A (5.00)	87,300 (83,700)	28.17 (20.00)	155,991 (61,995)	50.94 (10.00)
k) weighted average remaining contractual life (years)	- (-)	N.A. N.A.	- (0.63)	N.A. N.A.	- (0.26)	N.A. N.A.
l) Unvested Option outstanding at the end of the period	- (-)	- (5.00)	- (106,500)	- (37.46)	- (164,001)	- (38.15)

Particulars	LONG TERM RETENTION ESOP 2005		ESOP 2005		ESOP 2007 (C)	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the period	300,000	348.35	33000	20.00	700,000	5.00
	(300,000)	(348.35)	(51,200)	(20.00)	(700,000)	(5.00)
b) granted during the period	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
c) exercised during the period	-	-	13,200	20.00	233,333	5.00
	(-)	(-)	(18,200)	(20.00)	(-)	(-)
d) forfeited during the period	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
e) Expired during the period	-	-	9,600	20.00	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
f) Additions pursuant to bonus issue	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
g) outstanding at the end of the period	300,000	348.35	10,200	20.00	466,667	5.00
	(300,000)	(348.35)	(33,000)	(20.00)	(700,000)	(5.00)
h) Exercisable at the end of the period	-	-	10,200	20.00	116,667	5.00
	(-)	(-)	(7,400)	(20.00)	(233,333)	(5.00)
i) number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	300,000	348.35	10,200	20.00	466,667	5.00
	(300,000)	(348.35)	(33,000)	(20.00)	(700,000)	(5.00)
j) weighted average share price at the date of exercise	-	-	13,200	20.00	233,333	5.00
	(-)	(-)	(-)	(-)	(-)	(-)
k) weighted average remaining contractual life (years)	0.62	N.A.	-	N.A.	0.76	N.A.
	(1.62)	N.A.	(0.87)	N.A.	(2.99)	N.A.
l) Unvested Option outstanding at the end of the period	300,000	348.35	-	-	350,000	5.00
	(300,000)	(348.35)	(25,600)	(20.00)	(466,667)	(5.00)

Particulars	ESOP 2007	
	Options	Weighted Average Price
a) Outstanding at the beginning of the period	3,371,250	46.99
	(295,000)	(30.00)
b) granted during the period	100,000	-
	(3,145,000)	(89.91)
c) exercised during the period	3,065,000	89.41
	(68,750)	(30)
d) forfeited during the period	-	-
	(-)	(-)
e) Expired during the period	10,000	30.00
	(-)	(-)
f) Additions pursuant to bonus	-	-
	(-)	(-)
g) outstanding at the end of the period	396,250	56.52
	(3,371,250)	(46.99)
h) Exercisable at the end of the period	45,000	65.04
	(5,000)	(30)
i) number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	396,250	56.52
	(3,371,250)	(46.99)
j) weighted average share price at the date of exercise	3,065,000	89.41
	(-)	(-)
k) weighted average remaining contractual life (years)	1.08	N.A
	(2.80)	N.A.
l) Unvested Option outstanding at the end of the period	351,250	56.52
	(3,366,250)	(46.99)

B. In the case of TV18

i. Television Eighteen India Limited Employee Stock Option Plans

The Company has established several employee stock option plans (ESOPs) 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. The details are as given below:

- Television Eighteen India Limited Stock Option Plan 2002 (ESOP 2002)
- Television Eighteen India Limited Employees Stock Option Plan 2003 (ESOP 2003)
- Television Eighteen India Limited Employee Stock Option Plan 2004 (ESOP 2004)
- Television Eighteen India Limited Senior Employee Stock Option Plan 2004 (Senior ESOP 2004)
- Television Eighteen India Limited Long Term Retention Employee Stock Option Plan 2005 (Long Term Retention ESOP 2005)
- Television Eighteen India Limited Employee Stock Option Plan 2005 (ESOP 2005)
- Television Eighteen India Limited Strategic Employees Stock Option Plan 2005 (Strategic Acquisition ESOP 2005)
- Television Eighteen India Limited Employees Stock Option Plan 2006 (ESOP 2006)
- Television Eighteen India Limited Employees Stock Option Plan A 2007 (ESOP (A) 2007)
- Television Eighteen India Limited Employees Stock Option Plan B 2007 (ESOP (B) 2007)
- Television Eighteen India Limited Employees Stock Option Plan 2007 (ESOP 2007)

A compensation committee comprising independent members of the Board of Directors administers the ESOPs. All options under the ESOPs are exercisable for equity shares. The Company had declared a bonus issue of 1:1 in the AGM of the Company on 7 September, 2007 with record date of 18 October, 2007. Prior to the bonus issue, each option was exercisable for one Rs. 5 fully paid up equity share of the Company on payment of the exercise price. Subsequent to the bonus issue each option is exercisable for two Rs. 5 fully paid up equity shares of the Company on payment of the exercise price.

The Company had given a postal ballot notice dated 19 December, 2008 to its shareholders pursuant to Section 192A of the Companies Act, 1956 for the approval of modifications relating to exercise price and vesting of options under the ESOP (A) 2007, ESOP 2005, ESOP 2004 and Senior ESOP 2004 plans. Further the number of options authorised to be granted under the ESOP 2007 were proposed to be increased from 2,542,438 to 10,000,000 options. The result of the postal ballot was announced on 2 February, 2009 whereby the aforesaid modifications were duly approved by the shareholders of the Company.

Consequent to the modifications that occurred after the vesting date of certain options the deferred employee compensation amount increased by Rs. 35.41 million which is being amortised over the additional vesting period. This incremental intrinsic value granted had been determined based on the intrinsic value of the modified stock options and that of the original stock options both estimated as on the date of the modifications.

The impact of the modifications as on the date of modification is summarised below:

Plans	As per original plan	As per modified plan
ESOP 2004		
Weighted average price of options outstanding	51.94	27.58
Weighted average remaining contractual life	1.38	3.55
Senior ESOP 2004		
Weighted average price of options outstanding	55.23	49.24
Weighted average remaining contractual life	2.24	3.62
ESOP 2005		
Weighted average price of options outstanding	214.31	20.00
Weighted average remaining contractual life	1.89	2.85
ESOP (A) 2007		
Weighted average price of options outstanding	221.31	5.00
Weighted average remaining contractual life	2.51	3.85

ii. Senior Employee Stock Awards (Stock Appreciation Right) Plan 2005

During 2005-2006 the Company had established the Stock Appreciation Right Plan 2005 (Senior Employee Stock Award Plan) ('SAR') for compensation to the employees whereby the Company in its extraordinary general meeting held on 25July, 2005 had approved a grant of up to 300,000 awards to eligible employees. During the earlier years, the Company had granted 299,995 awards representing 140,998 options which had vested as on 31 March, 2007. Pursuant to the scheme, the employees have a right to receive such numbers of fully paid up equity shares of Rs. 5 of the Company whose market value matches with the amount of increase due to appreciation in share price during the date of grant and date of exercise of the awards. Upto 31 March, 2008, of the 140,998 options the Company issued 91,650 shares to employees on the exercising of the options. During the year ended 31 March, 2009 the Company had issued 36,808 shares under this scheme, and the balance 12,540 options had lapsed during the previous years.

The salient terms of ESOPs schemes/ revised ESOPs schemes and SAR of the Company are set out hereunder:

Particulars	ESOP 2002	ESOP 2003	ESOP 2004	Senior ESOP 2004
Year in which scheme was established	2002-03	2003-04	2004-05	2004-05
Number of options authorised to be granted	700,000	700,000	700,000	840,000
Exercise price* (See note 1)	Rs. 5 per option.	95% of market value on grant date.	The exercise price is to be decided by the compensation committee, such that the exercise price is not less than the par value of the shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. The relevant date will be the date of grant.	The exercise price is to be decided by the compensation committee, and is not to be less than the par value of the shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. The relevant date will be the date of grant
Vesting date* (See note 1)	After one year from the date of grant of options.	After one year from the date of grant of options.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the compensation committee.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the compensation committee.
Vesting requirements	One year's service from the date of grant of option.	One year's service from the date of grant of option.	Three years of service from the date of grant of option.	Two to four years of service from the date of grant of option.

Particulars	**ESOP 2002**	**ESOP 2003**	**ESOP 2004**	**Senior ESOP 2004**
Exercise period	During two years after vesting date.	During one year after vesting date.	During two years after vesting date.	During a period of two/three years from the vesting date.
Un-granted options cancelled during the year	—	—	—	—

*Note 1: The details of exercise price and vesting period prior to modifications are given below:

Particulars	**ESOP 2002**	**ESOP 2003**	**ESOP 2004**	**Senior ESOP 2004**
Exercise price before modification	N.A.	N.A.	1. 50% of options granted at 90% of market value on grant date; 2. Remaining 50% of the options granted at a discount of Rs. 125 on market value on grant date.	1. 50% of options granted at 90% of market value on grant date; 2. Remaining 50% of the options granted at a discount of Rs. 100 on market value on grant date.
Vesting date before modification	N.A.	N.A.	After three years of service from the date of grant of options.	1. One third of options options after two years from the date of grant of option; 2. Remaining two third of options granted will vest after four years from the date of grant of options.

Particulars	**Long Term Retention ESOP 2005**	**ESOP 2005**	**Strategic Acquisition ESOP 2005**	**ESOP 2006**
Year in which scheme was established	2005-06	2005-06	2005-06	2006-07
Number of options authorised to be granted	350,000 350,000	1,260,000 1,260,000	840,000 840,000	1,000,000 1,000,000

Particulars	Long Term Retention ESOP 2005	ESOP 2005	Strategic Acquisition ESOP 2005	ESOP 2006
Exercise price* (See note 2)	Market value on grant date.	The exercise price is to be decided by the compensation committee, such that the exercise price is not less than the par value of the shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. The relevant date will be the date of grant.	Rs. 100 per option.	Rs. 5 per option.
Vesting date* (See note 2)	After four years from the date of grant of options.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the compensation committee.	After one year from the date of grant of options.	After two years from the date of grant of options.
Vesting requirements	Four years of service from the date of grant of option.	Three years of service from the date of grant of option.	One year's service from the date of grant of option.	Two years of service from the date of grant of option.
Exercise period	During two years after vesting date.	During one year after vesting date.	During one year after vesting date.	During one year after vesting date.
Un-granted options cancelled during the year	—	—	—	—

*Note 2: The details of exercise price and vesting period prior to modifications are given below:

Particulars	Long Term Retention ESOP 2005	ESOP 2005	Strategic Acquisition ESOP 2005	ESOP 2006
Exercise price before modification	N.A.	90% of market value on grant date.	N.A.	N.A.
Vesting date before modification	N.A.	1. One third of options granted will vest after one year from the date of grant of options; 2. One third options granted will vest after two years from the date of grant of options; and 3. One third options granted will vest after three years from the date of grant of options.	N.A.	N.A.

