TV18 Broadcast Limited

Annual Report - 2010-11

BOARD OF DIRECTORS

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

MANAGER
- MR. SAIKUMAR GANAPATHY BALASUBRAMANIAN

G.M. FINANCE
- MR. GURDEEP SINGH PURI

AGM – CORPORATE AFFAIRS & COMPANY SECRETARY
- MR. HITESH KUMAR JAIN

AUDITORS
- DELOITTE HASKINS & SELLS
  CHARTERED ACCOUNTANTS

BANKERS
- YES BANK
- SYNDICATE BANK
- ICICI BANK LTD
- ORIENTAL BANK OF COMMERCE
- SMALL INDUSTRIAL DEVELOPMENT BANK OF INDIA

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

REGISTRAR & SHARE TRANSFER AGENT
- LINK INTIME INDIA PRIVATE LTD.
  A-40, 2ND FLOOR,
  NARAINA INDUSTRIAL AREA, PHASE - II
  NEAR BATRA BANQUET HALL,
  NEW DELHI - 110 028

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Notice

Notice is hereby given that the 6th **Annual General Meeting** of the Members of TV18 Broadcast Limited will be held on Friday the **9th day of September 2011 at 11.00 A.M**. 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 consider & adopt the Audited Balance Sheet as at 31st March 2011, Profit & Loss Account for the financial year ended on that date and the Reports of the Board of Directors & Auditors thereon.
2. To appoint a Director in place of Mr. Hari S Bhartia, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS

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

"RESOLVED THAT in partial modification of the earlier Special Resolutions relating to the GBN Employees Stock Option Plan 2007 ("ESOP 2007") passed at 2nd Annual General Meeting held on September 7, 2007 and the Extra Ordinary General Meeting held on March 10, 2008 and in accordance with the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956 (the "**Act**") and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (the "**Guidelines**") or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations, the Articles of Association of the Company and Listing Agreements entered into by the Company with the Stock Exchanges where the existing securities of the Company are listed (the "**Stock Exchanges**") and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), the consent of the members of the Company be and is hereby accorded to amend the ESOP 2007 as formulated and adopted by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall include the 'Remuneration/ Compensation Committee' of the Board or any other Committee duly constituted by the Board for this purpose) **by increasing the maximum number of options** that can be granted under the ESOP 2007 from existing 85,00,000 to 1,25,00,000 thereby authorizing the Board to grant, vest and allot such number of equity shares and/or equity linked instruments which could give rise to the issue of equity shares (hereinafter referred to collectively as the "**Securities**") not exceeding in aggregate 1,25,00,000 Securities of Rs. 2/- each, in one or more tranches, to such employees of the Company, whether working in India or out of India and Directors of the Company whether Wholetime Directors or otherwise (hereinafter referred to collectively as the "**Employees**"), as may be decided by the Board, on the terms and conditions as contained in the Explanatory Statement of the earlier Special Resolutions passed at the 2nd Annual General Meeting held on September 7, 2007 and Extra Ordinary General Meeting of the Company held on March 10, 2008 and as, after the necessary changes, more specifically disclosed in the Explanatory Statement to this resolution, and as may be further determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time.

RESOLVED FURTHER THAT out of the above **1,25,00,000** Securities not more than **20,00,000 Securities may be granted to the Non-Executive Directors, including Independent Directors of the Company in any one Financial Year** and if the above mentioned 20,00,000 Securities are not granted to the Non-Executive Directors, including Independent Directors of the Company in any one Financial Year, the same may be granted to the employees of the Company and further that such grant of options to any Director including Non-Executive / Independent Director by the Board under ESOP 2007, be and is hereby ratified/ approved by the members of the Company.

RESOLVED FURTHER THAT the number and/ or price of the aforesaid Securities to be issued under ESOP 2007 shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT all the new equity shares to be issued and allotted as aforesaid shall rank *pari passu* including dividend *inter se* with the then existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted under ESOP 2007 on the Stock Exchanges as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to make such amendment(s)/ alterations in the terms and conditions of ESOP 2007 as may be necessary and / or beneficial to the employees and further to do all such act(s), deed(s), matter(s) and thing(s) as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities of the Company in this regard, without being required to seek any further consent or approval of the members or otherwise to the end and intent that all such act(s), deed(s), matter(s) and thing(s) done and executed by the Board in relation to the grant or vesting of the Securities as described above, be and are hereby ratified by the Company by the authority of this resolution.

RESOLVED FURTHER THAT the Directors and / or General Manager – Finance and / or Company Secretary of the Company be and are hereby severally authorised to do all such act(s), deed(s), matter(s) and thing(s) and to sign, seal and execute any documents, letters, papers etc., give such undertaking as may be necessary or expedient to give effect to this resolution."

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

"RESOLVED THAT in partial modification of the earlier Special Resolutions relating to the GBN Employees Stock Option Plan 2007 ("ESOP 2007") passed at 2nd Annual General Meeting held on September 7, 2007 and the Extra Ordinary General Meeting held on March 10, 2008 and in accordance with the provisions of Section 81(1A), and all other applicable provisions, if any, of the Companies Act, 1956 (the "**Act**") and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (the "**Guidelines**") or any statutory modification(s) or re-enactment of the Act or the Guidelines, the provisions of any other applicable laws and regulations, the Articles of Association of the Company and Listing Agreements entered into by the Company with the Stock Exchanges where the existing securities of the Company are listed (the "**Stock Exchanges**") and subject to any applicable approval(s), permission(s) and sanction(s) of any authorities and subject to any condition(s) and modification(s) as may be prescribed or imposed by such authorities while granting such approval(s), permission(s) and sanction(s), the consent of members of the Company be and is hereby accorded to amend the ESOP 2007 as formulated and adopted by the Board of Directors of the Company (hereinafter referred to as the "**Board**" which term shall include the 'Remuneration/ Compensation Committee' of the Board or any other Committee duly constituted by the Board for this purpose) **by increasing the maximum number of options** that can be granted under the ESOP 2007 from existing 85,00,000 to 1,25,00,000 thereby authorizing the Board to grant, vest and allot such number of equity shares and/or equity linked instruments which could give rise to the issue of equity shares (hereinafter referred to collectively as the "**Securities**") not exceeding in aggregate 1,25,00,000 securities of Rs. 2/- each, in one or more tranches, to such employees of the **Holding and/ or Subsidiary Company(ies), whether working in India or out of India and Directors of the Holding and/ or Subsidiary Company(ies) whether Wholetime Directors or otherwise (hereinafter referred to collectively as the "Employees"),** as may be decided by the Board, on the terms and conditions as contained in the Explanatory Statement of the earlier Special Resolutions passed at the 2nd Annual General Meeting held on September 7, 2007 and Extra Ordinary General Meeting of the Company held on March 10, 2008 and as, after the necessary changes, more specifically disclosed in the Explanatory Statement to this resolution, and as may be further determined by the Board in accordance with the Guidelines or any other applicable provisions as may be prevailing at that time.

RESOLVED FURTHER THAT out of the above **1,25,00,000** Securities not more than **20,00,000 Securities may be granted to the Non-Executive Directors, including Independent Directors of the Holding/Subsidiary Company(ies) of the Company in any one Financial Year** and if the above mentioned 20,00,000 Securities are not granted to the Non-Executive Directors, including Independent Directors of the Holding/Subsidiary Company(ies) of the Company in any one Financial Year, the same may be granted to the employees of the Holding/ Subsidiary Company(ies) and further that such grant of options to any Director including Non-Executive / Independent Director by the Board under ESOP 2007, be and is hereby ratified/ approved by the members of the Company.

RESOLVED FURTHER THAT the number and/ or price of the aforesaid Securities to be issued under ESOP 2007 shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring.

RESOLVED FURTHER THAT all the new equity shares to be issued and allotted as aforesaid shall rank *pari passu* including dividend *inter se* with the then existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorized to take necessary steps for listing of the Securities allotted under ESOP 2007 on the Stock Exchanges as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to make such amendment(s)/ alterations in the terms and conditions of ESOP 2007 as may be necessary and / or beneficial to the employees and further to do all such act(s), deed(s), matter(s) and thing(s) as may be necessary or expedient and to settle any questions, difficulties or doubts that may arise in this regard at any stage including at the time of listing of securities of the Company in this regard, without being required to seek any further consent or approval of the members or otherwise to the end and intent that all such act(s), deed(s), matter(s) and thing(s) done and executed by the Board in relation to the grant or vesting of the Securities as described above, be and are hereby ratified by the Company by the authority of this resolution.

RESOLVED FURTHER THAT the Director(s) and / or General Manager – Finance and / or Company Secretary of the Company be and are hereby severally authorised to do all such act(s), deed(s), matter(s) and thing(s) and to sign, seal and execute any documents, letters, papers etc. as may be necessary or expedient to give effect to this resolution."

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

"RESOLVED THAT pursuant to the Securities and Exchange Board Of India (Employee Stock Option Scheme and Employee Stock Purchases Scheme) Guidelines, 1999 (hereinafter referred to as 'the Guidelines') and any amendment thereto, the consent of the members of the Company be and is hereby accorded to the Board to create, offer issue and allot, more than 1% but not more than 3% of the issued capital of the Company in any one year to any employee or Director of the Company or of the holding and/ or subsidiary companies under the GBN Employee Stock Option Plan 2007 of the Company in accordance with the terms and conditions of the said Plan.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things and execute all such document, instruments and writings as it may in its sole and absolute discretion deem necessary and expedient and to settle any question, difficulty of doubt that may arise in regard thereto."

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

"RESOLVED THAT subject to the approval of the Central Government, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company to enter into a Long Term Contract / Arrangement with AETN18 Media Private Limited ("AETN18") for a period of 3 years commencing from September 12, 2011 till September 11, 2014 for providing and / or receiving services as detailed hereunder:

Name of contractee party	Nature of transactions
AETN18 Media Private Limited	Providing and / or receiving services in the nature of uplinking and downlinking facility for the channels of AETN18 from the Teleport of the Company, Transponder Services, sale of Free Commercial Time (FCT) on the channels of the Company and AETN18 to any third party, Booking of FCT, Spots and Banners including promos on the Channels of the Company and vice versa, Creation & modification of graphics, Channel branding & packaging, equipment hiring (viz. OB Vans, cameras etc.), Associate Costing / branding or any other services as may be mutually agreed by both the parties to the Contract / Arrangement.

Common Directors	Proposed value of Contract / Arrangement	Period of proposed Contract / Arrangement
Mr. Raghav Bahl and Mr. Sanjay Ray Chaudhuri	Rs. 25 crores per annum or Rs. 75 Crores for the total contract period of 3 years.	3 years (from September 12, 2011 to September 11, 2014)

RESOLVED FURTHER THAT pursuant to the provisions of Section 297 and any other applicable provisions, if any, of the Companies Act, 1956, Mr. Raghav Bahl and Mr. Sanjay Ray Chaudhuri, Directors, Mr. Gurdeep Singh Puri, General Manager – Finance and Mr. Hitesh Kumar Jain, AGM – Corporate Affairs & Company Secretary of the Company be and are hereby severally authorized to make application with Central Government (Regional Director, North, Ministry of Corporate Affairs and/ or concerned Registrar of Companies) or to any other authority, if so required for obtaining the approval for entering into aforesaid Contract / Arrangement and to sign, seal, execute & submit any Form(s) including Form 24A, Application(s), Petition(s), Affidavit(s), Power of Attorney(ies), Document(s), letter(s) etc. and to make any presentation, representation, enter appearance before Regional Director/ Registrar of Companies, Ministry of Corporate Affairs or any other concerned authority, if so required and to do all such acts, deeds or things including accepting and/ or making any such changes (including the proposed value) in the aforesaid Contract/ Arrangement as may be suggested/ directed by any of the aforesaid authority or required otherwise which are deemed necessary for giving effect to the aforesaid resolution or in any matter(s) incidental or ancillary thereto."

By order of the Board
For **TV18 Broadcast Limited**

Hitesh Kumar Jain
AGM-Corporate Affairs
& Company Secretary

Place: Noida
Dated: August 11, 2011

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE MEETING) IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. A blank Proxy Form is enclosed with this notice and if intended to be used, the Proxy Form duly completed should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.
3. Members/ Proxies are requested to bring a copy of this notice as no copies will be made available at the Meeting. Under no circumstances, photocopies of the admission slip will be allowed for admission to the Meeting place. Those members who do not receive copies of Annual Report can collect their copies from the Registered Office of the Company.
4. Members/ proxies should bring the attendance slips duly filled in for attending the Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorising their representative to attend and vote at the Meeting.
6. Members can avail the nomination facility with respect to shares held, by submitting a request in writing to the Company or to M/s Link Intime India Private Limited, the Registrar and Share Transfer Agent of the Company.
7. Explanatory Statement pursuant to section 173 of the Companies Act, 1956 relating to Special Business to be transacted at the Annual General meeting is annexed.
8. Mr. Hari S. Bhartia, Director, retiring by rotation at the ensuing Meeting and being eligible, offers himself for re-appointment. Brief resume of Mr. Bhartia, nature of his expertise and names of other Public Limited Companies in which he hold Directorship and Chairmanship / membership of Committees of Board as required under Clause 49 of the Listing Agreement entered into with the Stock Exchange(s), are provided in the Corporate Governance Report annexed in the Annual Report. The Board of Directors recommends his re-appointment.
9. The Register of Members will be closed from Monday the 5th day of September 2011 to Friday the 9th day of September 2011, both days inclusive. The Transfer Books of the Company will also remain closed for the aforesaid period.
10. All documents referred to in the accompanying notice are available for inspection at the Registered Office of the Company during working hours between 11.00 A.M. to 1.00 P.M. except holidays upto the date of Meeting.
11. Members are requested to send all the correspondence concerning registration of transfer, transmission, subdivision, consolidation of shares or any other share related matters to the Company's Registrar & Share Transfer Agent, M/s Link Intime India Private Limited, at A - 40, 2nd Floor, Naraina Industrial Area, Phase – II, Near Batra Banquet Hall, New Delhi – 110 028.
12. Members who hold shares in electronic mode are requested to intimate immediately the change in their address and other details to their Depository Participant with whom they are maintaining their demat accounts. Members who hold shares in physical mode are requested to intimate immediately any change in their address and other details to the Company's Registrar & Share Transfer Agent, M/s Link Intime India Private Limited.
13. The details of the Stock Exchanges, on which the securities of the Company are listed, are given separately in the Annual Report of the Company.
14. 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 Meeting.
15. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names are requested to send the share certificates to the Company's Registrar and Share Transfer Agent, M/s Link Intime India Private Limited, for consolidation into a single folio.
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.**

EXPLANATORY STATEMENT WITH RESPECT TO SPECIAL BUSINESS PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

ITEM No. 4, 5 & 6

The shareholders of the Company at the second Annual General Meeting of the Company held on September 7, 2007 have approved The GBN Employees Stock Options Plan (ESOP 2007) to grant, vest and allot 15,00,000 securities of Rs. 10/- each through separate special resolutions for the employees & directors of the Company and that of subsidiary & holding Companies of the Company. Further at the Extra Ordinary General meeting of the shareholders held on March 10, 2008 the maximum number of securities were increased by 2,00,000, thereby making maximum number of securities of Rs. 10/- each that may be granted as 17,00,000 and the other terms and conditions remained same.

To improve the liquidity of shares of the Company each equity share was splited into five equity shares thereby reducing the face value of equity share from Rs. 10/- to Rs. 2/-. Accordingly the maximum number of options that can be granted under ESOP 2007 to the Employees, Directors including Non-Executive and Independent Directors of the Company and that of Holding/Subsidiary Company(ies) of the Company under ESOP 2007 became 85,00,000.

Your Company has entered into a Scheme of Arrangement ("Scheme") between Television Eighteen India Limited ("TV18"), Network18 Media & Investments Limited and other Network18 group companies involving demerger of "News Business Undertaking" of the TV18 into the Company. The members are hereby informed that upon the Scheme becoming effective, the Company will have to grant options to the employees of TV18 in lieu of their options in TV18. Present head room of ungranted options may not be sufficient to accommodate the future requirements of the Company, after grant of options to the employees of TV18, therefore it is proposed to increase present number of options under ESOP 2007 by another 40,00,000 options thereby increasing the maximum number of options that can be granted under ESOP 2007 Scheme of the Company from the existing 85,00,000 to 1,25,00,000.

There is no change in the terms and conditions of ESOP 2007 except to the extent of increase of number of options and as more specifically specified hereunder.
The salient features of the plans are given below:

Sr. No.	Particulars	ESOP 2007
A.	Total number of options to be granted/ shares to be issued under the Plan	1,25,00,000 options to be granted under the plan, each option convertible into one equity share of Rs 2/- each at the end of vesting period of the respective grants.
B.	Classes of employees entitled to participate	The Employees and Directors of the Company, its holding and subsidiary Companies, except (i) the Employees who are either Promoter or belong to Promoter Group as defined in the Guidelines or (ii) a Director holding directly or indirectly more than 10% of the outstanding equity shares of the Company either by himself or through his relative or through any body corporate.
C	Vesting requirement and Vesting period	a. There shall be a minimum period of one year between the grant of Options and vesting of Options. b. Options granted to a Grantee under this Plan shall vest with the Grantees over such periods, ranging from one year to five years from the date of grant as may be determined by the Remuneration / Compensation Committee at the time of grant of Options.
D	Maximum Vesting Period	The maximum vesting period may be decided by the Remuneration/ Compensation Committee at the time of grant however the same shall not exceed beyond 5 years.
E	Exercise Price or Pricing Formula	The Options granted to the Employees under this Plan shall carry an Exercise Price, which may be such discounted price to the Market Price of the Equity Shares of the Company as may be determined by the Remuneration/ Compensation Committee. However the Exercise Price shall not be less then the par value of the Equity Shares of the Company.

Sr. No.	Particulars	ESOP 2007
F	Exercise Period	Exercise period shall commence from the date of Vesting of the Options and may extend upto 24 months, as may be decided by the Remuneration / Compensation Committee. Special provisions would apply in case of death, permanent incapacitation, misconduct, superannuation or resignation of employee.
G	Exercise process	The Option will be exercisable by the Employees by a written application to the Designated Officer and / or Remuneration/ Compensation Committee of the Company to exercise the Option in such a manner and on execution of such documents, as may be prescribed by the Remuneration / Compensation Committee under the Scheme.
H	Appraisal process	Options would be distributed based on: • the performance of the Employee • the position and responsibilities of the Employee • the nature of the Employee's services to the Company or its Holding or Subsidiary Company • the period for which the Employee has rendered his services to the Company or its Holding or Subsidiary Company • the Employee's present and potential contribution to the success of the Company or its Holding or Subsidiary Company; or • any other factor as may be decided by the Remuneration/ Compensation Committee in exercising the powers vested in it under the Plan.
I	Maximum number of options to be issued per employee and in aggregate	Maximum options that can be granted per grantee shall not exceed 3% of the issued capital of the Company in any one financial year.
J	Method of Accounting/ Accounting policies and adherence to Guidelines	The Company shall follow Intrinsic method of accounting for valuing options in compliance with the accounting policies prescribed by SEBI under Clause 13.1 of the Guidelines and Institute of Chartered Accountants of India, as applicable.

In case the Company calculates the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of options, shall be disclosed in the Directors' report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' report.

As per Clause 6(3) of the SEBI (ESOP) Guidelines, 1999 approval of shareholders by way of separate resolution is required to be obtained, in case grant of options to employees, during one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant of options, is proposed to be made. Accordingly the resolution is set out at item no. 6 of the notice.

The options to be granted / shares to be issued under ESOP 2007 shall not be treated as an offer or invitation made to the public for subscription in the securities of the Company.

None of Directors of the Company has any concern or interest in items no. 4, 5 & 6 of business except to the extent of their shareholding in the Company or the number of options that may be granted to them under the ESOP 2007 of the Company.

Your Directors recommend that said resolutions be passed by the shareholders as special resolutions.

ITEM No 7.

TV18 Broadcast Limited (herein after called as 'TV18' or 'Company') is a Network18 Group Company which has joined hands with A&E Television Networks, LLC (AETN), a global media content Company for launch of HISTORY™, BIO™ and other popular AETN channels in the Indian market. Network18 Group's foray into the factual entertainment genre in India is driven through 'AETN18 Media Private Limited' (herein after called as 'AETN18') which is a Subsidiary of the Company.

Your Company with an objective to support the subsidiary Company, proposes to enter into a Long Term Contract / Arrangement with AETN18 for a period of 3 years commencing from September 12, 2011 till September 11, 2014 for providing and / or receiving services in the nature of uplinking and downlinking facility for the channels of AETN18 from the Teleport of the Company, Transponder Services, sale of Free Commercial Time (FCT) on the channels of the Company and AETN18 to any third party, Booking of FCT, Spots and Banners including promos on the Channels of the Company and vice versa, Creation & modification of graphics, Channel branding & packaging, equipment hiring (viz. OB Vans, cameras etc.), Associate Costing / branding or any other services as may be mutually agreed by both the parties to the Contact / Arrangement from time to time.

The proposed Long Term Contract / Arrangement with AETN18 would be on principal to principal & at an arms length basis dictated by market forces and the same does not fall under ambit of section(s) 198, 269, 295, 309 and 314 of the Companies Act, 1956. Further your Company has not made any default in repayment of its debts (including Public Deposits) or interest payable thereon and the Company has filed the Balance Sheet and Annual Return upto date with the office of Registrar of Companies. As on date there is no outstanding debentures in the Company. The proposed Contract / Arrangement was placed before the Board of Directors, at their meeting held on May 30, 2011 and the same was not carried on due to want of disinterested quorum. Therefore it was proposed to seek the approval of the members for the same. AETN18, being a subsidiary of a public Company, provisions of section 297 of the Companies Act, 1956 are not attracted on the aforesaid Contract / Arrangement, however as an abundant caution it is proposed to take prior approval of Central Government before entering into aforesaid proposed Contract / Arrangement.

None of the Directors of the Company other than Mr. Raghav Bahl and Mr. Sanjay Ray Chaudhuri, who are common Directors, is in any way concerned or interested in the resolution at item no. 7 in the accompanying notice, except to the extent of their shareholding in the Company.

Your Directors recommend that resolution be passed by the shareholders as special resolution.

By order of the Board
For **TV18 Broadcast Limited**

Hitesh Kumar Jain
AGM-Corporate Affairs
& Company Secretary

Place: Noida
Dated: August 11, 2011

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 6th Annual Report together with the Audited Accounts of M/s ibn18 Broadcast Limited (herein after referred as the 'Company' or 'IBN18') for the financial year ended March 31, 2011.