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP 2007	SAR
Year in which scheme was established	2006-07	2006-07	2007-08	2005-06
Number of options/awards authorised to be granted	1,000,000 1,000,000	1,000,000 1,000,000	10,000,000 10,000,000	300,000 300,000
Exercise price* (see note 3)	The exercise price is to be decided by the compensation committee, such that the exercise price is not less than the par value of the shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. The relevant date will be the date of grant.	Rs. 5 per option.	The exercise price will be decided by the compensation committee such that the exercise price is not less than the par value of the equity shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000.	Rs. 5

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP 2007	SAR
Vesting date* (See note 3)	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the compensation committee.	1. One sixth options granted will vest after one year from the date of of options; 2. One sixth options granted will vest after two years from the date of grant of options; 3. One sixth options granted will vest after three years from the date of grant of options; 4. One sixth options granted will vest after four years from the date of grant of options; 5. One sixth options granted will vest after five years from the date of grant of options; and 6. One sixth options granted will vest after six years from the date of grant of options.	After a minimum period of one year from the date of grant. The vesting shall happen in one or more tranches as may be decided by the ESOP Compensation Committee.	Cliff vesting period of three years
Vesting requirements	One to four years of service from the date of grant of option.	One to six years of service from the date of grant of option.	Option to vest over such period, in such manner and subject to conditions as may be decided by the compensation committee provided the employee continues in service.	One to four years of service from the date of grant of SAR
Exercise period	During four years after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extend up to the expiry period of the option as may be decided by the compensation committee.	One year after vesting date

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP 2007	SAR
Un-granted options cancelled during the year	—	—	—	—
Un-granted options	—	--	—	—

***Note 3:** The details of exercise price and vesting period prior to modifications are given below:

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP 2007	SAR
Exercise price before modification	75% of market value on grant date.	N.A.	N.A.	N.A.
Vesting date before modification	1. One fourth options granted will vest after one year from the date of grant of options; 2. One fourth options granted will vest after two years from the date of grant of options; 3. One fourth options granted will vest after three years from the date of grant of options; and 4. One fourth options granted will vest after four years from the date of grant of options.	N.A.	N.A.	N.A.

iii. **Television Eighteen India Limited Employee Stock Purchase Plans (ESPP)**

- **Television Eighteen India Limited Stock Purchase Plan 2003 (ESPP 2003)**

  During 2003-2004 the Company had established an Employee stock purchase plan (ESPP 2003) for compensation to employees whereby the Company's plan was to issue up to 700,000 shares to eligible employees. The offer price per share was 95% of the market value of the shares as at the date of the offer. The Company had issued 667,016 shares under ESPP 2003 up to 31 March, 2007. During the year ended 31 March, 2008, pursuant to the approval of the shareholders it was decided to cancel the issue of the remaining balance of the proposed 32,984 equity shares.

- **Television Eighteen Employee Stock Purchase Plan 2007 (ESPP 2007)**

  During 2007-2008 the Company established an Employee stock purchase plan (ESPP 2007) for compensation to employees whereby the Company's plan was to issue up to 532,984 shares to eligible employees. The offer price shall be decided by the compensation committee provided that the offer price shall not be less than the par value of the equity shares of the Company and shall not be more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

iv. Details of option numbers and weighted average exercise prices

The details of options and weighted average prices are as given below:

Particulars	**ESOP 2002**		**ESOP 2004**	
	Options (Numbers)	**Weighted Average Price (Rs.)**	**Options (Numbers)**	**Weighted Average Price (Rs.)**
a. outstanding at the beginning	53,690	2.50	347,900	32.56
of the year	53,690	2.50	562,800	27.58
b. granted during the year	-	-	-	-
	-	-	-	-
c. exercised during the year	-	-	178,500	25.57
	-	-	206,500	20.00
d. forfeited during the year	30,338	2.50	36,400	47.34
	-	-	8,400	20.00
e. expired during the year	-	-	-	-
	-	-		
f. outstanding at the end of	23,352	2.50	133,000	37.10
the year	53,690	2.50	347,900	32.26
g. exercisable at the end of	23,352	2.50	133,000	37.10
the year	53,690	2.50	113,400	57.61
h. number of equity shares				
of Rs. 5 each fully paid up to be issued on	See note1	N.A.	133,000	N.A.
exercise of option	See note 1	N.A.	347,900	N.A.
i. weighted average share	-	N.A.	178,500	75.96
price at the date of exercise	-	N.A.	206,500	76.81
j. weighted average remaining	-	N.A.	1.35	N.A.
contractual life (years)	-	N.A.	2.36	-

Particulars	Senior ESOP 2004		Long Term Retention ESOP 2005	
	Options (Numbers)	Weighted Average Price (Rs.)	Options (Numbers)	Weighted Average Price (Rs.)
a. outstanding at the beginning	834,901	55.60	700,000	75.61
of year	998,226	49.24	700,000	75.61
b. granted during the year	-	-	-	-
	-	-	-	-
c. exercised during the year	341,433	39.02	-	-
	163,325	16.76	-	-
d. forfeited during the year	-	-	-	-
	-	-	-	-
e. expired during the year	-	-	-	-
	-	-	-	-
f. outstanding at the end of the	493,468	59.25	700,000	75.61
Year	834,901	55.60	700,000	75.61
g. exercisable at the end of the year	466,801	48.05	700,000	75.61
	391,329	50.81	-	-
h. number of equity shares of Rs. 5 each	493,468	N.A.	700,000	N.A.
fully paid up to be	834,901	N.A.	700,000	N.A.
issued on exercise of option				
i. weighted average share price at the	341,433	76.72	-	N.A.
date of exercise	163,325	76.81	-	N.A.
j. weighted average remaining	1.55	N.A.	0.56	N.A.
contractual life (years)	2.51	N.A.	1.56	N.A.

			ESOP 2005	
	Options (Numbers)	**Weighted Average Price (Rs.)**	**Options (Numbers)**	**Weighted Average Price (Rs.)**
a. outstanding at the beginning	267,396	20.00	10,000	22.15
of the year	492,864	20.00	10,000	22.15
b. granted during the year	-	-	-	-
	-	-	-	-
c. exercised during the year	188,801	20.00	-	-
	201,667	20.00	-	-
d. forfeited during the year	14,500	20.00	-	-
	23,800	20.00	-	-
e. expired during the year	-	-	-	-
	-	-	-	-
f. outstanding at the end of the	64,095	20.00	10,000	22.15
year	267,397	20.00	10,000	22.15
g. exercisable at the end of the year	64,095	20.00	10,000	22.15
	267,397	20.00	10,000	22.15
h. number of equity shares of Rs. 5 each	64,095	N.A.	10,000	N.A.
fully paid up to be	267,397	N.A.	10,000	N.A.
issued on exercise of option				
i. weighted average share price	188,801	75.45	-	N.A.
at the date of exercise	201,667	76.81	-	N.A.
j. weighted average remaining	0.37	N.A.	-	N.A.
contractual life (years)	1.85	N.A.	-	N.A.

Particulars	ESOP 2006		ESOP (A) 2007	
	Options (Numbers)	Weighted Average Price (Rs.)	Options (Numbers)	Weighted Average Price (Rs.)
a. outstanding at the beginning	303,020	2.50	441,475	5.00
of the year	361,480	2.50	1,287,400	5.00
b. granted during the year	-	-	-	-
	-	-	-	-
c. exercised during the year	-	-	290,450	5.00
	-	-	780,375	5.00
d. forfeited during the year	-	-	23,100	5.00
	58,460	2.50	65,550	5.00
e. expired during the year(see note 2)	303,020	-	-	-
	-	-	-	-
f. outstanding at the end of the year	-	2.50	127,925	5.00
	303,020	2.50	441,475	5.00
g. exercisable at the end of the year	-	N.A.	127,925	5.00
	303,020	2.50	136,012	5.00
h. number of equity shares of Rs. 5 each	-	N.A.	127,925	N.A.
fully paid up to be	303,020	N.A.	441,475	N.A.
issued on exercise of option				
i. weighted average share price at the	-	N.A.	290,450	77.56
date of exercise	-	N.A.	780,375	76.81
j. weighted average remaining	-	N.A.	1.10	N.A.
contractual life (years)	-	N.A.	2.85	N.A.

Particulars	ESOP 2007		SAR	
	Options (Numbers)	Weighted Average Price (Rs.)	Options (Numbers)	Weighted Average Price (Rs.)
a. outstanding at the beginning	1,670,000	42.45	-	-
of the year	*1,670,000*	*42.45*	-	-
b. granted during the year	376,000	77.06	-	-
	-	-	-	-
c. exercised during the year	20,000	60.10	-	-
	-	-	-	-
d. forfeited during the year	62,500	-	-	-
	-	-	-	-
e. expired during the year	-	-	-	-
	-	-	-	-
f. outstanding at the end of the	1,963,500	48.33	-	-
year	*1,670,000*	*42.45*	-	-
g. exercisable at the end of the year	516,250	60.10	-	-
	-	-	-	-
h. number of equity shares of Rs. 5 each	1,963,500	N.A.	-	-
fully paid up to be	*1,670,000*	*42.45*	-	N.A.
issued on exercise of option				
i. weighted average share price	20,000	78.85	-	-
at the date of exercise	-	N.A.	-	N.A.
j. weighted average remaining	3.61	N.A.	-	-
contractual life (years)	*5.63*	N.A.	-	-

There were no reportable details in respect of ESOP 2003, ESOP (B) 2007 and ESPP 2007.

Previous year figures are in italics.

Note:

1. The equity shares pursuant to options granted under this scheme were allotted in the past and were administered through the TV18 Employee Welfare Trust. Accordingly, there has been no further allotment of equity shares pursuant to the exercise of these options.

2. During the current year 303,020 stock options exercisable during the year under the Television Eighteen India Limited Employees Stock Option Plan 2006 (ESOP 2006), had lapsed on failure to exercise the options within the exercise period. Accordingly, Rs. 885.75 lakhs has been transferred to the General reserve.

C. Web 18 Holdings Limited

i. Web18 Holdings Limited Share Options Plan (ESOP Plan)

The employees of the Web Group have been granted options, which have been fully vested under the ESOP Plan of Web 18 Holdings Limited. Each option entitles the grantee to one Class B ordinary share of USD 0.00374 each at an exercise price of USD 1 each. These options become exercisable by the grantee in four equal installments as follows:

i) 25% of the vested options on 15April 2009

ii) 25% of the vested options on 15 April 2010

iii) 25% of the vested options on 15 April 2011

iv) Balance 25% of the vested options on 15 April 2012.

Details of Option numbers and weighted average prices are as given below.

Web18 Holdings Limited Share Options Plan (ESOP Plan)

	Year ended 31 March, 2011			Year ended 31 March, 2010		
Particulars	**Shares arising out of options**	**Weighted average exercise price (USD)**	**Weighted average remaining contractual life (Years)**	**Shares arising out of options**	**Weighted average exercise price (USD)**	**Weighted average remaining contractual life (Years)**
Outstanding, at the beginning of the year	10,313,118	1.00	2.04	11,617,118	1.00	3.04
Granted	-	-	-	170,000	1.00	-
Forfeited	889,000	1.00	-	1,474,000	1.00	-
Exercised	-	-	-	-	-	-
Outstanding, at the end of the year	9,424,118	1.00	1.04	10,313,118	1.00	2.04
Exercisable at the end of the year	4,712,059	1.00	1.04	2,578,280	1.00	2.04

ii. Memorandum of Understanding with Rishi Khiani (MOU)

A subsidiary of the Group had entered into the MOU on 14 July, 2006. In accordance with the MOU, Rishi Khiani is entitled to certain share based payments for being in continuous employment with the Group for a period of 36 months. Of these share based payments, 420,000 (Previous year 420,000) equity shares have been vested up to 31 March, 2011. Further, 280,000 equity shares (Previous year 280,000) have issued up to 31 March, 2011

D. Infomedia 18 Limited

i. Employee Stock Option Plan (ESOP) 2004

Infomedia has provided share based payment schemes to its employees. During the year ended 31 March, 2011 the following schemes were in operation:

Particulars		Employee Stock Option Plan 2004	
Year in which scheme was established		2004	
Number of options authorised to be granted		494,000	
Exercise price*	Grant 1		86.85
	Grant 2		141.45
	Grant 3		150.80
	Grant 4		180.50
	Grant 5		154.05
	Grant 6		209.85
Vesting date	Grant 1	24 October, 2005 (1 Year)	40,000
		30 May, 2006 (1 Year & 217 days)	60,000
		31 March 2006 (1 Year & 157 days)	32,000
		31 March 2007 (2 Years & 157 days)	32,000
	Grant 2	30 May, 2006 (1 Year & 21 days)	20,000
		30 May, 2007 (2 Years & 21 days)	80,000
	Grant 3	27 October, 2006 (1 Year)	77,750
		27 October, 2007 (2 Years)	77,750
	Grant 4	26 October, 2007 (1 Year)	8,750
		26 June, 2008 (2 Years)	8,750
	Grant 5	26 October, 2007 (1 Year)	9,250
		26 October, 2008 (2 Years)	9,250
	Grant 6	21 November, 2008 (1 Year)	19,250
		21 November, 2009 (1 Year)	19,250
Vesting requirements		Should be in service at date of vesting	
Exercise period		Three Years	
Un-granted options cancelled during the previous year		Nil	
Un-granted options		Nil	

This scheme (ESOP 2004) is covered under the approval of the shareholders vide their Annual General Meeting held on July 28, 2004 as modified at Extra Ordinary General Meeting held on 20 January, 2005 and Annual General Meeting held on October 10, 2006 and further modified through postal ballot resolution, results whereof declared on July 15, 2010.