FINANCIAL PERFORMANCE

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

(Rs. in Crores)

Particulars	Financial Year ended March 31, 2011	Financial Year ended March 31, 2010
Revenues	**252.77**	263.72
Profit / (loss) before interest and depreciation	**2.51**	(25.67)
Interest	**40.08**	43.39
Depreciation	**11.69**	13.04
Net Profit / (loss) before tax	**(49.25)**	(82.10)
Provision for taxes / deferred tax	**-**	-
Profit / (Loss) after tax	**(49.25)**	(82.10)

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

(Rs. in Crores)

Particulars	Financial Year ended March 31, 2011	Financial Year ended March 31, 2010
Revenues	**813.33**	658.87
Profit / (loss) before interest and depreciation	**55.43**	(43.21)
Interest	**50.90**	47.65
Depreciation	**17.60**	18.62
Net Profit / (loss) before tax	**(13.07)**	(109.49)
Provision for taxes / deferred tax	**4.33**	0.07
Profit / (Loss) after tax	**(17.40)**	(109.55)

RESULT OF OPERATIONS

During the financial year 2010–11 your Company achieved a turnover of Rs. 252.77 crores. Profit of the Company during the year before interest and depreciation was Rs. 2.51 crores as against a loss of Rs. 25.67 crores in the previous year. Effective measures taken during the year to improve the financial state of the Company resulted in substantial decrease in the net loss of the Company from Rs. 82.10 crores in the previous year to Rs. 49.25 crores in the financial year ended on March 31, 2011.

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

Consolidated turnover of your company during the year was Rs. 813.33 crores. Driven by the strong profitability of the Company in entertainment business, the consolidated profit before interest and depreciation has surged to Rs. 55.43 crores during the current financial year ended on March 31, 2011 from a loss of Rs. 43.21 crores during the previous year.

DIVIDEND

In view of absence of profits for the financial year 2010-11 the Board of Directors of your Company do not recommend any dividend for financial year ended March 31, 2011.

TRANSFER TO RESERVES

Your Company has not made any transfer to the Reserves during the financial year 2010-11.

DEPOSITS

The Board of Directors of the Company during the year under review at their meeting held on April 23, 2010, had approved fixed deposit scheme for acceptance of deposits from public and shareholders of the Company under Section 58A of the Companies Act, 1956 within the limits as prescribed under Companies (Acceptance of Deposits) Rules, 1975.

Your Directors wish to convey their thanks to the investors for their over-whelming support to the fixed deposit scheme of the Company.

Your Company has received an aggregate sum of Rs. 158.83 crores under the fixed deposits scheme as on March 31, 2011 and no deposit was due for payment as on that date. There was no failure in payment of interest due on fixed deposits by the Company.

SCHEME OF ARRANGEMENT

Your Directors at their meeting held on July 7, 2010 have approved the Scheme of Arrangement (the "Scheme") of Network18 Group with an overall objective of placing all news business operations of the Network18 Group into one Company. Pursuant to an order dated November 19, 2010, passed by the Hon'ble High Court of Delhi at New Delhi, a meeting of the equity shareholders of your Company (the "First Transferee Company"), was convened on December 21, 2010 for the purpose of considering and approving, the Scheme between Television Eighteen India Limited ("TV18"), Web18 Software Services Limited ("Web18"), IBN18 Media & Software Limited ("IBN18 Media"), iNews.com Limited ("iNews.com"), Television Eighteen Commoditiescontrol.com Limited ("TECC"), RVT Investments Private Limited ("RVT"), Network18 India Holdings Private Limited ("Network18 India"), Care Websites Private Limited ("Care"), ibn18 Broadcast Limited ("IBN18") and Network18 Media & Investments Limited ("Network18") and their respective shareholders and creditors. TV18, Web18, IBN18 Media, iNews.com, TECC, RVT, Network18 India and Care are collectively referred as Transferor Companies. IBN18 and Network18 are collectively referred as Transferee Companies.

The Scheme envisages restructuring of Network18 group primarily into two verticals of operations. First vertical includes the consolidation of all TV broadcasting business in IBN18 and other vertical involves consolidation of other businesses of the group into Network18, the holding company of your Company.

The new structure offers shareholders/ investors the choice of investing in Network18 with controlling stake in TV broadcasting business or directly in the TV broadcasting business entity.

Upon the coming into effect of the Scheme and without any further act or deed and without any further payment, equity shares will be issued and allotted in the following ratio:

i. **17:25** i.e. 17 fully paid-up equity shares of Rs 2 each of IBN18 to be issued for every 25 fully paid-up equity shares of Rs 5 each of TV18, by IBN18 to equity shareholders of TV18;

ii. **13:100** i.e. 13 fully paid-up equity shares of Rs 5 each of Network18 to be issued for every 100 fully paid-up equity shares of Rs 5 each of the Demerged TV18 by Network18 to equity shareholders of TV18.

iii. No shares will be issued by Network18 to shareholders of Web18 on the demerger of the Web Undertaking of Web18 into Network18 pursuant to this Scheme, since shareholders of Web18 are subsidiaries of Network18.

iv. No shares will be issued on Merger of IBN18 Media and iNews.com into IBN18 pursuant to the Scheme since IBN18 Media is a wholly owned subsidiary of IBN 18 and iNews.com would become a wholly owned subsidiary of IBN18 pursuant to the Scheme.

v. No shares will be issued by Network18 to the equity shareholders of TECC, RVT, Care and Network18 India since such shareholders may be subsidiaries of Network18 pursuant to Scheme or since Network18 may own the entire share capital of the aforesaid merging companies.

vi. Pursuant to the Scheme, the name of Your Company will be changed, as an integral part of the Scheme, from ibn18 Broadcast Limited to New TV18 or such other name as may be approved by the Registrar of Companies, NCT of Delhi & Haryana.

vii. The Scheme shall be deemed to be effective from the Appointed Date i.e April 1, 2010.

The above Scheme was approved by the shareholders of the Company with an over-whelming majority. At the hearing on April 26, 2011, the Hon'ble High Court of Delhi approved the Scheme. Your Company has applied for the certified copy of the Court order. Once received, your Company will file the order with the Registrar of Companies, NCT of Delhi & Haryana to give effect to the Scheme.

DIRECTORATE

During the year under review Mr. Sameer Manchanda, Joint Managing Director of your Company had resigned from the Board of the Company w.e.f October 22, 2010. We sincerely place on record his contribution to the growth of the Company during his tenure.

Mr. Hari S. Bhartia, Director of your Company, retire by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re-appointment. The relevant detail of the Director proposed to be re-appointed is provided in the Corporate Governance Report forming a part of this Annual Report.

APPOINTMENT OF MANAGER

Pursuant to Section 269 / 386 of the Companies Act, 1956, Mr. Saikumar Ganapathy Balasubramanian was appointed as the Manager of the Company for a period of three years effective from October 26, 2010 without taking any remuneration from the Company.

RIGHTS ISSUE

In the Previous year, your Company had offered its 5,44,95,443 equity shares of Rs. 2/- each for cash at a premium of Rs. 91.5 per share aggregating to Rs. 5,09.53 crore on Rights Basis to its existing equity shareholders in the ratio of three equity shares for every ten equity shares held as on the Record Date i.e March 4, 2010.

The Rights Issue was opened for subscription on March 10, 2010 and closed on March 25, 2010. On April 1, 2010 your Company had allotted 5,44,95,443 partly paid-up equity shares. Rs. 31 per share was called on application and balance Rs. 62.5 was payable on three calls viz. Rs. 21 per share on first call, Rs. 21 on second call and Rs. 20.50 on third and final call. However, as per the terms of the Letter of Offer dated February 19, 2010 and also with the approval of the shareholders, your Company had clubbed all the above calls and made a full and final call of Rs. 62.50 per share.

Pursuant to the Rights Issue your Company had received Rs. 509.09 crore (Rs. 168.93 crore on application and Rs. 340.16 crore on calls) as on March 31, 2011 and had converted 5,44,25,108 partly paid-up shares into fully paid up. Rs. 0.44 crore representing 70,335 partly paid up shares is lying as calls-in-arrears.

INCREASE IN THE PAID-UP SHARE CAPITAL

During the year ended March 31, 2011, the paid-up equity share capital of your Company increased from Rs. 36,33,02,956/- comprising of 18,16,51,478 equity shares of Rs. 2/- each to Rs. 47,56,29,097.50 comprising of 23,77,96,965 equity shares of Rs. 2/- each and 70,335 partly paid-up equity shares on which Rs. 0.50 is paid up per share. The said increase in the paid up share capital of the Company was consequent to the allotment of 5,44,95,443 partly paid up shares under Rights Issue, conversion of 5,44,25,108 partly paid up shares into fully paid up out of aforesaid total partly paid-up shares issued under Rights Issue and allotment of 17,20,379 fully paid up equity shares under ESOP Scheme of the Company.

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

EMPLOYEES STOCK OPTION SCHEME

'The GBN Employee Stock Option Plan 2007' ("ESOP 2007"), implemented in accordance with the provisions of Companies Act, 1956 and the Securities and Exchange Board of India (Employee Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 (SEBI Guidelines) as amended from time to time, is one of the Company's instrument to reward employees of the Company / Holding Company / Subsidiary Companies for their dedication, support and hard work.

Remuneration / Compensation Committee of the Board of Directors of the Company grants options to the eligible employees of the Company / Holding Company and Subsidiary Companies. During the financial year ended on March 31, 2011 the Committee has granted 11,00,000 options under ESOP 2007.

Consequent to the exercise of options granted to eligible employees 17,20,379 fully paid-up equity shares were allotted during the financial year 2010-11. The details as required to be disclosed under Clause 12 of SEBI Guidelines are provided in Annexure - A to this Report.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

i) that in the preparation of the annual accounts for the financial year ended March 31, 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 fraud and other irregularities;

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

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

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

SUBSIDIARY COMPANIES

During the Financial Year 2010-11, AETN18 Media Private Limited became a Wholly Owned Subsidiary of RVT Media Private Limited which in turn is a Wholly Owned Subsidiary of your Company. Besides this ibn18 (Mauritius) Limited, RVT Media Private Limited and IBN18 Media & Software Limited continues to be Wholly Owned Subsidiaries of your Company.

A statement of your Company's interest in its Subsidiary Companies as on March 31, 2011 is attached as Annexure – B in terms of provisions of Section 212 of the Companies Act, 1956.

The Ministry of Corporate Affairs vide its circular no. 5/ 12/2007-CL-III dated February 8, 2011 has granted a general exemption under section 212(8) of the Companies Act, 1956 from attaching the balance sheet, profit & loss account, Reports of Directors and Auditors of subsidiary companies with the Balance Sheet of the Holding Company, subject to fulfillment of certain conditions. Consequently the Board of Directors at their meeting held on May 30, 2011 had resolved to avail the aforesaid exemption and the balance sheet, profit & loss account, Reports of Directors and Auditors of RVT Media Private Limited, ibn18 (Mauritius) Limited, IBN18 Media & Software Limited and AETN18 Media Private Limited, subsidiary Companies of the Company are not being published in this Annual Report of the Company. The annual accounts of the subsidiary companies will be made available to the shareholders of the Company and of the subsidiary companies seeking such information at any point of time and the annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder at the registered office of the Company and of the subsidiary companies.

The Company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

JOINT VENTURES

- **Viacom18 Media Private Limited** – (Through 50:50 JV of the Company with Viacom Inc.) Owns and operates 'Colors', leading Hindi General Entertainment Channel (GEC), *'MTV'*, the leading Youth Entertainment destination, *'Nick'*, leading Kids channel, *'Vh1'*, leading Premier English Channel and 'Viacom18 Motion Pictures', filmed Entertainment Business.
- '**IBN Lokmat News Private Limited** –(Through 50:50 JV of the Company with Lokmat group) Operates 'IBN Lokmat', the leading Marathi language news channel.

CONSOLIDATED FINANCIAL STATEMENTS

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

AUDITORS & AUDITOR'S REPORT

The term of M/s. Deloitte Haskins & Sells, Chartered Accountants, the Statutory Auditors of your Company, expires at the ensuing Annual General Meeting. The Company has received a certificate from them to the effect that their appointment, if made, would be within the prescribed limit as mentioned under Section 224 (1B) of the Companies Act, 1956 and they are not disqualified for such re-appointment within the meaning of section 226 of such Act.