*Revised exercise price is Rs. 10 per option vide Board approval dated 25 February, 2010.

The details of activity under the plan are summarized below:

Particulars	Year ended 31 March, 2011 No. of Shares	Year ended 31 March, 2011 Weighted Average Exercise Price (Rs.)	Year ended 31 March, 2010 No. of Shares	Year ended 31 March, 2010 Weighted Average Exercise Price (Rs.)
a. outstanding at the beginning of the year	36,750	187.17	47,250	187.06
b. grant during the year	-	-	-	-
c. exercised during the year	16,750	10.00	-	-
d. no. of options lapsed	10,250	10.00	10,500	186.66
e. outstanding at the end of the year	9,750	10.00	36,750	187.17
f. exercisable at the end of the year	9,750	-	36,750	-
g. weighted average remaining contractual life (in years)	0.46	-	1.46	-
h. weighted average fair value of the options granted (Rs.)	18.76	-	37.26	-

Details of exercise price for stock options outstanding at the end of the year are:

Year End	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
31 March, 2011	10	9,750	0.46	10
31 March, 2010	150.80 to 209.85	36,750	1.46	187.17

ii. Employee Stock Option Plan 2007 (ESOP 2007)

Particulars	Employee Stock Option Plan 2007 (ESOP 2007)	
Date of Grant/Board Approval	2 April, 2009	
No of Options Granted	967,500	
Exercise price	Rs. 10	
Method of Settlement	Equity	
Vesting Period	1 April, 2010 (1 year)	387,000
	1 April, 2011 (2 year)	290,250
	1 October, 2011 (2 years & 6 months)	290,250
Exercise Period	Three Years	
Un-granted options	Nil	

Particulars	Employee Stock Option Plan 2007 (ESOP 2007)	
Date of Grant/Board Approval	26 October, 2010	
No of Options Granted	200,000	
Exercise price	Rs. 10	
Method of Settlement	Equity	
Vesting Period	26 October 2011 (1 year)	80,000
	26 October 2012 (2 year)	60,000
	26 October 2013 (3 year)	60,000
Exercise Period	Three Years	
Un-granted options	Nil	

This scheme (ESOP 2007) is covered under the approval of the shareholders vide their Extra-Ordinary General Meeting held on 10 January, 2008 and further modified through postal ballot resolution, results whereof declared on 7 May, 2010.

The details of activity under the plan are summarised below:

	Year ended 31 March, 2011		Year ended 31 March, 2010	
Particulars	No. of Shares	Weighted Average Exercise Price (Rs.)	No. of Shares	Weighted Average Exercise Price (Rs.)
a. outstanding at the beginning of the year	911,000	10.00	-	-
b. grant during the year	200,000	10.00	967,500	10.00
c. exercised during the year	307,200	10.00	-	-
d. no of options lapsed	91,400	10.00	56,500	10.00
e. outstanding at the end of the year	712,400	10.00	911,000	10.00
f. exercisable at the end of the year	34,800	-	-	-
g. weighted average remaining contractual life (in years)	1.77	-	2.38	-
h. weighted average fair value of the options granted (Rs.)	28.24	-	0.95	-

Details of exercise price for stock options outstanding at the end of the year are:

Year End	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
31 March, 2011	10.00	712,400	1.77	10.00
31 March, 2010	10.00	911,000	2.38	10.00

Details of exercise price for stock options outstanding at the end of the year are:

ESOP Scheme	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
ESOP 2004	10.00	9,750	0.46	10.00
ESOP 2007	10.00	712,400	1.77	10.00

Since the enterprise used the intrinsic value method, the impact on the reported net profit and earnings per share by applying the fair value based method needs to be disclosed.

iii. Employee Stock Purchase Plan 2010 (ESPP 2010):

During the year, the Company had also introduced an Employee Stock Purchase Plan, 2010 (ESPP 2010) which was approved by shareholders vide postal ballot resolution, results whereof were declared on 7 May, 2010. However, there has been no activity under this Scheme till balance sheet date.

E. ibn18 Stock option plans

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

- 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 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 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 up to 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 Parent and its subsidiaries and holding company of the Parent.
- 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 Parent has granted 5,020,642 options up to 31 March, 2011.
- The movement in the scheme is set out as under:

Particulars	ESOP 2007		ESOP 2007	
	Year ended 31.03.11		Year ended 31.03.10	
	Options (Numbers)	Weighted Average Price (Rs.)	Options (Numbers)	Weighted Average Price (Rs.)
a. Outstanding at the beginning of year	3,192,242	55.00	3,350,192	55.00
b. Granted during the year	1,100,000	86.00	-	55.00
c. Exercised during the year	1,720,379	55.00	-	-
d. Forfeited during the year	121,146	55.00	157,950	55.00
e. Expired during the year	-	-	-	-
f. Outstanding at the end of the year	2,450,717	68.91	3,192,242	55.00
g. Exercisable at the end of the year	957,769	55.00	1,974,871	55.00
h. Number of equity shares of Rs. 2 each fully paid up to be issued on exercise of option	2,450,717	NA	3,192,242	NA
i. Weighted average share price at the date of exercise	1,720,379	92.50	NA	NA
j. Weighted average remaining contractual life (years)	2.81	NA	0.51	NA

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

F. In the case 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.

The details of the activity under the Scheme during the year are as follows:

Particulars	As at March 31, 2011	As at March 31, 2010
Option Outstanding at the beginning of the year	2,307,717	2,307,726
Options Granted during the year	-	33,937
Options Exercised during the year	-	-
Options Lapsed during the year	117,272	38,624
Options Outstanding at the year end	2,186,445	2,307,717

G. In the case of TV18 Home Shopping Limited

In April 2008 the employees of the Company have been granted stock options under TV18 HSN Holdings Limited Share Option Plan 2008 of TV18 HSN Holdings Limited.

Particulars	TV18 HSN Holdings Limited Share Option Plan 2008
Year in which scheme was established	2008-09
Number of options authorised to be granted	2,733,482
Exercise price	The exercise price in respect of the options shall be decided by the Compensation Committee.
Vesting date	a) 25% of the options vest on 9 April 2009
	b) 25% of the options vest on 9 April 2011
	c) 25% of the options vest on 9 April 2011
	d) Balance 25% of the options vest on 9 April 2012.
Vesting requirements	1 to 4 years of service.
Exercise period	Employees would be entitled to exercise 25% of the Vested Options at anytime during the 12 month period from thefirst anniversary of the date of grant and the balance of 75% of the Vested Options shall be exercised as to 25% at anytime during the 12 month period after at every subsequent anniversary of the date of the grant.
Un-granted options	314,482

Particulars	Options (Numbers)	Weighted average Price (USD)	Weighted average Price (Rs. approximately)
Outstanding at the beginning of the year	17,17000 *1,849,000*	0.11 *0.11*	5.01 *5.60*
Granted during the year	707,000 *18,49,000*	- *0.11*	- *5.01*
Exercised during the year	- -	- -	- -
Forfeited during the year	5,000 *132,000*	- -	- -
Outstanding at the end of the year	2419,000 *1,717,000*	0.11 *0.11*	5.01 *5.60*
Exercisable at the end of the year	- -	- -	- -
Weighted average remaining contractual life (years)	2.44 *3.00*	N.A. *N.A.*	N.A. *N.A.*

Note: Figures in italics indicate amounts pertaining to the previous year.

11. Pro forma Accounting for Stock Option Grants

(Amounts in Rs. Million)

Particulars	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
a. Net Profit after tax as reported	(366.84)	(1,344.36)
i. Add: Stock based employee compensation expense debited to Profit and Loss account	56.45	110.45
ii. Less: Stock based employee compensation expense based on fair value	258.13	231.35
b. Difference between (i) and (ii)	201.68	120.90
c. Adjusted proforma profit	(568.52)	(1,465.26)
d. Difference between (a) and (c)	201.68	120.90
e. Basic earnings per share as reported	(3.17)	(13.59)
f. Proforma basic earnings per share	(4.91)	(14.81)
g. Diluted earnings per share as reported	(3.17)	(13.30)
h. Proforma diluted earnings per share	(4.90)	(14.50)

12. Disclosures as required by Accounting Standard 15 (Rs. million)

The reconciliation of opening and closing balances of the present value of the defined obligation for the continuing businesses as at :

Particulars	Year ended 31-Mar-11		Year ended 31-Mar-10	
	Gratuity Benefits	Compensated Absences	Gratuity Benefits	Compensated Absences
Obligation at the year beginning (A)	150.90	86.61	143.71	121.47
Adjustment for increase in opening provision for retirement benefits (B)**	(7.88)	(0.40)	6.14	4.64
Disposal of JV Share	15.89	-	0.24	-
Current service cost (C)	34.48	27.62	28.92	18.96
Interest cost (D)	11.38	6.28	11.15	9.30
Actuarial loss/(gain) (E)	(5.15)	(7.64)	(30.50)	(14.70)
Benefits paid (F)	(12.07)	(19.91)	(8.77)	(53.06)
Fair Value of Assets	-	-	-	-
Obligation at the year end (A+B+C+D+E+F)	187.56	92.56	150.90	86.61

Change in plan assets:

Particulars	Year ended 31-Mar-11		Year ended 31-Mar-10	
	Gratuity Benefits	Compensated Absences	Gratuity Benefits	Compensated Absences
Fair value of plan assets at the year beginning	58.94	-	48.03	-
Fair value of plan assets from Acquisition of New Business	4.62	-	4.13	-
Expected return on plan assets	4.78	-	4.01	-
Employer's contributions	6.63	-	11.01	-
Benefits paid	(7.00)	-	(7.19)	-
Actuarial gain/ (loss)	(2.86)	-	(1.04)	-
Fair value of plan assets at the year end*	65.12	-	58.94	-

* compensated absences not funded

Net liability:

Particulars	Year ended 31-Mar-11		Year ended 31-Mar-10	
	Gratuity Benefits	Compensated Absences	Gratuity Benefits	Compensated Absences
Present value of obligation at the year end	187.56	95.24	150.90	86.61
Fair value of plan assets at the year end	60.50	-	58.94	-
Unrecognised past service cost	-	-	-	-
Benefits paid by the group on behalf of the fund	-	-	-	-
Net liability	127.06	95.24	91.96	86.61

Cost for the year

Particulars	Year ended 31-Mar-11		Year ended 31-Mar-10	
	Gratuity Benefits	Compensated Absences	Gratuity Benefits	Compensated Absences
Current service cost (A)	34.48	27.62	28.92	18.96
Viacom 18's opening Liablity		-		(3.30)
Interest cost (B)	11.38	6.28	11.15	9.30
Actuarial loss/(gain) (C)	(2.30)	(7.64)	(129.46)	(14.70)
Expected Return on plan assets	(4.78)	-	(4.01)	-
Net cost (A+B+C+D)	38.79	26.26	6.61	10.26

Actuarial assumptions used:-

Particulars	Year ended 31-Mar-11		Year ended 31-Mar-10	
	Gratuity Benefits	Compensated Absences	Gratuity Benefits	Compensated Absences
Discount Rate	8.00	8.00	8.00	8.00
Expected Salary Escalation Rate	6.00	6.00	6.00	6.00
Mortality Table	LIC (1994-96) duly Modified	LIC (1994-96) duly Modified	LIC (1994-96) duly Modified	LIC (1994-96) duly Modified
Retirement Age	60 Yrs	60 Yrs	60 Yrs	60 Yrs
Withdrawal Rates	Age	Percentage	Age	Percentage
	Upto 30 Year	3.00	Upto 30 Year	3.00
	Upto 44 Year	2.00	Upto 44 Year	2.00
	Above 44 year	1.00	Above 44 year	1.00

13. Deferred tax

Deferred tax assets and liability are being offset as they relate to taxes on income levied by the same governing taxation laws. Break up of deferred tax assets/liabilities and reconciliation of current year deferred tax charge:

(All amounts in Rupees)

	Opening Balance	**Deferred tax on Companies acquired during the year**	**(Charged)/ Credited to P&L**	**Closing Balance**
DEFERRED TAX LIABILITY				
Deferred Tax Liabilities				
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	(16,737,182)	3,511,295	(8,174,955)	(21,400,842)
	(25,561,337)	-	9,128,007	(16,433,330)
Fiscal allowance on investments	-	-	-	-
	(20,121,414)	20,121,414	-	-
Total (A)	**(16,737,182)**	**3,511,295**	**(8,174,955)**	**(21,400,842)**
	(45,682,751)	***20,121,414***	***9,128,007***	***(16,433,330)***
Deferred Tax Assets				
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under the provisions of income tax legislation	5,833,763	(5,833,763)	31,056,672	31,056,672
	8,047,342	-	(2,213,579)	5,833,763
Provision for doubtful debts	603,467	(603,467)	37,230,995	37,230,995
	1,082,736	-	(479,269)	603,467
Brought forward business losses to be set off in future years	-	-	-	-
	-	-	-	-
Total (B)	**6,437,230**	**(6,437,230)**	**68,287,667**	**68,287,667**
	9,130,078	***28,301,643***	***(2,692,848)***	***6,437,230***
Total (A-B)	**(10,299,952)**	**(2,925,935)**	**60,112,712**	**46,886,825**
	(36,552,673)	***20,121,414***	***6,435,159***	***(9,996,100)***

Break up of deferred tax assets and reconciliation of current year's deferred tax:

(All amounts in Rupees)

	Opening Balance	Deferred tax on Companies acquired during the year	(Charged)/ Credited to P&L	Closing Balance
DEFERRED TAX ASSETS				
Deferred Tax Liabilities				
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	(66,422,228)	-	25,365,215	(41,057,013)
	(92,324,533)	-	25,037,921	(67,286,612)
Total (C)	**(66,422,228)**	**-**	**25,365,215**	**(41,057,013)**
	(92,324,533)	-	25,037,921	(67,286,612)
Deferred Tax Assets				
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under the provisions of income tax legislation	109,472,520	-	(65,273,780)	44,198,740
	182,016,473	-	(71,983,421)	110,033,052
Provision for doubtful debts	46,455,158	-	(15,075,479)	31,379,679
	52,397,173	-	(5,942,015)	46,455,158
Total (D)	**155,927,678**	**-**	**(80,349,259)**	**75,578,419**
	234,413,646	**-**	**(77,925,436)**	**156,488,210**
Total (C-D)	**89,505,450**	**-**	**(54,984,044)**	**34,521,406**
	142,089,113	**-**	**(52,887,515)**	**89,201,598**

14. Earnings per Share

Basic and diluted earnings per equity share have been computed by dividing the net profit (loss) after tax by the number of equity shares outstanding for the year, as below.

	Particulars	Units	Year ended March 31, 2011	Year ended March 31, 2010
a.	Net profit after tax	Rs.	(366,841,682)	(1,344,361,768)
b.	Weighted average of number of equity shares used in computing basic earning per share	No. of Shares	115,735,050	98,952,556
c.	**Basic earning per share (a/b)**	**Rs.**	-3.17	-13.59
d.	Weighted average of the number of shares under options	No. of Shares	1,446,398	5,942,421
e.	Adjustment for weighted average number of shares that would have been issued at fair value.	No. of Shares	(1,090,087)	(3,816,740)
f.	Weighted average of number of Equity shares used in computing		116,091,361	101,078,237
	Diluted earning per share (b+d+e)			
g.	**Diluted earning per share (a/f) Rs**		-3.16	-13.30
h.	Effect of potential equity shares (c-g) Rs.		-0.01	-0.29

* Not computed, being anti-dilutive

15. Leases

i. The Group has taken various office premises under operating lease agreements. These are generally non cancelable and are renewable by mutual consent on mutually agreed terms.

ii. Lease payments for the year: Rs. 496.64 million (Rs. 458.24 million)

iii. The future minimum lease payments under non-cancelable operating leases are:

(**Rs. million)**

Particulars	Current year	Previous Year
Not later than one year	370.19	439.33
Later than one year but not later than five years	528.93	615.90
Later than five years	10.27	16.34

16. Minority interest Reconciliation

(All amounts in Rupees)

Particulars		Year ended 31.03.2011	Year ended 31.03.2010
Opening balance		7,162,097,128	3,608,607,576
Add/ (less):	Adjustment on account of transfer of subsidiary	(754,830,738)	-
Add/(less):	Minority's share of accumulated profit/(loss)	(664,915,163)	735,711,171
Add/(less):	Minority's interest in capital of subsidiary acquired during the year	-	-
Add/(less):	Minority's share related to share premium	2,620,368,157	4,005,509,658
Add/(less):	Minority's share related to change in general reserve	45,878,498	
Add/(less):	Minority's share related to changes in equity	63,315,614	152,930,893

(All amounts in Rupees)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Add/(less): Minority's share related to ESOP reserve	(66,730,842)	106,198,323
Add/(less): Minority's share related to exchange translation reserve	(11,136,656)	22,095,649
Add/(less): Minority's share related to capital reserve	(6,533,340)	250,426,101
Add/(less): Share in current year profit/ (loss)	(505,919,225)	(1,517,073,076)
Add/(less): Exchange Difference	(2,426,717)	(219,677,500)
Add/(less): Preference shares held by minority issued/ (redeemed)	16,84,912	
Add/(less): Misc. Expenditure	(33,936,389)	21,232,742
Add/(less): Appropriation adjustment of minority interest	-	(3,864,409)
Add/(less): Others	392,250	-
Closing balance	7,847,307,490	7,162,097,128

17. Prior period adjustments comprise

The components of prior period adjustments are as follows:

(All amounts in Rupees)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Site support costs	3,243,546	(603,508)
Excess provision written back	-	8,486,594
Income from media operations	-	14,486,186
Income short provided	(6,994,315)	-
Airtime Purchased	-	(6,138,720)
Others	63,120	(2,843,838)
Advertisement Expenses	464,106	(8,213,100)
Travelling Expenses	-	(2,192,196)
Expenses Short Provided	12,54,811	512,688
Total	**(1,968,732**	**3,494,106**

18. Related Party

A. List of related party

i. *Key Management Personnel*

- Raghav Bahl (Also exercises control by virtue of having a substantial interest in the voting power of the Company)
- Sameer Manchanda
- Rajdeep Sardesai
- Sagarika Ghose
- Sanjay Ray Chaudhuri
- Haresh Chawla
- Anil Srivastava

- Sandeep Malhotra
- Raman Gulati

ii. *Relatives of Key Management Personnel*

- Ms .Subhash Bahl
- Ms. Ritu Kapur
- Ms. Vandana Malik
- Ms. Janhavi Chawla

iii. *Entities over which persons listed above are able to exercise significant Influence*

- RB Investments Private Limited
- RRB Holdings Private Limited
- RVT Holdings Private Limited
- RRK Holdings Private Limited
- RB Software Private Limited
- BK Media Private Limited
- BK Media Mauritius Private Limited, Mauritius
- VT Investments Private Limited
- SGA News Limited
- VT Holdings Private Limited
- RVT Softech Private Limited
- Greycells 18 Media Limited
- Keyman Financial Services Private Limited
- RRB Investments Private Limited
- Tangerine Digital Entertainment Private Limited
- RRK Finhold Private Limited
- VT Softech Private Limited
- Network 18 Publications Limited
- RVT Finhold Private Limited
- Wespro Digital Private Limited
- Film Investment Managers (Mauritius)Limited
- Media Venture Capital Trust II
- BK Communications Limited
- BK Ventures Limited
- BK Capital Limited, Cayman Island
- BK Network Limited
- International Media Advisors Private Limited, Mauritius
- BRR Securities Private Limited (Earlier Kishore Securities Pvt Ltd)
- Ubona Technologies Private Limited
- Capital18 Advisors Limited, Mauritius.
- Juxt Consult Research and Consulting Private Limited
- Blue Slate Media Private Limited

- Web18 Securities Private Limited
- RRK Media Private Limited
- Webchutney Studio Private Limited
- Capital18 Limited, Cayman Island
- RB Holdings Private Limited
- The Network18 Trust
- Jagran18 Publications Limited
- Capital 18 Media Advisors Private Limited
- VT Media Private Limited
- IBN Lokmat News Private Limited
- Network 18 Group Senior Professionals Welfare Trust
- Network 18 Employee Welfare Trust
- The Network18 Trust
- Colosceum Media Private Limited
- Den Digital Entertainment Network Private Limited
- Den Digital Cable Network Private Limited
- Den Network Limited
- Den Bellary City Cable Private Limited
- Den Manoranjan Satellite Private Limited
- Den Nashik City Cable Network Private Limited
- Den Supreme Satellite Vision Private Limited
- Jagaran TV Private Limited till 30 September, 2007 (now known as
- ibn18 Media and Software limited)
- India International Film Advisors Private Limited (formerly RB Fincap Private Limited)
- Viacom 18 Media Private Limited (formerly MTV Network India Private Limited) w.e.f. 01 October, 2008
- RB Holdings Private Limited.
- RB Media Holdings Private Limited.
- Networkplay Media Private Limited.
- VT Media Private Limited.
- RRK Media Private Limited.
- International Media Advisors Private Limited.
- RVT Finhold Private Limited.
- RRK Finhold Private Limited.
- Wespro Digital Private Limited.
- 24x7 Learning Private Limited.
- SRC Media Limited.
- Stargaze Entertainment Private Limited.
- Yatra Online Private Limited.
- Network18 Senior Professional Trust.
- Den Digital Entertainment Banglore Private Limited.