Your Board has duly examined the Report issued by the Statutory Auditor's of the Company on the Accounts for the financial year ended March 31, 2011. Except the following comments the rest of the report is self explanatory.

EXPLANATION TO AUDITORS COMMENTS:

Auditor's qualification: Refer para no. 5 of the Auditors Report on the financial statements of the Company for the year ended on March 31, 2011

Management's Reply: The Company is of the view that having regard to the long term strategic involvement, no provision is considered necessary for 'other than temporary diminution' in the value of investments of the Company made in IBN Lokmat.

CORPORATE GOVERNANCE

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

POSTAL BALLOT

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

PARTICULARS OF EMPLOYEES

The names and other particulars of employees are required to be set out as an annexure to the Directors Report as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended by Companies (Particulars of Employees) Rules, 2011. In terms of the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid annexure is being sent out to the members and others entitled to receive the Annual Report of the Company. However any member who is interested in obtaining such information may send a written request for the same, to the Company Secretary of the Company at the Corporate Office address of the Company.

AWARDS AND ACCOLADES

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

CNN IBN won 18 awards at The Indian News Television (NT) Awards and 3 awards including Best News Program at Asian Television awards 2010.

CNN IBN also bagged 4 awards at Indian Television Academy Awards 2010 under various awards categories including Best English News Channel and 2 awards at Indian News Broadcasting Awards 2010.

IBN7 won 2 awards at News Television Awards 2010 including best News Talk Show. IBN7 also won Laadli Awards for best Issue based show and Indian News Broadcasting awards for best campaign.

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

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

A. Conservation of Energy

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

B. Technology absorption

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

C. Foreign Exchange Earnings and Outgo

Disclosure of foreign exchange earnings and outgo as required under Rule 2(C) is given in Schedule No. 16 "Notes on Accounts" forming part of the Audited Annual Accounts.

The total foreign exchange earning was of Rs. 5.58 lakhs in the financial year 2010-11 as against Rs. 13.03 lakhs during the previous financial year. The total foreign exchange expenditure during the year under review was Rs. 1,155.37 lakhs as against Rs. 1,140.22 lakhs during the previous financial year ended March 31, 2010.

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Place: Noida
Date: May 30, 2011 **Chairman**

Annexure - A

Information regarding '**The GBN Employee Stock Option Plan 2007'** as on **March 31, 2011** in terms of Regulation 12 of SEBI (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999 is as under:

Sl. No.	Particulars	Details
1	Options Granted during the year 2010-2011	1,100,000
2	Pricing Formula	To grant the option at such discounted price to the market price of the equity shares of the Company as may be decided by the Remuneration / Compensation Committee. However the exercise price shall not be less than the par value of the equity shares of the Company.
3	Options Vested	788,261
4	Options Exercised (till March 31, 2011)	1,720,379
5	Total No. of Shares arising as a result of exercise of Options	1,720,379
6	Options Lapsed	121,146
7	Variation in terms of Options	None
8	Money realized by exercise of Options	Rs. 94,620,845/-
9	Total number of Options in force	2,450,717
10	Employee wise details of Options granted during the year, to i) Senior Management Personnel ii) Any other employee who received a grant in any one year of Options amounting to 5% or more of Options granted during the year iii) Identified employees who were granted Options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	 Nil 11,00,000 options granted to Mr. Udayan Mukherjee, Director of WOS Nil
11	Diluted Earnings Per Share (EPS) before exceptional items pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 on 'Earning Per Share'.	(2.20)
12	Computation of employee compensation cost and effect on profit and EPS a) Method of calculation of employee compensation cost b) Difference between the employee compensation cost so computed at (a) above and the employee compensation cost to P&L account if the Company has used the fair value of the option	 Intrinsic value as per SEBI ESOP guidelines (Rs 12,843,148)
13	The impact of the difference as stated in 12(b) above on the profits and EPS of the Company: Profit after tax Less: Additional employees compensation cost based on the aforesaid difference Adjusted PAT Adjusted Basic EPS Adjusted Diluted EPS	 (492,497,144) (12,843,148) (505,340,292) (2.26) (2.26)
14	Weighted average price and fair value of the stock options granted at price below the market price: Total Options granted Weighted average exercise price (Rs.) Weighted average fair value (Rs.)	Not applicable
15	Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information: Risk free rate of interest (%) Expected life of the option from the date of grant (in years) Expected volatility (%) Dividend yield (%) The price of the underlying share in market at the time of option grant (Rs.)	The company has adopted Black Scholes pricing model for valuation of options.The main assumptions are as under 7.96% 3.01 years 39.36% 0% 86.00

Annexure – B

Statement pursuant to section 212 of the Companies Act, 1956

1	**Name of the subsidiary**	**RVT Media Private Limited**	**IBN18 Media & Software Limited**	**ibn18 (Mauritius) Limited**	**AETN18 Media Private Limited**
2	Financial year of the subsidiary ended on	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	10,000 Equity shares of Rs. 10/- each	67,294,750 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	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
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	N.A.
	(ii) Not dealt with in the Holding Company's accounts:				
	a) For the financial year of the subsidiary	(Rs.64,515)	(Rs 134,214)	(Rs.164,492)	(Rs. 8,062,310)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(Rs.60,710)	(Rs. 160,657)	(Rs. 658,396,375)	NA
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.
	b) Investments made	N.A.	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	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.

'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	37.	Network18 India Holdings Private Limited
2.	AETN18 Media Private Limited	38	Network18 Media & Investments Limited
3.	B K Media Private Limited	39	Network18 Publications Limited
4.	Big tree Entertainment Pvt Ltd	40.	Networkplay Media Private Limited (earlier known as Goosefish Media Venture Pvt. Ltd.)
5.	BK Capital Limited, Mauritius		
6.	BK Holdings Limited	41.	NewsWire18 Limited
7.	BK Media Mauritius Private Limited	42.	R B Software Private Limited
8.	BK Networks Limited	43	RB Holdings Private Limited
9.	BK Ventures Limited, Mauritius	44.	RB Investments Private Limited
10.	Blue Slate Media Private Limited	45.	RB Media Holdings Private Limited
11.	BRR Securities Private Limited	46.	RRB Investments Private Limited
12.	Capital 18 Advisors Limited	47.	RRK Finhold Private Limited
13.	Capital18 Acquisition Corp	48.	RRK Holdings Private Limited
14.	Capital18 Fincap Private Limited (Earlier VT Holdings Private Limited)	49.	RRK Media Private Limited
		50.	RVT Finhold Private Limited
15.	Capital18 Limited, Cayman Islands	51.	RVT Holdings Private Limited
16.	Capital18 Limited, Mauritius	52.	RVT Investments Private Limited
17.	Care Websites Private Limited	53.	RVT Media Private Limited
18.	Colorful Media Private Limited	54.	RVT Softech Private Limited
19.	Colosceum Media Private Limited	55.	Setpro18 Distribution Limited
20.	Digital18 Media Limited	56.	Stargaze Entertainment Private Limited
21.	E-18 Limited, Cyprus	57.	Television Eighteen Commoditiescontrol.com Limited
22.	e-Eighteen.com Limited	58.	Television Eighteen India Limited
23.	Global Broadcast Employees Welfare Trust	59.	Television Eighteen Mauritius Limited, Mauritius
24.	greycells18 Media Limited	60.	Television Eighteen Media and Investments Limited, Mauritius
25.	IBN18 Media & Software Limited	61.	TV18 Employees Welfare Trust
26.	IBN18 (Mauritius) Limited	62.	TV18 Home Shopping Network Limited
27.	IBN18 Trust	63.	TV18 HSN Holdings Limited, Cyprus
28.	iNews.com Limited	64.	TV18 UK Limited, UK
29.	Infomedia18 Limited	65.	Ubona Technologies Private Limited
30.	International Media Advisors Private Limited	66.	VT Media Private Limited
31.	Keyman Financial Services Private Limited	67.	VT Softech Private Limited
32.	Moneycontrol Dot Com India Limited	68.	Watermark Infratech Private Limited
33.	Namono Investments Limited	69.	Web18 Holdings Limited, Cayman Islands
34.	Network18 Employees Welfare Trust	70.	Web18 Software Services Limited
35.	Network18 Group Senior Professional Welfare Trust	71.	Webchutney Studio Private Limited
36.	Network18 Holdings Limited, Cayman Islands	72.	Wespro Digital Private Limited

Management Discussion and Analysis Report

INDUSTRY STATUS

The Indian media and entertainment 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 increasingly 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 appropriate 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.

Key Growth Drivers for News

The Company's channel offerings predominantly address business news and general current affairs. There is a direct relationship between viewership and revenues and some of the key drivers for this segment of television industry are:

1. Frequency and quantum of relevant news: News viewership is related to the occurrence of expected as well sudden news events that are relevant to viewers. India is a country that is being rapidly transformed con all fronts - economy, politics, external relations and social structures. This is resulting in a significant flow of news that appeals to a wide and diverse base of Indian viewers. In addition, the relevance and awareness of international events has also increased, thereby, creating greater viewer demand for news programming.
2. Quality of news content: News broadcasters have focused on delivering news as fast as possible to viewers and presenting news in an interesting manner. Several factors such as extensive news gathering networks, use of advanced news gathering technology, effective editing and production systems are facilitating the rapid and interesting dissemination of news content to viewers.
3. Extensive reach: High absolute reach of news channels offers an attractive platform for advertisers to build reach.
4. SEC profile of viewership: News channels, especially in the English language, have a higher proportion of viewership among SEC A and SEC B households. These households typically have higher purchasing power and are attractive target groups for advertisers.
5. Regional and Local News: India has seen a proliferation in regional and locally targeted news channels in Hindi and other languages, with a larger focus on coverage of local issues. With greater economic growth and disposable incomes across strata, advertisers are seeking more focused audience delivery.

Key Growth Drivers for General Entertainment:

1. Synergies with the Movies Industry especially Bollywood: There has been a growing integration of Bollywood on TV, be it top film stars hosting TV shows, movie promotions on reality shows or just the Bollywood theme being used on TV. The relationship is symbiotic as it is fruitful for the film industry before the release of a film to catch the audiences' attention and the TV channels benefit due to film stars' association. Bollywood and Cricket are two interests which still rule the hearts of the Indian masses.
2. Reality based content: Reality TV is continuing to find its place amongst prime time viewing and impacting the channels' GRPs to a large extent. Inspite of it being expensive for channels to produce and acquire, given the rising costs of film stars who draw audiences to these shows, it has become an important content category.

3. Extensive reach and time spent: High absolute reach and time spent on general entertainment channels offers an attractive platform for advertisers
4. Regional: Regional general entertainment is one of the largest viewership genres on Indian television, with substantial growth potential. India's cultural diversity and tradition of unique local tastes allow for strong regionally focused entertainment services.

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 Viacom18 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)

BUSINESS OVERVIEW

IBN18 operates in the general news and entertainment space with leading general news channels CNN-IBN, IBN7 and IBN Lokmat, (a Marathi news channel in partnership with the Lokmat group). IBN18 also operates a joint venture with Viacom, called Viacom18 which houses the MTV, VH1 and Nickelodeon channels in India, Viacom18 Motion Pictures, the filmed entertainment operation and COLORS, India's leading Hindi general entertainment channel.