B. Transactions /balances outstanding with related parties (Amount in Rs.)

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs.)	Relatives of Key Management (Rs.)
Income from operations and other income			
SGA News Limited	- (3,138,081)		
Network 18 Publications Private Limited	6,390,056 (5,338,749)		
Media Venture Capital Trust II	28,403 (-)		
Greycells 18 Media Private Limited	3,342,581 (4,286,621)		
Wespro Digital Private Limited	394,16,362 (62,425,215)		
Viacom18 Media Private Limited	598,06,523 (107,809,380)		
IBN Lokmat News Private Limited	98,00,000 (24,512,026)		
Mobilenxt Teleservices Private Limited	- (-)		
Network 18 Trust	222,000,000 (217,400,000)		
Digital 18 Media Private Limited	- (100,022,967)		
VT Softech Private Limited	- (-)		
RVT Holdings Private Limited	33,921,995 (8,830,874)		
Den Network Limited	- (10,000,000)		
RRB Investments	3,671,472 (-)		
Interest Received from			
Network 8 Group Senior Professional Welfare Trust	237,850,718 (24,843,940)		
Webchutney Studio Private Limited	- (8,557)		
Wespro	2,574,000 (-)		
Haresh Chawla		19,002,740 (-)	

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs.)	Relatives of Key Management (Rs.)
Investment made in units of venture capital fund.			
Media Venture Capital Trust II	- (239,400,000)		
Network18 Trust	- (-)		
Expenditure for Services received			
Raghav Bahl		10,944,000 (10,944,000)	
Ritu Kapur			2,389,137 (2,016,583)
Sanjay Ray Chaudhari		4,688,004 (4,632,658)	
Haresh Chawla		9,529,692 (4,199,634)	
Janvi Chawla			1,438,800 (1,438,800)
Sameer Manchanda (SM)		10,287,097 (14,139,539)	
Rajdeep Sardesai (RS)		14,424,000 (14,497,973)	
Sagarika Ghosh			1,724,358 (1,613,280)
Vandana Malik		4,794,519 (-)	
Sandeep Malhotra		20,703,815 (-)	
Raman Gulati		8,537,304 (-)	
Greycells 18	460,000 (-)		
Digital 18	400,000 (8,925,707)		
DEN Digital Entertainment, Bangalore	- (4,212,500)		
DEN Bellary	- (225,001)		
DEN Digital Cable	- (19,493)		
DEN Manoranjan	- (4,250,000)		

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs.)	Relatives of Key Management (Rs.)
DEN Nasik City	- (2,407,143)		
DEN Supreme Setellite	- (895,834)		
Capital 18 Media Advisors Private Limited	- (-)		
Viacom18 Media Private Limited	2,990,417 (2,441,263)		
Network 18 Publications Private Limited	3,945,511 (3,654,000)		
RVT Holdings Private Limited	- (-)		
Tangerine Digital Entertainment Private Limited	- (-)		
DEN Digital Networks	278,755,255 (442,893,340)		
Interest paid to			
SGA News Limited	- (-)		
MVCT	35,917,891 (-)		
Reimbursement of Expenses (received)			
Jagran 18 Publications Limited	- (-)		
SGA News Limited	- (-)		
Wespro Digital Private Limited	12,828,400 (21,390,990)		
Colosceum Media Private Limited	- (-)		
Greycells 18 Media Private Limited	3,004,533 (4,954,923)		
IBN Lokmat News Private Limited	51,582,596 (114,571,213)		
Network 18 Publications Private Limited	- (-)		
Tangerine Digital Entertainment Private Limited	- (9,789,823)		
Viacom18 Media Private Limited	4,292,742 (11,487,091)		

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs.)	Relatives of Key Management (Rs.)
Digital 18 Media Private Limited	7,761,577 (32,737,449)		
IFC Distributions Private Limited	507,481 (854,061)		
Indian International Film Advisors Private Limited	4,057,363 (1,036,915)		
RVT Investments Private Limited	11,205,976 (1,343,058)		
Capital 18 Media Advisors Private Limited	- (-)		
RVT Holdings Private Limited	- (191,382)		
VT Softech Private Limited	- (764,296)		
Big Tree Entertainment Private Limited	- (-)		
Stargaze Entertainment Private Limited	- (128,519)		
Reimbursement of Expenses (paid)			
IBN Lokmat News Private Limited	2,347,871 (3,017,422)		
SGA News Limited	- (-)		
Viacom18 Media Private Limited	3,691,795 (7,384,135)		
Jagran18 Publications Limited	- (-)		
Network 18 Publications Private Limited	- (188,500)		
Greycells 18 Media Private Limited	- (764,342)		
Network 18 Trust	- (-)		
VT Softech Private Limited	101,146 (-)		
RVT Holdings Private Limited	- (8,879,355)		
Investment purchased from			
Media Venture Capital Trust II	- (-)		

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs).	Relatives of Key Management (Rs.)
Investment made in equity share during the year			
Viacom18 Media Private Limited	- (-)		
Viacom18 Media Private Limited	- (117,964)		
Viacom18 Media Private Limited, UK	- (117,964)		
VT Investments Private Limited	- (-)		
Investment made in preference share during the year			
VT Investments Private Limited	- (-)		
VT Holdings Private Limited	- (-)		
Sale of equity share during the year			
VT Investments Private Limited	- (-)		
Mobilenxt Teleservices Private Limited	- (-)		
Raghav Bahl		- (-)	
MVCT	345,600,000 (-)		
Sale of Preference share during the year			
VT Investments Private Limited	- (-)		
Loans / Advances given during the year			
Network 18 Group Senior Professional Welfare Trust	552,500,000 (1,475,800,000)		
Jagran18 Publications Limited	- (-)		
SGA News Limited	- (-)		
Network 18 Publications Private Limited	- (-)		
Mobilenxt Teleservices Private Limited	- (-)		
VT Softech Private Limited	- (-)		

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs).	Relatives of Key Management (Rs.)
Wespro Digital Private Limited	- (-)		
Network18 Trust	2,262,600,000 (-)		
Stargaze	176,500,000 (-)		
MVCT Mauritius	2,445,575 (-)		
RVT Media	30,000,000 (-)		
Haresh Chawla		150,000,000 (-)	
Loans / Advances received back given during the year			
Viacom18 Media Private Limited	- (-)		
Network 18 Publications Private Limited	- (-)		
Mobilenxt Teleservices Private Limited	- (3,800,000)		
VT Softech Private Limited	- (8,134,317)		
Network18 Trust	1,034,500,000 (-)		
Stargaze	176,500,000 (-)		
MVCT Mauritius			
RVT Media	30,000,000 (-)		
Network18 Group Senior Professional Welfare Trust	2,028,300,000 (-)		
Share application money paid pending allotment			
IBN Lokmat News Private Limited	- (22,500,000)		
Viacom 18 Media Private Limited	- (100,000,000)		
Share application money paid during the year			
VT Investments Private Limited	- (-)		
MVCT	492,100,000 (-)		

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs).	Relatives of Key Management (Rs.)
Share application money refunded during the year			
VT Investments Private Limited	- (-)		
MVCT	492,100,000 (-)		
Purchase of Fixed Assets			
IBN Lokmat News Private Limited	26,524 (-)		
Tangerine Digital Entertainment Private Limited	- (3,405,000)		
Balances outstanding at the year end			
Amount due from			
Tangerine Digital Entertainment Private Limited	- (197,055)		
Viacom18 Media Private Limited	43,104,331 (60,799,853)		
India International Film Advisors Private Limited	- (1,282,500)		
Studio 18 UK Limited	88,042 (83,270)		
Studio 18 USA Limited	512,679 (518,306)		
IBN Lokmat News Private Limited	8,298,308 (12,404,323)		
Network18 Group Senior Professional Welfare Trust	- (1,498,159,546)		
Network18 Employee Welfare Trust	700,000 (600,000)		
Greycells 18 Media Private Limited	25,610,793 (27,095,243)		
Network 18 Publications Private Limited	19,398,877 (13,687,118)		
Ibn18 Trust	- (9,870)		
Digital 18 Limited	1,772,998 (81,463,304)		
Webchutney Studio Private Limited	- (-)		
Loans/advances Payable at the year end			
MVCT	181,560,582 (-)		

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs).	Relatives of Key Management (Rs.)
Loan / Advances at the year end			
Jagran18 Publications Limited	3,831,454 (-)		
Digital 18 Media Limited	- (14,615,028)		
VT Softech Private Limited	7,010,397 (6,893,149)		
Viacom18 Media Private Limited	418,215 (17,353,847)		
IBN Lokmat News Private Limited	3,356,689 (11,224,077)		
Wespro Digital Private Limited	34,593,895 (29,234,685)		
Viacom 18 Media US	- (425,000)		
Viacom 18 Media UK	- (425,000)		
SGA News Limited	- (46,197,417)		
Network 18 Publications Private Limited	13,763,442 (13,497,943)		
Greycells 18 Media Private Limited	5,321,229 (2,509,037)		
India International Film Advisors Private Limited	- (-)		
Tangerine Digital Entertainment Private Limited	268,156 (2,007,970)		
MVCT Mauritius	1,048,293 (-)		
Network18 Trust	1,847,608,892 (-)		
RVT Holdings	10,748,446 (-)		
Haresh Chawla		169,002,740 (-)	
BKHolding	44,679,380 (-)		
Capital18 Limited	39,303,654 (-)		

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs).	Relatives of Key Management (Rs.)
Amounts due to			
Viacom18 Media Private Limited	6,206,488 (8,150,987)		
IBN Lokmat News Private Limited	157,460 (18,200)		
Network 18 Publications Private Limited	1,688,251 (3,355,095)		
RVT Holdings Private Limited	- (4,515,107)		
BK Media Mauritius Private Limited	182,709 (184,714)		
Wespro Digital Private Limited	- (14,335,806)		
Den Digital Entertainment Bangalore	- (74,355)		
Den Bellary	- (60,803)		
Den Nasik City	- (403,731)		
DEN Supreme Satellite	- (144,306)		
Digital 18	- (9,515,281)		
Greycells 18 Media Private Limited	- (70,741)		
DEN Digital Entertainment Networks Limited	3,845,224 (17,809,445)		
B.K.Mauritius	40,760,000 (-)		
Corporate Guarantees as the year end to secure the debts of , (see also Note 6 above)			
IBN Lokmat News Private Limited	249,000,000 (272,500,000)		
Capital 18 Limited, Mauritius (USD 25 million in previous year)	Nil (112,850,000)		
BK Holdings Limited, Mauritius (USD 42.50 million) (USD 85 million in previous year)	1,897,630,000 (3,836,900,000)		
Guarantee for Investment in Viacom 18 (Nil)	- (451,400,000)		

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel Personnel (Rs).	Relatives of Key Management (Rs.)
Investment Pledged in connection with loans availed by (market value)			
TV 18 Senior Professional Trust	- (-)		
Network18 Group Senior Professional Welfare Trust	2,552,000,000 (-)		
Share Application Money Paid at the year end			
IBN Lokmat News Private Limited	- (-)		
Viacom18 Media Private Limited	- (-)		
Share Application Money Paid for units at the year end			
Media Venture Capital Trust II	- (-)		
Sale of Assets			
Greycells 18 Media Private Limited	- (-)		
Deposits payable as at year end			
Greycells 18 Media Private Limited	- (-)		

19. Information about Business Segments

Income / Expenditure (Rs million)	**Investment activities**	**Media Operations**	**Others**	**Total (Rs)**
Revenues	*(-)*	13795.83 *(11,233.13)*	4,601.85 *(4,428.97)*	18,397.68 *(15,662.10)*
Less Inter company Revenue	- *(-)*	197.42 *(272.96)*	1,299.37 *(1,130.55)*	1,496.79 *(1,403.51)*
Expenses	-	13,446.05 *(13,049.39)*	2,780.33 *(3,032.69)*	16,226.37 *(16,082.08)*
Less Inter company Expenses	-	1,120.31 *(1,105.98)*	65.93 *(113.57)*	1,186.24 *(1,219.55)*
Segment result	- *(-)*	1,272.67 *(-983.24)*	588.08 *(379.30)*	1,860.75 *(-603.94)*
Less: Interest & Financial Charges				2,258.42 *(2,126.30)*
Less: Other unallocable expenses				37.68 *(35.18)*
Less: Prior Period Adjustment				*(1.97)* *(3.49)*
Profit before taxes				(433.38) *(-2,765.41)*
Income tax (Net of MAT Credit and including FBT)				331.35 *(96.02)*
Profit for the period				(764.73) *(-2,861.43)*
Assets/Liabilities*				
Segment Assets	*(-)*	34,606.56 *(34,155.37)*	7,785.00 *(12,127.55)*	42,391.56 *(46,282.92)*
Segment Liabilities	*(-)*	18,332.36 *(18,408.54)*	5,677.77 *(8,775.39)*	24,010.14 *(27,183.93)*
Capital expenditure	-	229.72 *(191.47)*	82.49 *(356.95)*	312.22 *(548.42)*
Depreciation	-	568.97 *(677.37)*	- *(0.54)*	617.25 *(677.91)*
Other Non cash expenses**				48.28 *(630.29)*

**excludes ESOP expenses

20. A. Details of Foreign currency exposures that are not hedged by derivative instruments in entities where the functional currency is INR

Currency	Rupee equivalent		Rupee equivalent	
	Payable	(Rs.)	Receivable	(Rs.)
USD	5,123,387	228,759,640	6,629,223	294,737,266
GBP	47,800	3,425,158	45,123	2,946,739
EURO	28,500	1,802,340	22,310	1,410,886
JYP	602,324	1,479,912	-	-

B. Details of foreign currency exposures not hedged by derivative instruments in entities of Web group where the functional currency is USD

Particulars	Currency	Rupees (Rs.)	Equivalent amount in USD
Payable (liabilities)	INR	13,994,460	313,426

21. Interest in Joint Ventures

A. In the case of TV18

The Group's interests in jointly controlled entities are:

Name	Country of Incorporation	Percentage of ownership interest as at 31 March, 2011	Percentage of ownership interest as at 31 March, 2010
JobStreet.Com India Private Limited (Jobstreet)	India	Nil	50% (50% up to30 March, 2010)
Jagran 18 Publications Limited (Jagran)	India	50%	50%
Reed Infomedia India Private Limited (Reed)*	India	49%	49%

The Group's share of each of the assets, liabilities, income and expenses, etc. related to its interest in joint ventures is:

(Amounts in Rupees)

Particulars	Jobstreet	Reed	Jagran	Total
A. Assets				
Fixed assets	- -	- -	- *329,668*	- *329,668*
Current assets, loans and advances:				
- Cash and bank Balances	- -	86,232 *203,790*	294 *294*	86,526 *204,084*
- Accounts receivable	- -	1,447,720 *1,470,000*	1,229,669 *900,000*	2,677,389 *2,370,000*
- Loans and advances	- -	16,892 -	10,214 *10,214*	27,106 *10,214*
B. Profit and loss account (debit balance)	- -	- -	17,292,653 *17,286,928*	17,292,653 *17,286,928*

(Amounts in Rupees)

	Particulars	Jobstreet	Reed	Jagran	Total
C.	**Liabilities**				
	Current liabilities and Provisions	- -	638,464 *725,611*	54,317 *51,817*	692,781 *777,429*
	Unsecured loans	- -	- -	8,228,513 *8,225,288*	8,228,513 *8,225,288*
D.	**Income**				
	Operations	5,372,850	89,577	-	5,462,427
	Income from others	- 872,892	14,443 2,056,223	- -	14,443 2,929,115
E.	**Expenditure**				
	Production, Administrative and other costs	- 3,265,993	50,243 1,505,784	- -	50,243 4,771,777
	Personnel costs	- 6,768,170	- 539,461	- -	- 7,307,631
	Interest and finance Changes	- 4,357	- -	- -	- 4,357
	Depreciation	- 240,447	- 148,193	- -	- 388,640
	Pre-operative/ Preliminary expenses written off	- -	- -	5,725 1,461,955	5,725 1,461,955
F.	**Other Matters**				
	Capital commitments	Nil Nil	Nil Nil	Nil Nil	Nil Nil

Note: *Previous year figures are in italics*

B. In the case of IBN18

The Company's interest, as a venturer, in jointly controlled entity as at March 31, 2011 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:

i. IBN Lokmat

	Particulars	**As at 31.03.2011 (Rs.)**	**As at 31.03.2010 (Rs.)**
A.	**Assets**		
	Fixed assets	76,444,499	96,784,348
	Current assets, loans and advances:		
	- Cash and bank balances	14,942,828	16,238,732
	- Accounts receivable	28,716,087	23,282,902
	- Loans and advances	23,601,170	22,640,227
	- Inventory	33,769	19,714
B.	**Profit and loss account (debit balance)**	392,880,425	294,473,588
C.	**Liabilities**		
	Current liabilities and provisions	50,679,912	44,449,213
	Secured loans	73,188,865	91,240,297
D.	**Income**		
	Income from operations	75,118,996	65,152,322
	Income from others	3,125,919	1,446,047
E.	**Expenditure**		
	Production, administrative and other costs	104,772,596	98,754,340
	Personnel costs	41,235,625	37,923,323
	Interest and finance costs	12,145,018	15,605,121
	Depreciation	18,498,513	19,776,545
F.	**Profit/(Loss) before tax**	(98,406,837)	(105,460,960)
G.	**Profit/(Loss) after tax**	(98,406,837)	(105,440,277)
H.	**Other matters**		
	Capital commitments	-	-

ii. Viacom18

	Particulars	**As at 31.03.2011 (Rs.)**	**As at 31.03.2010 (Rs.)**
A.	**Assets**		
	Fixed assets	72,442,803	93,208,501
	Goodwill	465,468,264	-
	Investments	30,257,643	-
	Deferred Tax Asset	68,287,667	-

	Particulars	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
	Current assets, loans and advances:		
	- Cash and bank balances	1,549,448,669	517,072,008
	- Accounts receivable	2,122,367,681	1,508,740,209
	- Loans and advances	703,827,011	469,937,845
	- Inventory	3,455,585,821	369,058,061
B.	**Profit and loss account (debit balance)**	1,378,437,018	1,801,384,195
C.	**Liabilities**		
	Current liabilities and provisions	2,040,493,644	1,646,797,990
	Secured loans	2,255,289,182	223,377,756
	Unsecured loans	249,137,512	-
	Deferred Tax Liability	8,287,667	-
D.	**Income**		
	Income from operations	5,491,994,902	3,876,243,036
	Income from others	37,446,382	10,992,508
E.	**Expenditure**		
	Production, administrative and other costs	4,565,136,023	3,608,247,692
	Personnel costs	358,822,279	384,911,334
	Interest and finance costs	96,154,242	26,174,194
	Depreciation	40,562,090	36,037,113
F.	**Profit/(Loss) before tax**	468,786,650	(168,134,789)
G.	**Profit/(Loss) after tax**	425,477,776	(168,831,772)
H.	**Other matters**		
	Capital commitments	530,000	4,435,000

22. Utilisation of Rights issue proceeds

A. In relation to network 18

The Company has utilised an aggregate sum of Rs. 1,979.78 millions towards the stated purposes, from the proceeds of the Rights Issue of Partly Convertible Cumulative Preference Shares of Rs 200/- each. The Unutilised funds of Rs 59.21 millions are invested in Mutual Funds / Bank Fixed Deposits.

B. In the case of TV18

The Parent had utilised the gross issue proceeds received during the year ended 31 March, 2011 on issue of 60,007,121 equity shares of Rs. 5 each at a premium of Rs. 79 per share in the following manner:

	Particulars	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
i.	Rights Issue proceeds	5,008,791,849	4,943,931,408
ii.	Repayment of term loan	3,000,000,000	750,000,000
iii.	Investment in Infomedia rights issue	450,000,000	450,000,000
iv.	Investment in proposed ventures with Forbes Media LLC	240,000,000	-
v.	Invest in acquisitions and other strategic initiatives in media	350,000,000	350,000,000
vi	General corporate purpose	690,598,000	-
vii.	Rights issue expenses	250,000,000*	162,958,402
viii.	Closing balance of unutilised proceeds as at the year end	28,193,849	3,230,973,006
	Details of unutilised proceeds are given below: -		
	- Investments in mutual funds	28,193,849	2,085,973,038
	- Balance in current accounts	-	1,144,999,968
		28,193,849	**3,230,973,006**

* Includes Rs. 87,042,000 utilised for repayment of commercial paper as the right issue expenses aggregated to Rs. 162,958,000

C. In the case of IBN18

The Company has allotted 54,495,443 shares on rights basis to its equity shareholders during the year. Out of this, 54,425,108 shares were converted into fully paid up shares as on 31 March, 2011 upon receipt of full and final call money. During the year the Parent has received Rs. 5,090.93 million towards the right issue proceeds comprising Rs. 1,689.36 million towards share application money and Rs. 3,401.57 million towards full and final call. Calls in arrears as at the year ended 31 March 2011, amount to Rs. 4.40 million. The status of utilization of rights issue proceeds is set out below:

(Rs. In million)

Objects of the issue	Proposed utilisation	Actual utilisation
Repay certain loans	2,150.00	2,150.00
Investment in Viacom18	1,500.00	1,500.00
Investment in IBN Lokmat Private Limited	250.00	127.50
General corporate purposes	995.32	995.32
Rights issue expenses	200.00	190.41
Total	**5,095.32**	**4,963.23**

* Surplus available after actual expenses incurred (including provisions) on rights issue have been utilized towards investment in Viacom18.

23. Additional statutory information disclosed in the separate financial statements of Network 18 Media & Investments Limited and its subsidiaries having no material bearing on the true and fair view of these Consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements.

24. As per the Requirements of AS 21, AS 23 and AS 27 in the preparation of consolidated financial statements, the accounting policies of the consolidated entities are required to be aligned with those of the company to the extent practicable. The group has estimated the impact of the differential accounting policies on the consolidated financials for the year ended March 31,2011 and based on such estimates, has determined that the difference is not material . Management is of the opinion that , such alignment of accounting policies is not practicable and that the cumulative impact of such alignment, if made would not be significant to the consolidated financial statements.

25. These instruments represent loans extended to Network 18 Holdings Limited, Cayman Islands (a subsidiary of the company) by subsidiary entities of Television Eighteen India Limited, which have not been consolidated as mentioned in Note 1(b) above.

26. Previous year's figures have been regrouped /reclassified, wherever necessary to conform to the current year's presentation.

27. Long term Investments / Goodwill

The Company has certain long term investments aggregating to Rs. 3368 million including quoted equity shares of Rs. 285 million. Management is of the view that, having regard to the long term strategic involvement and the proposed restructuring as per the Scheme of Arrangement no provision is considered necessary for 'other than temporary diminution' in the value of these investments.

Goodwill on consolidation relating to acquisition of subsidiaries aggregates to Rs. 13270 million as at 31 March, 2011. Management is of the view that, having regard to the long term strategic involvement and the proposed restructuring as per the Scheme of Arrangement ("the Scheme"), no impairment is considered necessary in respect of goodwill on consolidation.

28. TIFC a joint venture of IBN18, has provided an advance of Rs. 52 million to a director in earlier years for two films of which one is under production and on which Rs. 24 million has been incurred as pre-production costs till 31 March, 2011. The director was to render services from 9 January, 2008 to 8 January, 2011 for the production for the film and has not met his commitments. Accordingly, TIFC has taken legal action for the recovery of the advance paid and the pre-production expenses incurred. Based on consultations with legal counsel, management of TIFC is of the view that with legal action initiated, TIFC will be able to obtain the services from the director for the direction of these films. Based on the above, due to uncertainty involved as to the future outcome of the case, TIFC recorded a provision amounting to Rs. 24.9 million relating to expenses incurred in relation to the above project while the advance paid is considered as fully recoverable as at 31 March, 2011 and hence there will be no impact on the share in loss of the associate for the current year.

29. The Hon'ble High Court of Bombay had approved the Scheme of Arrangement ('the Scheme') between I-Ven Interactive Limited ('I-Ven'), Infomedia 18 Limited and their respective shareholders vide its order dated 24 July, 2009. The Scheme was effective from 25 August, 2009 on filing the copies of the order of the Hon'ble High Court with the Registrar of Companies. Accordingly I-Ven was merged with Infomedia 18 Limited on the effective date. Further pursuant to the Scheme, Infomedia had extinguished 12,338,112 equity shares held by I-Ven and equivalent number of shares had been issued by the Infomedia to the shareholders of I-Ven in the swap ratio of 96.076:100. Upon the scheme becoming effective, Infomedia had recorded I-Ven Undertaking vested in it pursuant to the Scheme, at the respective book values as appearing in the financial statements of I-Ven as on the effective date, in accordance with "The Pooling of Interest" method as prescribed under Accounting Standard – 14. Infomedia has credited to its Share Capital Account, the aggregate face value of the new equity shares issued on amalgamation to the shareholders of I-Ven. Infomedia has recorded the balances in the share premium and the general reserve of I-Ven in the same form and at the same values as they appeared in the financial statements of I-Ven immediately preceding the effective date. The aggregate of the excess/deficit of the value of assets over the value of liabilities of I-Ven vested in Infomedia, and the differential between the value of the investment in the equity share capital of the Infomedia appearing in the books of accounts of I-Ven and the face value of the equity share capital of the Infomedia held by I-Ven, was debited by Infomedia to the following accounts in the under-mentioned sequence: balance in security premium account, balance in general reserve account and balance in profit and loss account.