- **NEWS**
  - CNN-IBN: The No.1 English News Channel
  - IBN7 – A Premier Hindi News Channel
  - IBN LOKMAT – A Leading Marathi News Channel
- **ENTERTAINMENT (Viacom18)**
  - COLORS – A leading Hindi General Entertainment Channel (GEC)
  - MTV – The No.1 Youth Entertainment/ Music Channel
  - NICK – The Leading Kids Channel
  - Vh1 – India's premier English Entertainment cum International music cum Lifestyle Channel
- **FILMS**
  - Viacom18 Motion Pictures
  - **Digital Content**

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

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

    News broadcasts from CNN IBN and IBN7 are also available as text and other interactive formats on their respective sites. The sites provide streaming video feeds, downloadable tickers and breaking news alerts. IBNLive.com contains a section on investor relations which provides regular updates and statutory notices and press releases for IBN18's shareholders.

Financial Performance Summary

I. Strong Year with consolidated operating profit surging to Rs. 47 crores, as against a loss of Rs. 29 crores in FY10.

- Consolidated Revenues stood at Rs. 804 crores during the year FY11 up 33% from Rs. 605 crores in FY10 on a reported basis.
- Operating Profits surged to Rs. 48 crores during the year (from a loss of Rs. 29 crores in FY10) driven by strong profitability in our Entertainment Business.

II. 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. 1104 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.

III. 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 stood at Rs. 244 crores, up 17% against Rs. 210 crores in FY10.

IV. IBN Lokmat continued on a growth trajectory – revenues in FY11 increased 19% over FY10.

V. Our subscription revenues which stood at approximately 10% of the total revenues for FY2010-11 should exhibit strong growth in the current financial year. SUN18 Media Services, our distribution arm, has made significant headway in negotiating long term contracts with DTH companies and cable companies/operators.

VI. Performance of IBN18 Segments in FY11 – Comparison with last year (FY10)

	FY11			FY10			% Growth	
All figures in Rs. Crores unless stated otherwise	Revenues	EBITDA	EBITDA Margin %	Revenues	EBITDA	EBITDA Margin %	Revenues	EBITDA
General News	***252***	***(12)***	***-5%***	***216***	***(19)***	***-9%***	***17%***	–
Entertainment (50%)	***552***	***60***	***11%***	***417***	***(16)***	***-4%***	***32%***	–

NEWS

CNN IBN

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

Content and Programming Strategy:

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

1. **Leading Coverage –** Through the year, CNN IBN has continued to be at the forefront when covering key events across all fields, be it politics, sports, corporate India or global news. From breaking news to insightful analysis, CNN IBN programming is continuously aligned to the evolving needs of its viewers. A case in point is CNN IBN's benchmark program, 'State of the Nation' that conducted the first ever poll from the naxal corridor to take a closer look at the lives of the people residing in Naxal affected areas and their take on Naxalism, violence and development.
2. **Content Differentiation –** During the period, CNN IBN conceptualized and delivered a wide portfolio of special programming and marketing initiatives. Especially noteworthy were the channel's market leading coverage of the Bihar Elections, the Ayodhya Verdict and the Union Budget. The channel also continues to offer quality programming with widely acclaimed shows such as 'The Last Word' with Karan Thapar, 'India @ Nine' and specials such as 'Kings of Cricket', a power packed line up for the ICC World Cup.
3. **Special Initiatives:** CNN-IBN completed 5 years of News Leadership in 2010. The achievement was marked with a special campaign celebrating the journey of CNN-IBN with viewers being given bumper prizes and unique opportunities to interact with the editorial faces of the channel.

Innovation and Value Creation in Programming

'Focus' is the customized innovation solutions division within the network and has grown from strength to strength. The fundamental ideal behind the genesis of 'Focus' was to deliver sustainable value to partners and audiences rather than restricting the channel to traditional content delivery model of media brands driven by regular advertising and shows. 'Focus' aligns itself with the strategic objectives of partners and after mapping that with viewer needs, develops a comprehensive mix of programming and promotions to achieve value addition for viewers as well as the partners. With the use of new distinctive formats, both on air and on ground, 'Focus' engages stakeholders of the partners and viewers of the channel at multiple touch points. During the last year, CNN IBN's 'Focus' has continued to grow with signature events such as the Citizen Journalist Awards, Indian of the Year, Young India Leaders and Indian Sports Legends.

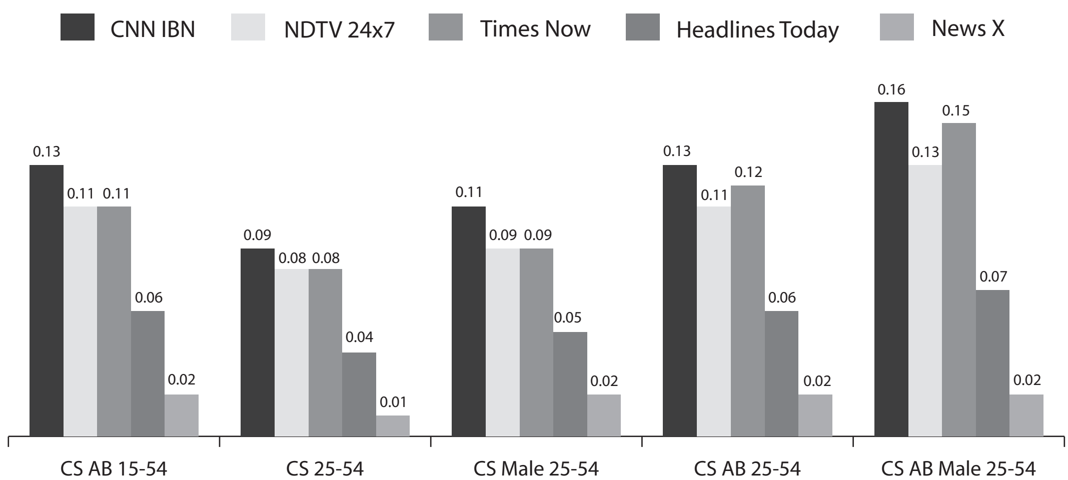
List of Awards and Accolades

CNN IBN is proud to have won several awards through the year including:

1. Indian Television Academy Awards 2010: Won 4 awards including Best English News Channel
2. Asian Television awards 2010: Won 3 awards including Best News Program
3. News Television Awards 2011: Won 18 awards
4. Indian News Broadcasting Awards 2010: Won 2 awards

Viewership Performance

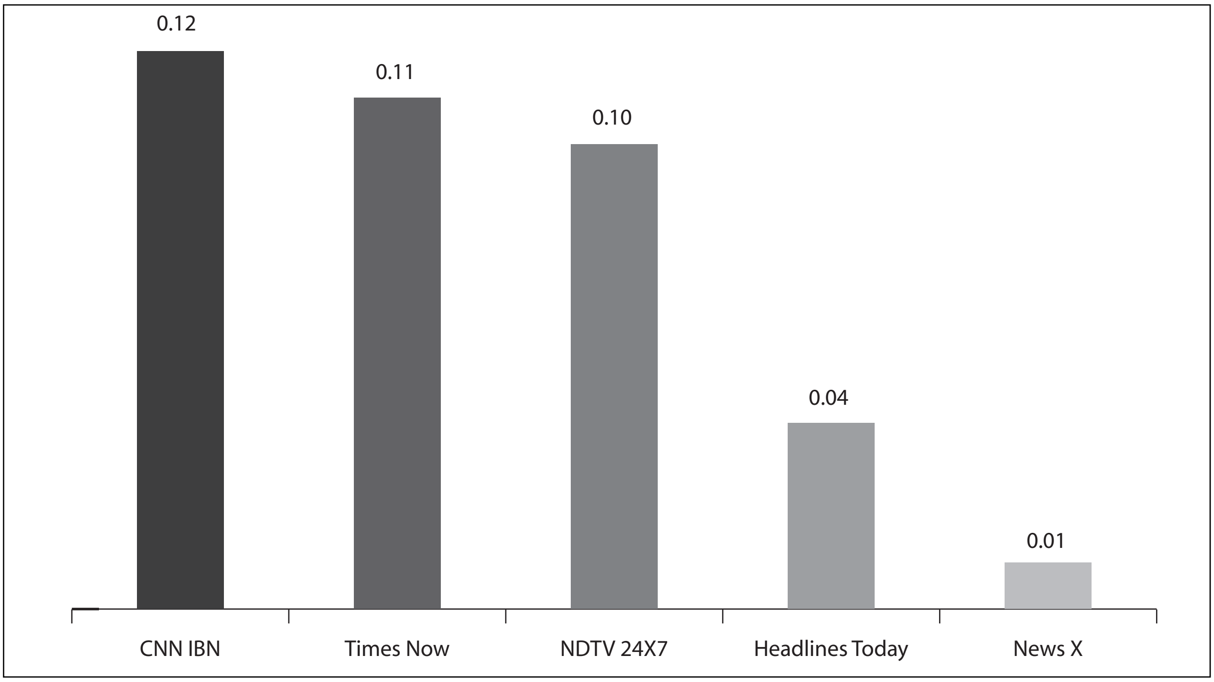
CNN-IBN: Leads across Indian Audiences



Source: TAM; Channel Share Market: All India, Time Period FY11, All days : 0600-2400hrs

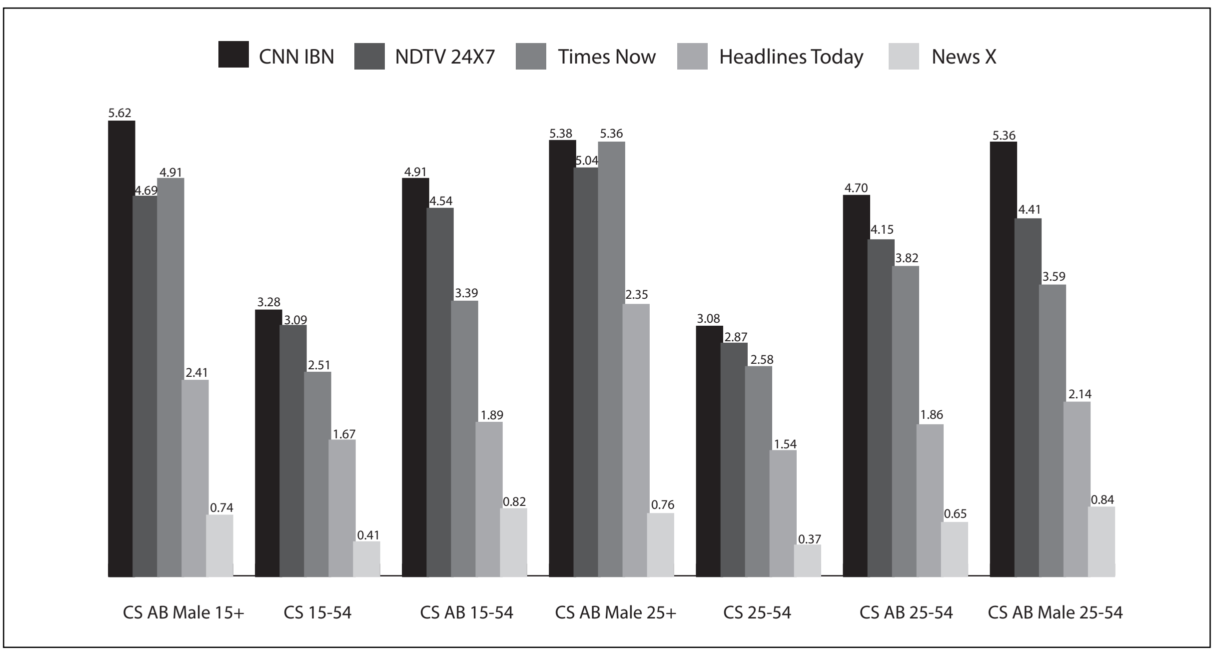
CNN-IBN: Continued Market Leadership on the Days That Matter

Budget Day - 2011



Source: TAM, Market Share, TG: CS 15+, Market: All India, Time Period: 28th Feb 2011, All Days 0600-2400 hrs

Bihar Elections (Polling + Counting)



Source: TAM, Market : All India, 21, 24, 28 Oct and 01, 09, 20 and 24 Nov 2010

IBN7

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.