30. The net-worth of the Joint Venture Company, Reed Infomedia India Private Limited ('Reed' or 'JV') has been completely eroded as at 31 March, 2011. Reed Elsevier Overseas B.V ("REOBV"), the holding company of the JV had communicated to the Company, the 49% shareholder, in their meeting held on March 25, 2009 their intention not to provide any further financial support to the JV to meet the JV's obligations. REOBV and the Company are in the process of terminating the shareholders agreement dated 13 December, 2005, to wind up and liquidate the JV. Consequently, the JV Management decided to discontinue the JV's operations and the employment of the personnel hired by the JV were terminated. Thereafter, the JV does not have definite business plans. Accordingly, the financial statements of the JV have been prepared assuming the JV will not continue as a going concern and accordingly, fixed assets of the JV have been stated at lower of written down value and net realisable value, and current assets and liabilities are stated at the values at which they are realisable / payable.

31. **A.** The Infomedia Group had entered into a Share Purchase Agreement ('SPA') with Knowledge works Global Private Limited (a Cenveo Inc company) on 4 May, 2010 to sell its entire equity stake in its subsidiaries which were carrying on the Publishing BPO business (E-Publishing Segment). Pursuant to the SPA, the sale of all subsidiaries has been completed during the year ended 31 March, 2011. The effective date of the sale of the subsidiaries is 31 May, 2010.

B. As stated in note (a) above, pursuant to the SPA, the sale of all the subsidiaries of Infomedia has been completed during the year ended 31 March, 2011. The net loss on account of sale of these subsidiaries aggregates to Rs. 1,155.94 lakhs for the year ended 31 March, 2011. The aforementioned loss net of a reversal of an impairment provision of Rs. 75.60 lakhs for the year ended 31 March, 2011 has been disclosed as an exceptional items..

32. During the year ended 31 March 2010, a subsidiary had issued 12,612,307 preferred shares having a face value of USD 0.00374 at a premium of USD 0.7891 aggregating to approximately USD 10 million (subscription price) to NGP II Mauritius Company Limited (investor) resulting in an increase in the preferred share capital by USD 47,170 and increase in securities premium by USD 9,952,831. The preferred shares were convertible into same number of Class B Ordinary shares at the option of investor. The investor also has a right but not the obligation, at any time after five years from the date of the agreement, to require the subsidiary to purchase/ redeem along with the annual rate of interest of 15% on the subscription price.

During the current year, NGP II Mauritius Company Limited has sold 2,522,461 preferred shares to Television Eighteen Media and Investment Limited, Mauritius at a consideration equal to a sum of Rs. 117,122,495 (USD 2,590,632) and has agreed to an understanding for transfer / sale of remaining shares within 15 days of commencement of trading of shares of Network18 Media & Investments Limited issued to the shareholders of Television Eighteen India Limited pursuant to the Scheme of Arrangement.(see note 5 above)

33. Pursuant to scheme of Arrangement between the Company, SGA News Limited and Network 18 Fincap Private Limited (now known as 'Network18 Media & Investments Limited') as approved by the Hon'ble High Court of Delhi in 2006, shares of Network 18 Media & Investments Limited (formerly Network 18 Fincap Private Limited) held by the promoter were transferred to the trust for the benefit of the Company. Other income for the year ended 31 March, 2011 includes Rs. 222 million (Previous year Rs. 217.40 million) relating to distribution of surplus from the trust.

34. Miscellaneous expenditure includes Pre Operative expenses aggregating to Rs. 39.56 million (35.93 million) relating to iNews.com Limited as that company had not commenced operations until March 31,2011.

35. Television Eighteen Mauritius Limited- Mauritius

Under the current Mauritius Legislation, TEML is subject to income tax at the rate of 15% but is entitled to a tax credit for the foreign taxes equivalent to the greater of the actual foreign taxes paid and 80% of Mauritius tax payable on its foreign source income.

36. Web 18 Holdings Limited – Cayman Island

There are no taxes on income or gains in the Cayman Islands and the Company has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all local income, profits and capital taxes for a period of twenty years from 9 May 2006. Accordingly, no provision for income taxes is included for the Company in these financial statements.

37. E-18 Limited - Cyprus

In accordance with the provisions of the Cyprus Income Tax Laws, E 18 Limited - Cyprus's chargeable profits, as adjusted for tax purposes, are liable to corporation tax at the rate 10%. Furthermore, E 18 Limited - Cyprus is subject to 10% special contribution levied on interest receivable other than that arising out of the ordinary course of business and closely related activities of E 18 Limited - Cyprus.

38. During the previous years TV18 had entered into transactions of income and expenditure aggregating to Rs. 47,803,131 and Rs. 12,399,403 respectively with companies listed in the register maintained under Section 301 of the Companies Act, 1956. The Company had made an application to the Central Government for compounding of defaults in respect of obtaining prior Central Government approval of these transactions as per the requirements of section 297 of the Companies Act, 1956. The compounding order from the Company Law Board was subsequently received on 6 October, 2009.

39. Segment reporting – The group operates in a single segment.

40. In the case of Network18, the company's application for approval of remuneration paid to the Managing Director for the years 2008-09 , 2009-10 and 2010-11, (being in excess of that allowed under Schedule XIII of The Companies Act, 1956) has been partially approved . The company has filed an application for reconsideration of the matter. The amount paid in excess of such approval for the years ended March 31, 2009, March 31, 2010 and March 31, 2011 is Rs. 5,412,400/-, Rs. 4,896,000/- and Rs. 4,896,000/- respectively.

41. Details of accounting estimates and judgments that have the most significant effect in the amounts recognized in the financial statements have been disclosed under the relevant note or accounting policy for each area where disclosure is required.

When assessing the future performance of individual films and therefore determining recoverable amount, management considers many factors which may have influence on such assessments. In particular management considers macroeconomic factors, the general trends of the media and entertainment industry as a whole, the Indian Film industry and the historic performance of films to give an indication of future expected performance. There exists a material uncertainty over the carrying value of inventories, which are calculated based on predicted future revenues on a film-by-film basis. These revenue forecasts are inherently uncertain and actual revenues may therefore differ from those estimated, which could materially impact the carrying value of the related inventories, and in particular give rise to impairment charges.

For and on behalf of the Board

	Raghav Bahl Managing Director	**Sanjay Ray Chaudhuri** Alternate Director
May 30, 2011 Noida	**R D S Bawa** Chief Financial Officer	**Shilpa Verma** Manager Corporate Affairs & Company Secretary

FINANCIAL DETAILS OF SUBSIDIARIES

Name of SubsidiaryCompany	Capital	Reserves	Total Assets	Total Liabilities	Investments (Except in case of Investment insubsidiares)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
Television Eighteen India Limited	913,465,127	9,605,143,605	18,103,052,875	7,634,444,143	2,893,494,905	3,851,161,137	647,743,290	195,326,552	452,416,738	-
	900,846,371	8,910,511,463	19,539,122,508	19,539,122,508	5,305,067,943	3,399,938,542	(274,192,875)	50,562,525	(324,755,400)	-
ibn18 Broadcast Limited	475,629,098	6,395,522,487	10,447,517,709	3,576,366,124	7,183,824,111	2,527,697,766	(492,497,144)	-	(492,497,144)	-
	363,302,956	1,786,248,545	9,078,345,496	9,078,345,496	4,648,142,675	2,637,192,533	(820,989,695)	-	(820,989,695)	-
RVT Media Private Limited	26,200,000	(125,225)	1,311,330	1,336,555	-	1,262,466	(64,515)	-	(64,515)	-
	100,000	60,710	50,320	11,030	-	-	(18,583)	-	(18,583)	-
ibn18 Media & Software Limited	134,589,500	(134,064,001)	572,751	47,252	-	1,866,000	(134,214)	-	(134,214)	-
	134,589,500	133,929,787	702,398	47,252	-	1,721,000	(26,443)	-	(26,443)	-
ibn18(Mauritius) Limited, Mauritius	5,075	(658,589,640)	-	658,584,465	-	25,892	(164,492)	-	(164,492)	-
	5,075	(658,425,049)	-	311,299	-	-	(658,396,375)	-	(658,396,375)	-
Setpro18 Distribution Limited	500,000	74,393,914	293,654,341	218,760,427	1,536,614	935,887,420	(15,310,718)	(248,858)	(15,061,860)	-
	500,000	89,455,775	598,638,354	598,638,354	11,322,691	918,409,588	21,334,379	8,768,696	12,565,683	-
Network18 Holding Ltd, Cayman Islands	67,890,044	1,036,878,402	1,431,926,603	327,158,158	-	1,098,485,586	1,060,626,864	-	1,060,626,864	-
	67,890,044	84,915,593	2,121,119,865	2,121,119,865	427,524,000	146,688,847	126,005,733	-	126,005,733	-
TV18 HSN Holding Ltd,Cyprus	217,158,209	2,168,089,941	2,386,147,982	899,831	-	678,989	(4,729,770)	(67,893)	(4,797,663)	-
	217,121,374	2,172,887,604	2,391,650,584	2,391,650,584	-	9,440,873	4,722,495	200,428	4,522,068	-
TV18 Home Shopping Network Limited	50,683,950	574,140,111	962,336,845	337,512,784	-	676,120,137	(509,252,552)	-	(509,252,552)	-
	50,683,950	1,083,392,665	1,535,402,250	1,535,402,250	37,309,763	543,298,512	(283,917,074)	-	(283,917,074)	-
Network18 India Holdings Private Limited	1,370,810,000	1,900,373,094	3,278,841,863	7,658,769	-	22,944,288	17,327,978	22,536,848	(5,500,650)	-
	94,810,000	1,905,603,744	3,476,601,460	3,476,601,460	78,864,456	36,542,932	4,273,160	1,670,000	2,603,160	-
The Indian Film Company Limited, Guemsey	-	-	-	-	-	-	-	-	-	-
	-	4,326,308,661	4,641,557,419	4,641,557,419	-	889,086,979	16,938,499	-	16,938,499	-
The Indian Film Company (Cyprus)Ltd,Cyprus	-	-	-	-	-	-	-	-	-	-
	16,350,030	4,133,655,909	4,150,005,939	4,150,005,939	-	1,506,037,619	(241,019,169)	-	(241,019,169)	182,706
IFC Distribution Private Limited, India	-	-	-	-	-	-	-	-	-	-
	100,000	(25,438,103)	662,616,786	662,616,786	-	9,086,345	(10,133,651)	-	(10,133,651)	-
Television Eighteen Mauritius Limited	548,971,750	(195,412,511)	627,234,359	273,675,120	245,575,000	1,383,793	(45,940,861)	-	(45,940,861)	-
	535,939,050	(152,069,640)	679,919,110	296,049,700	248,270,045	60,669,066	(1,650,694)	-	(1,650,694)	-
Television Eighteen Media and Investment Limited	2,197,614,598	(13,559,223)	2,745,944,370	561,888,995	-	2,440,478	(12,604,769)	-	(12,604,769)	-
	2,014,335,040	(1,227,692)	2,842,884,547	829,777,198	2,579,555,679	1,007,330	(8,064,471)	-	(8,064,471)	-
NewsWire18 Limited	34,566,370	(298,016,015)	214,253,745	477,703,390	-	399,134,880	(9,900,064)	-	(9,900,064)	-
	34,566,370	(288,115,951)	189,823,400	443,372,981	-	336,025,394	(48,460,120)	-	(48,460,120)	-
RVT Investment Private Limited	6,235,000	403,235,082	3,666,095,767	3,256,625,685	3,164,197,838	16,519,589	(126,909,899)	-	(126,909,899)	-
	6,235,000	530,144,981	3,904,964,050	3,368,584,069	2,063,049,300	111,660,137	5,704,198	1,600,000	4,104,198	-
inews.com Limited	60,000,000	(37,429,731)	29,488,521	6,918,252	-	-	(36,568)	-	(36,568)	-
	60,000,000	(32,314,111)	33,598,320	5,912,431	-	-	(55,028)	-	(55,028)	-
Capital18 Limited, Mauritius	45	72,793,163	731,065,529	658,272,321	72,714,043	78,112,082	77,416,357	-	77,416,357	-
	45	(3,060,176)	1,166,143,448	1,169,203,579	472,383,355	-	(670,430)	-	(670,430)	-
BK Holdings Limited, Mauritius	223,250	(630,993,755)	1,178,108,601	1,808,879,106	75,905,000	43,197,802	(205,957,794)	-	(205,957,794)	-
	225,700	(433,993,584)	3,257,797,995	3,691,565,878	640,988,000	61,025,796	(350,292,078)	-	(350,292,078)	-
TV18 UK Limited, UK	72	1,493,986	3,195,418	1,701,360	-	4,257,600	(2,619,488)	906,798	(3,526,286)	-
	68	4,793,666	7,647,797	2,854,063	-	14,760,404	2,930,996	1,892,057	1,038,939	-
Namono Investments Limited, Cyprus	45	(1,666,651)	66,573	1,733,179	-	-	(349,858)	-	(349,858)	-
	45	(1,338,536)	57,644	1,396,135	-	-	(362,541)	-	(362,541)	-
Web18 Holdings Limited, Cayman Islands	20,947,547	1,572,102,210	1,594,474,138	1,424,381	-	14,862	(25,651,578)	-	(25,651,578)	-
	21,177,431	1,614,753,226	1,785,414,656	149,483,999	-	85,248	(84,994,103)	-	(84,994,103)	-
Colosceum Media Private Limited				-				-		-
	119,500,000	16,168,361	201,845,994	66,177,633	232,005	331,044,361	6,456,479	-	3,407,514	-
Stargaze Entertainment Private Limited				-				-		-
	2,802,000	164,135,866	476,725,686	309,787,820	219,636,981	62,790,106	(29,760,458)	-	(29,760,458)	-

FINANCIAL DETAILS OF SUBSIDIARIES

Name of SubsidiaryCompany	Capital	Reserves	Total Assets	Total Liabilities	Investments (Except in case of Investment insubsidiares)	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
Capital 18 Acquisition Corporation, Cayman Islands	7,724	(4,454,061)	139,487	4,585,824	-	-	(123,367)	-	(123,367)	-
	7,809	*(4,281,718)*	*141,023*	*4,414,932*	-	-	*(101,009)*	-	*(101,009)*	-
E-18 Limited, Cyprus	1,040,599,907	311,377,223	1,415,273,461	63,296,331	247,450,211	-	(3,647,109)	-	(3,647,109)	-
	1,052,019,704	*318,405,462*	*1,564,181,349*	*193,756,182*	*250,165,790*	*3,505*	*(41,413,100)*	-	*(41,413,100)*	-
Web 18 Software Services Limited	10,533,690	(466,207,818)	591,945,901	1,047,620,029	3,224,925	340,377,282	(224,090,705)	57,446	(224,148,151)	-
	10,533,690	*(241,882,903)*	*636,718,387*	*868,067,600*	*97,110,129*	*288,446,183*	*(315,819,456)*	-	*(315,819,456)*	-
Television Eighteen Commoditiescontrol.com Ltd	3,964,250	(169,708,974)	19,126,374	184,871,098	-	38,534,870	(29,153,681)	(10,102)	(29,143,579)	-
	3,964,250	*(140,799,819)*	*167,879,335*	*304,714,904*	-	*41,881,717*	*(28,319,105)*	-	*(28,319,105)*	-
Big Tree Entertainment Private Limited	185,480	40,758,114	147,833,582	106,889,988	15,475,403	160,945,444	(4,500,734)	(369,191)	(4,131,543)	-
	185,480	*44,889,657*	*223,441,685*	*178,366,548*	-	*121,594,645*	*(15,304,744)*	*(113,543)*	*(15,191,201)*	-
Care Websites Private Limited	8,278,000	(20,388,036)	3,863,224	15,973,260	-	3,894,353	518,874	-	518,874	-
	8,278,000	*(20,906,910)*	*3,235,988*	*15,864,898*	-	*1,682,327*	*(2,427,223)*	-	*(2,427,223)*	-
Moneycontrol Dot Com India Limited	500,000	184,788	2,296,099	1,611,311	-	1,634,984	152,050	28,821	123,229	-
	500,000	*61,559*	*1,240,713*	*679,154*	-	*1,036,724*	*(71,804)*	-	*(71,804)*	-
Infomedia 18 Limited	500,322,008	(403,489,255)	1,193,544,659	1,096,711,906	153,653,223	1,450,991,834	(303,111,592)	3,452,577	(306,564,169)	-
	497,090,557	*(112,011,735)*	*3,060,859,166*	*2,675,780,344*	*220,323,000*	*1,068,055,939*	*(500,020,767)*	*322,474*	*(500,343,241)*	-
Glyph International Limited (Formerly American Devices India Private Limited*)	-	-	-	-	-	-	-	-	-	-
	4,700,020	*116,739,998*	*268,282,497*	*146,842,479*	-	*222,393,179*	*82,482,852*	*921,652*	*81,561,200*	*30,000,000*
Cepha Imaging Private Limted	-	-	-	-	-	-	-	-	-	-
	1,593,100	*128,359,836*	*275,737,489*	*145,784,553*	-	*198,317,949*	*74,103,665*	*(2,418,891)*	*76,522,556*	*15,000,000*
Glyph International UK Limited (Formerly Keyword Group Limited*)	-	-	-	-	-	-	-	-	-	-
	68,030	*(8,206,565)*	*4,795,795*	*12,934,330*	-	*63,387,987*	*18,221,763*	*120,181,798*	*17,019,945*	-
Glyph International US LLC (Formerly Software services LC* (USA))	-	-	-	-	-	-	-	-	-	-
	10,754,334	*53,873,146*	*156,476,095*	*91,848,615*	-	*69,510,048*	*13,632,777*	*550,302*	*13,082,475*	-
e-Eighteen.com Limited	54,040,000	141,556,259	478,532,342	282,936,083	6,198,821	379,186,879	100,972,807	24,057,942	76,914,865	-
	54,040,000	*64,187,812*	*462,520,419*	*344,292,607*	*150,788,393*	*319,219,113*	*32,860,969*	*13,581,223*	*19,279,746*	-
Digital18 Media Limited #	240,500,000	(318,087,780)	88,486,627	166,074,407	-	212,540,695	(58,823,184)	-	(58,823,184)	-
	-	-	-	-	-	-	-	-	-	-
RRB Investments Private Limited #	20,100,000	(236,517,506)	119,315,353	335,732,859	111,454,301	292,024,375	247,795,588	49,400,843	198,394,745	-
	-	-	-	-	-	-	-	-	-	-
AETN18 #	26,100,000	(8,257,075)	29,132,451	11,269,526	-	-	(8,257,075)	-	(8,257,075)	-
	-	-	-	-	-	-	-	-	-	-

These companies were not the subsidiaries of the Company in the previous year. Hence only current year figures are given.

Network 18

NETWORK18 MEDIA & INVESTMENTS LIMITED

Regd. Office : 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi-110001.

ATTENDANCE SLIP

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/We hereby record my/our presence at the 16th ANNUAL GENERAL MEETING of the above named Company held at 12.00 Noon on Friday, the 9th September, 2011 at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarti Samaj Marg, Civil Lines, Delhi - 110054.

NAME(S) OF THE MEMBER(S)	Registered Folio No.
	Client ID No.
	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)

____
Signature of Member/Proxy

Network 18

NETWORK18 MEDIA & INVESTMENTS LIMITED

Regd. Office : 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi-110001.

PROXY FORM

I/We______________________________of ______________ being a

Member(s) of **NETWORK18 MEDIA & INVESTMENTS LIMITED** hereby appoint ______________

of ______________________ or failing him/her ______________

of ______________________ or failing 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 16th ANNUAL GENERAL MEETING of the Company to be held at 12.00 Noon on Friday, the 9th day of September, 2011 at MPCU, Shah Auditorium, Mahatma Gandhi Sanskritk Kendra, 2 Raj Niwas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi - 110054.

AS WITNESSED under my/our hand(s) this ________________ day of ________ 2011

Signed by the said ________________

DP ID No. ____________________

Affix
Re. 1
Revenue
Stamp

NOTES :

1. This Proxy need not be a member
2. This 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.

Network 18 Enable Enlighten Entertain

Important Communication to Shareholders

Members are requested to note that the Ministry of Corporate Affairs (MCA) has taken a "Green Initiative in the Corporate Governance" by allowing the paperless compliances by the companies vide its circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 after considering certain provisions of the Information Technology Act, 2000, thereby permitting the companies to send the notices / annual reports etc. through email to its members.

The Company also supports the National Mission "Go Green" and appreciates the initiative taken by Ministry of Corporate Affairs ("MCA"), as it strongly believes in a Greener Environment. This initiative also helps in prompt receipt of communication, apart from avoiding losses / delays in postal transit. Being an active participant for promoting Green Initiative, we propose to henceforth send documents such as notices for general meetings, Annual Reports etc. to the shareholders of the Company in electronic form to their email addresses.

The Company had requested the members through emails, to those shareholders whose email IDs were available in the depository system to give their consent for sending them above documents through emails and update their email IDs with their concerned Depository Participant.

Members who hold shares in electronic mode and have not yet registered their e-mail address, are requested to register their e-mail address with the Depository through their concerned Depository Participant.

We are sure you would appreciate the "Green Initiative" taken by MCA, just as it is being welcomed by companies like us and solicit your whole-hearted co-operation in helping the Company in implementing the e-governance initiatives of the Government in the interest of environment, which is the need of the hour today.

Please note, as a member of the Company, you are also entitled to receive, free of cost, a printed copy of the balance sheet of the Company and all other documents required by law to be attached thereto including the profit and loss account and auditors' report and all other communication that may be sent to you, upon receipt of a requisition from you to this effect.

We therefore request our Members to send their consent to receive the communications in electronic mode as explained above, in the consent form given overleaf.

Network18 Media & Investments Limited

Regd. Office : 503, 504 & 507, 5th floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi-110001.

CONSENT FOR RECEIVING DOCUMENTS IN ELECTRONIC MODE

(Pursuant to circulars no. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011)

Unit : Network18 Media & Investments Limited

To,
Karvy Computer Share Private Limited,
Plot no. 17 to 24, Vithalrao Nagar,
Hyderbad – 500 081.

Dear Sir,

I/ We shareholder (s) of Network 18 Media & Investments Limited, agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communication, from time to time, in electronic mode (through e-mail).

I/ We request you to kindly register my/ our belowmentioned email id in the Company's records for sending such communication through e-mail.

Folio No. ___________________/DP ID No.* __________________& Client ID No.* ___________________
*Applicable for members holding shares in electronic form.

Name of the Sole/ First Shareholder :

Name of the Joint Shareholders (if any) :

No. of shares held :

E-mail id for receipt of documents in electronic mode :

Date:

Place: Signature: _________________________
(Sole/ First Shareholder)

Note:

1. Shareholders are requested to inform the Company's Registrar and Share Transfer Agents as and when there is change in their registered email id.
2. For shares held in demat form, shareholders are also requested to inform/ update their email-ids to their respective Depository Participants.