Content and Programming strategy:

IBN 7 has always been driven to provide to its viewers news and views that are inclusive and delivered in an interactive manner, to do whatever it takes to deliver credible news that one can rely on.

1. **Differentiated analysis and coverage–** Through the year, IBN7 has continued to cover and analyse key events in all fields, be it politics, sports, corporate India or global news extensively. It endeavored to bring to its viewers the pulse of the common man through initiatives such as Kiska Fayda –CWG 2010 poll, to track the sentiment of the Delhiites on how CWG would affect the state.
2. **Viewer engagement-** IBN 7 has led the way with initiatives and shows that allow viewers to engage and voice their opinions. Award winning talk show Zindagi Live, which completed 100 episodes in 2010 and our Citizen Journalist initiative empower the citizens to raise their voice and report fearlessly to bring out the truth. IBN Khabar.com, the interactive news portal of IBN7 is also a step in engaging and involving the viewer beyond just news.

IBN7 Focus Programming

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.

Awards and Accolades

IBN7 won several prestigious awards in 2010 including:

1. News Television Awards 2010 : 2 awards including best News Talk Show
2. Laadli Awards for best Issue based show
3. Indian News Broadcasting awards for best campaign

IBN LOKMAT

IBN Lokmat is the result of a joint venture between IBN18 and the Lokmat newspaper, India's largest read Marathi newspaper. Since its inception in 2008, it has been IBN Lokmat's endeavor to be a world-class credible News channel for the highly aware and conscious 'Progressive Marathi'. Through its content, programming, state-of-the-art broadcast centre, extensive infrastructure and international production quality, IBN-Lokmat embarks on the principle of delivering news with the spirit of 'Chala, Jag Jinkuya!' (literally meaning - 'Let's conquer the World). With reporters in every district of Maharashtra, and access to national and global networks, IBN Lokmat continues to deliver on its promise to become a bridge between Maharashtra and the wider world.

Content and Programming strategy:

IBN Lokmat continues to be driven by the philosophy that credible journalism empowers people.It gives them the inner confidence to take control of their surroundings and bring about change. This is reflected in all of IBN Lokmat's programming.

1. **Simplifying analysis and coverage–** Through the year, IBN Lokmat has continued to cover and analyse key events in all fields, be it politics, sports, corporate India or global news in a manner that is simplified and exhaustive at the same time. It is the channel's constant endeavor to bring to its viewers the pulse of the common man.
2. **Region centric coverage-** IBN Lokmat remains committed to the cause of bringing to the common Marathi, news and programming that is relevant and important to Maharashtra. Initiatives such as Garza Maharashtra, celebrating 50 years of Maharashtra and shows like Mumbai Pune Express, which updates viewers on city centric issues and activities have all been very well received by the viewers.

IBN Lokmat with its exclusive yet inclusive coverage and initiatives on web, print and mobile platform to enable varied platforms of interactions for its viewers; strives to continue growing and remaining a strong regional player.

ENTERTAINMENT – VIACOM18

COLORS

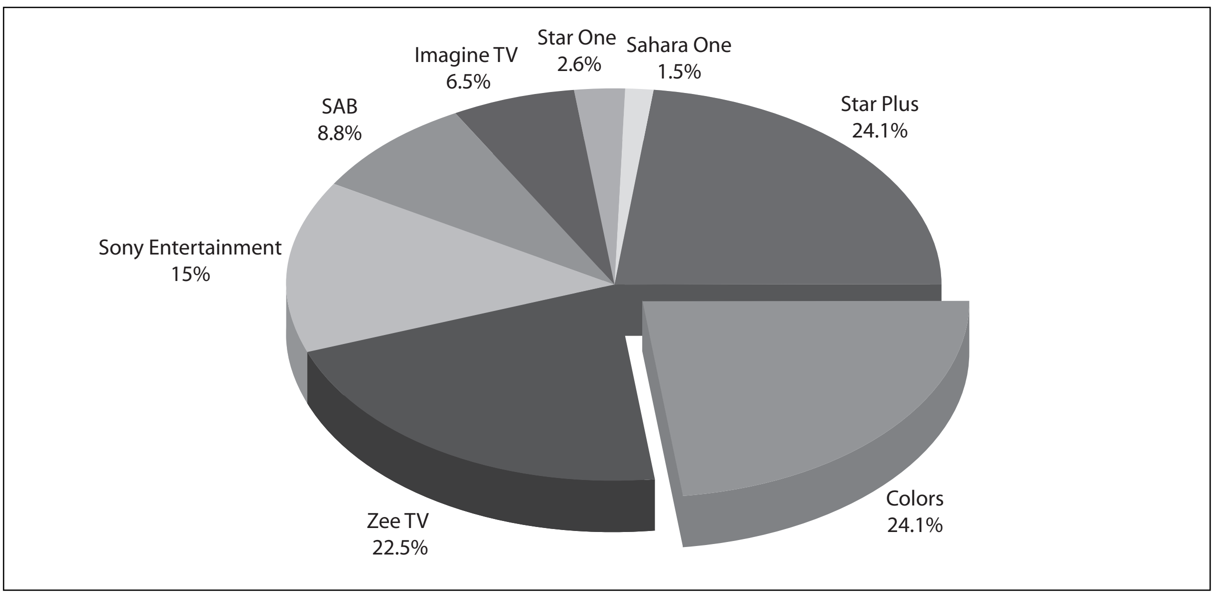
Colors is Viacom18's flagship brand in the entertainment space in India. The channel launched on 21st July 2008 and offers an integrated spectrum of programming to its viewers, from Fiction shows to Format shows and from Reality shows to Blockbuster Movies. The mulit-hued basket of Colors content provides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

Content and Programming Strategy

General Entertainment genre in India is highly competitive and content differentiation is key to a channel's success. Trends and successful reception of path breaking and genre defining formats in reality based programming and Bollywood related content has put Colors at the top of the genre.

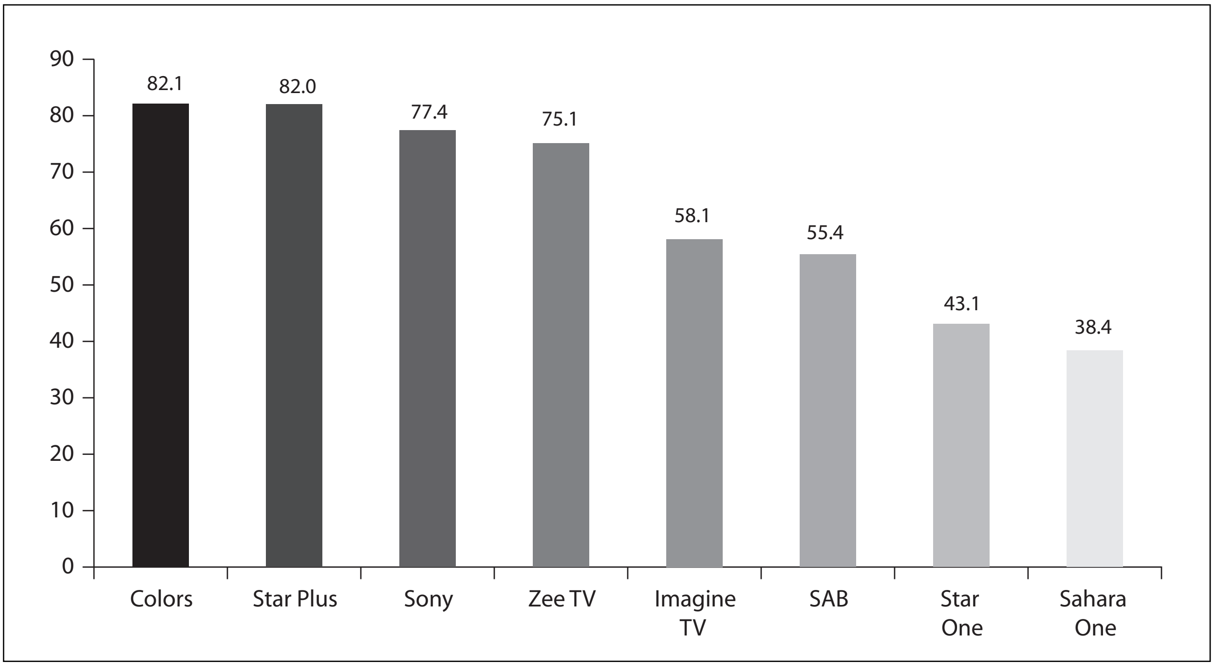
1. **Bollywood Content**: Colors premiered several box office hits and talked about movies of 2010. These include Dabanng, Golmaal3, Khatta Meetha and Tees Maar Khan all of which proved to be very popular and garnered high TRPs. Dabangg was the highest rated premiere on Colors in FY10-11 with 9.2 TVR (TAM HSM 4+), Golmaal3 was the second highest rated with a TVR of 5, Khatta Meetha was well received with a TVR of 4.8 and Tees Maar Khan garnered 3.8 TVR.
2. **Reality based content:** Reality TV is continuing to build its niche during prime time viewing and positively impacting the channels' GRPs. This was reiterated with the fourth season of Big Boss, (the Indian version of the international reality format 'Big Brother') hosted by Bollywood superstar Salman Khan. The show opened with 4.8 TVR which was higher than the last seasons and over 49 million viewers tuned in for the Pamela Anderson appearance on the show. Even Fear Factor - Khatron Ke Khiladi in its 3rd season was well received and the season hosted by Priyanka Chopra opened with a 5.5 TVR, which was the best across seasons.
3. **Key initiatives lined up to strengthen our channel offerings:** We are looking at further strengthening the weekend band with Big ticket Action reality show Khatron Ke khiladi with Akshay Kumar, Badmaash Company, a kids chat show, and India's Got Talent. We have planned launched for the afternoon time such as Kitchen Champions, a cookery show with host Ronit Roy featuring leading television Stars as celebrity guests and Hamari Saas Leela, a Gujarati family show. Other big shows and events such as Big Boss, Season 5, Global Indian Music Awards and Apsara Awards have also been planned on Colors. Movies slated to be premiered on Colors include Patiala House, Thank You and Ready.

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 2010-11

COLORS leads in 4 out of 7 prime time Slots

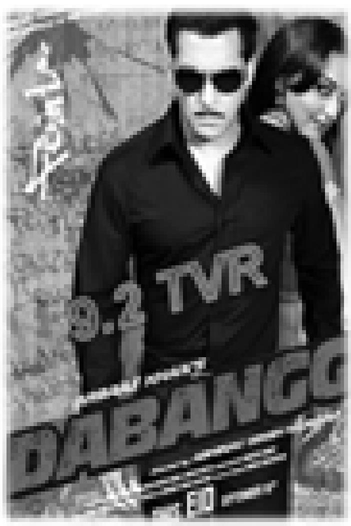
Time from	Colors	Star Plus	Zee TV	Sony	SAB	Imagine
20:00	3.3	2.4	2.9	1.0	1.0	0.7
20:30	3.1	2.6	2.9	0.9	2.5	0.8
21:00	2.6	2.9	4.4	2.0	1.1	1.0
21:30	2.7	3.6	3.1	2.1	0.9	1.1
22:00	3.7	2.9	2.5	1.9	0.9	0.9
22:30	3.3	3.6	1.6	1.6	0.7	0.7
23:00	1.9	1.5	1.2	1.0	1.0	0.4

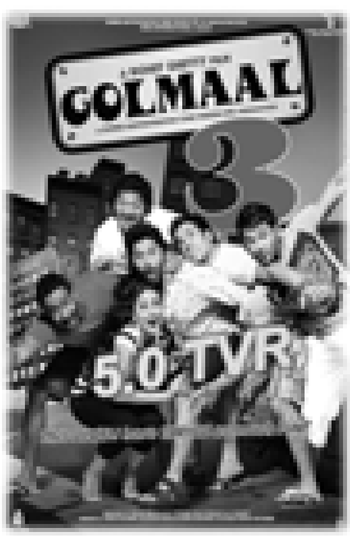
Source: TAM; HSM; CS 4+; All Day; FY Q1-Q4’ 2010-11

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.

Content and Programming Strategy

1. **New Channel Philosophy:** In FY 2010-11, MTV launched its new philosophy –"STAY RAW" in line with the changing values of the Youth.
   - Living up to its repositioning, MTV launched a series of successful reality tent poles on TV and Digital, tapping into Sharp, Edgy, Bold and Real - the new philosophy that inspires young people to stay original, stay unmixed, stay rooted, stay brash and Stay Raw.
   - The launch was accompanied with films on TV, multi-media campaign and new channel environment e.g. promo graphics.
2. **Focus on building and making bigger tentpole properties** such as Roadies, which, in its 8th season this year, attracted an audient of 72 mn Indians watching 7 episodes on a average (Source: TAM, Market: Hindi Speaking Markets, TG: 15-24 AB). Splittsvilla 4, Rock On 2 and Bakra were some of our other highly acclaimed properties.

3. **Strengthening digital presence:** MTV launched several innovative digital properties that connected lakhs of youth across colleges allowing them to participate in shows on a digital platform (internet + mobile).
4. **Moving Beyond TV – MTV now** claims a Legion of Followers Across Various Media
    a. MTV India on Facebook is the biggest Indian brand with a 2 Million fan base
    b. MTV is the most followed brand on Twitter with over 2 lakh + followers
    c. 4.7 Million users hang out on mtvindia.com
    d. The MTV site has an average of 10 Million monthly page views
    e. MTV Mobile connects with 2.5 Million registered Mobile Users in India
    f. Our Consumer Products division has grown to 40 Product Licenses in India.
5. **Reinforcing 'youth expert' legacy** by launching its unique youth insights share portal - *MTVPlay.in*, a free to surf knowledge share portal in 2010 with 1.5 lakh Page Views in 25 days and 40K unique visits in the first 25 days.

    Positioned as an on-going engagement platform with the Marketing and Media community across India which offers real time insights to youth life that are current.

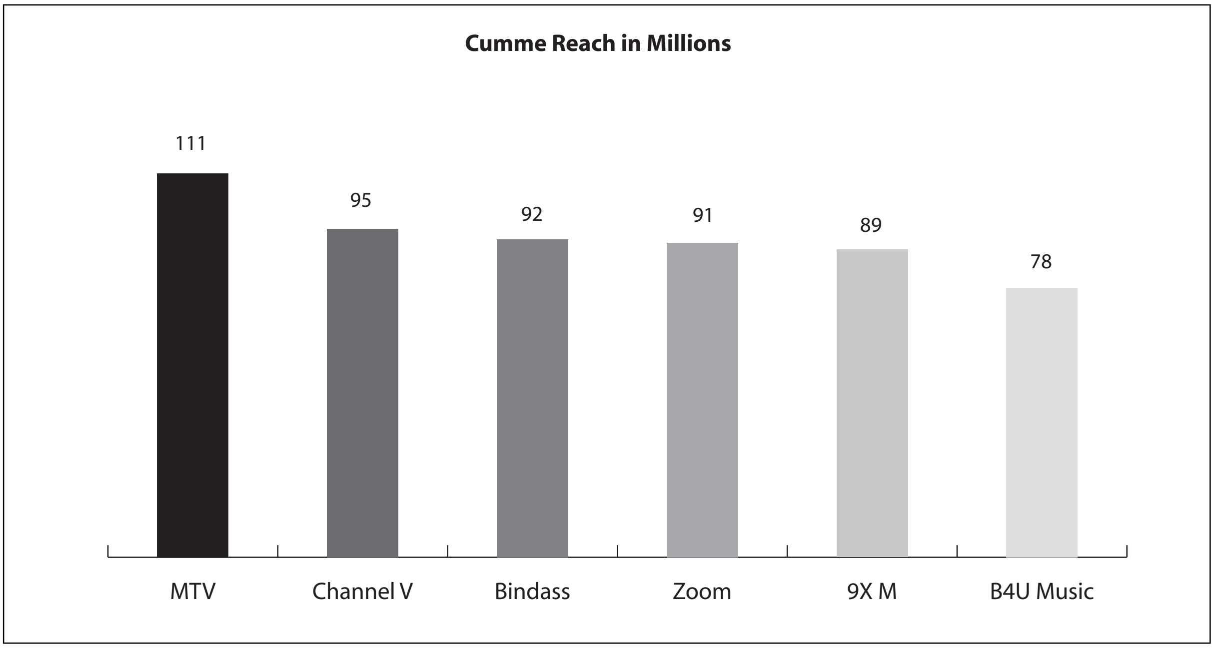
Awards and Accolades

MTV won the following awards in FY 2010-11

1. Indian Television Academy 2010 Best 'Reality show' award
2. Promax – 2010 12 awards - 7 Gold and 5 Silvers 2010 year
3. Goafest -2011: 1 silver and 4 bronze

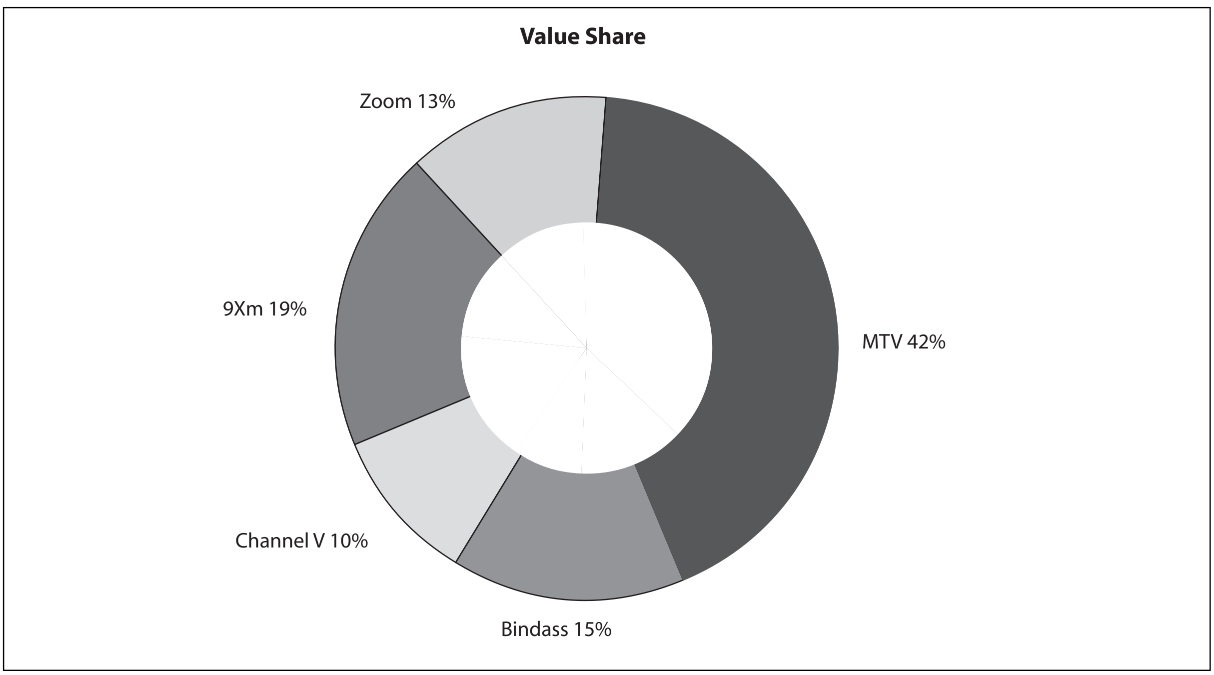
Viewership Performance

MTV dominates the category with a significant lead over competition



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

MTV continues to claim dominant share of the revenues in the Youth Genre



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'.

Content and Programming Strategy

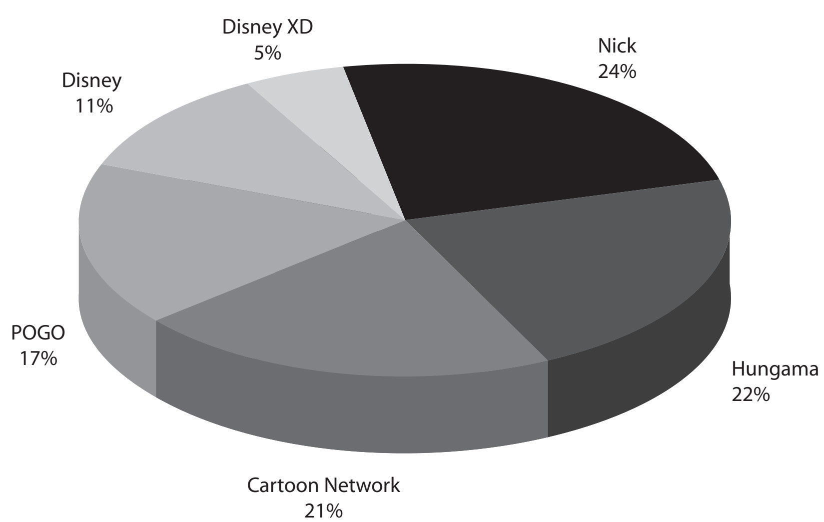
1. **Moving beyond TV:** 360-degree clutter breaking initiatives such as "Lets Just Play", "Young Astronauts" to increase brand resonance with kids and parents.
2. **Providing Brand solutions and integrations to enhance revenues :**
   - Starting from 17 advertisers, Nickelodeon today has over 100 advertisers on board.
   - Over 355 brands on Nickelodeon.
3. **Digital Presence:** Engagement through www.nickindia.com with over a million page views a month through interactive games, videos contests, etc.
4. **Aggressive growth in Consumer Products** -30 Licensees, Products in 40 categories, 800 SKUs and 5000 retail stores.
5. **New Initiatives lined up** – Has already announced the launch of Nickelodeon's first local animation and live action productions, Nickelodeon shall presents local live action show on street magic and Keymon Ache - Nickelodeon's first ever locally produced, non-mythological animation show based on a contemporary Indian family.

Viewership Performance

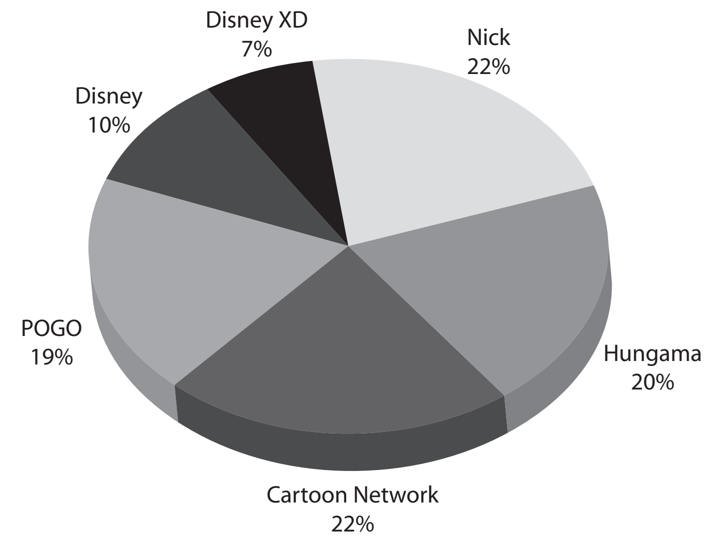
All India leadership achieved through successful south regional foray; Held on to HSM leadership for last 2 years

- 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

Agressive Reach growth – 11 mn. kids per week on Nickelodeon

- Through aggressive distribution and marketing efforts, Nickelodeon is the only kids' channel to grow Reach year on year.
- Massive growth in eyeballs through strategic partnerships and innovative multi platform campaigns.
- Nickelodeon Reach peaked at 41% in HSM (at par with CNW)

Awards and Accolades

1. Promax India: 2 Gold and 1 Silver
2. Promax Asia: 2 Gold and 1 Silver

VH1

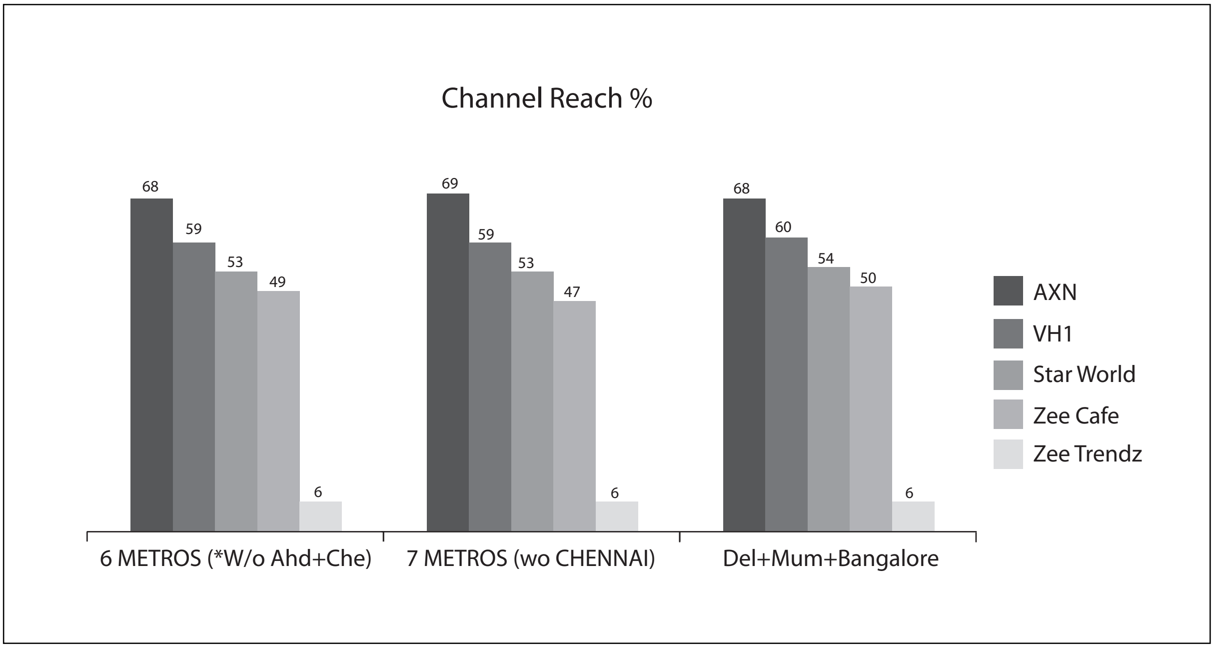
Vh1 is India's only 24-hour international music and lifestyle channel, providing music buffs with their daily dose of international music, pop culture, reality TV and celebrity lifestyle. Launched in January 2005, the channel today reaches almost 23.5 + million homes across India and is growing rapidly. 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.

Content and Programming Strategy

1. **Moving beyond TV:** Foraying into partnerships and associations to organize live events such as Hip Hop Hustle .
2. **Strengthening programming line up:** Bringing successful international infotainment/reality based shows and events such as The Grammies Awards, Jersey Shore, etc.
3. **Providing Brand solutions and integrations** to enhance ad sales revenue and non-FCT revenue both.

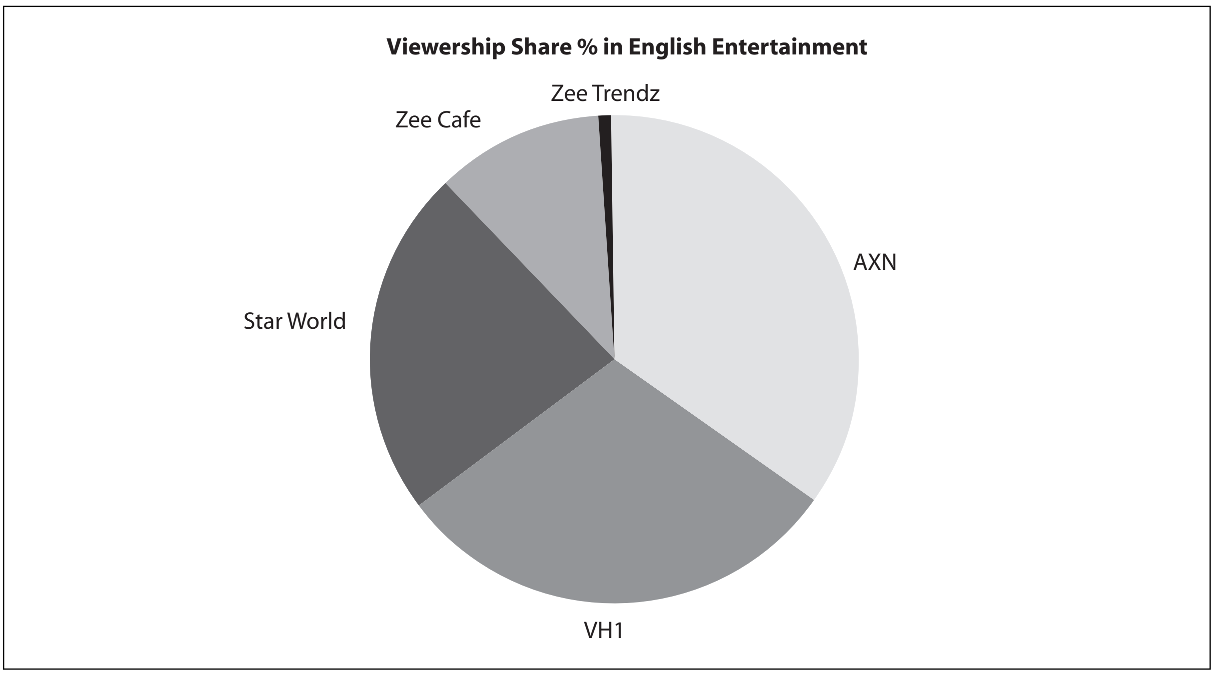
Viewership Performance

Vh1 is #2 in terms of reach as compared to other channels across markets.



Source - TAM India TG: 15-34 AB Period: April to Dec , 2010

Vh1 is #2 when it comes to the youth (15-24) across key markets



Source - TAM India TG : 15-24 Period: April 2010 – March 2011, Market 7 Metros without Chennai

Viacom18 Motion Pictures

Viacom18 Motion Pictures is India's premier full-service motion pictures company, with business spanning concept (or creative) development, production, marketing, distribution, merchandising and syndication of movies, worldwide. Over the last 3 years, Viacom18 has to its credit (through Studio18) some of the biggest hits of the decade including Jab We Met, Singh is Kinng, Welcome and Ghajini.

Content and Growth Strategy

1. **Remodeling Studio18 to Viacom18 studios:** The second half of the last financial year witnessed the roll-out of the plan to rebrand Studio 18 as Viacom 18 Motion Pictures. Viacom18's entry into the Indian Film Industry was by introducing Studio 18 which 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 was also more integrated with the other businesses of Viacom18 and **Viacom18 Motion Pictures** is a step in that direction. Our first movie under the banner 'Tanu Weds Manu' was released to full houses in Q4 FY 2011.
2. **Increasing Span**: Launched a new banner '**Tipping Point Films'.** While the Viacom18 Motion Pictures banner will focus on mainstream cinema, Tipping Point Films will focus on executing clutter-breaking projects, extending coverage to upcoming talent, newer techniques and new formats of films making. Together these two banners will give us the spread across the length and breadth of the industry – in terms of concepts, genres and talent.
3. **Strategic alliance with Paramount Pictures:** We announced an alliance with one of the world's oldest and largest motion pictures studios, and a part of Viacom Inc., to market and distribute Paramount films in India, Sri Lanka and Bangladesh. The alliance will roll out with the release of one of India's most popular Hollywood franchises, Transformers: Dark of the Moon directed by Michael Bay, which will be released on July 1st 2011. This will continue with Paramount's forthcoming slate including SUPER 8, directed by JJ Abrams and produced by Steven Spielberg and MISSION IMPOSSIBLE 4, starring Tom Cruise and directed by Brad Bird. This strategic alliance with a global major like Paramount Pictures will open up myriad possibilities that will help us further strengthen our presence in this space.

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 that a competant workforce is the 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.

IBN18's Human Resource team continues to make a concerted effort to build Group's strong brand equity, which enables your company to attract the best talent in the industry. Network18 Group has ranked among top media companies by the Great Place to Work Institute and the Economic Times as the 'Best Workplace in the Media Industry' in year – 2008, 2009 and 2011. The comprehensive *Performance Management System* continues to help employees recognize their strengths and areas of improvement. The HR team continues to strive for creating learning organization through its efforts in the field of employee training and development. The team along with the external consultants formulate modules targeted at honing skills and improving managerial capabilities of the team members. The *Rewards* *and Recognition Program* continues to identify and reward the outstanding performers for their contribution and excellence. HR teams are working closely with different businesses so that there is rigor in the support. As on March 31, 2011, 1104 employees were on the payroll of the Company. Within a span of just six years from the date of incorporation, your Company has built a pool of talented work force that is versatile and inspired to achieve the mission of the Company.

Outlook and Way Forward

IBN18 is a part of the Network18 family, one of India's leading media networks with strong leadership positions in television broadcasting and digital media. 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 IBN18 well to capitalize on this promising and challenging growth opportunity ahead.

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, 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 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.

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 CORPORATE GOVERNANCE

Corporate governance is to attain highest level of accountability, transparency and fairness in functioning and conduct of affairs of business with due emphasis on regulatory compliance. We at IBN18 emphasize on following the best Corporate Government Practices. The Board firmly believes that fairness in corporate procedures, clear distinction between personal conveniences and corporate resources, transparent and high degree of disclosures in reporting system and maximization of shareholders value in the long run are the major pillars on which our structure of the Corporate Governance rests.

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

BOARD OF DIRECTORS

Composition

Presently the Board of the Company comprises of five members with an optimum mix of Non-Executive and Independent Directors. The Chairman of the Board of the Company is Non-Executive Independent Director and more than half of the total number of Directors of the Company are Independent. None of the Directors are inter-se related to each other within the meaning of Clause 49 IV(G)(*ia*) of the Listing Agreement.

Position of Directorship during the year 2010-2011 is as follows:

Name of Director	Category of Directorship	No. of outside Directorships Held	No. of Chairmanships / Memberships of other Board Committees	
			Chairmanship	Membership
Mr. Manoj Mohanka	Chairman – Non-Executive Independent Director	6	4	3
Mr. Raghav Bahl	Non-Executive Director	9	—	—
Mr. Sanjay Ray Chaudhuri	Non-Executive Director	10*	1	2
Mr. Shahzaad Siraz Dalal	Non-Executive Independent Director	12**	1	8
Mr. Hari S. Bhartia	Non-Executive Independent Director	13	2	3

* Mr. Sanjay Ray Chaudhuri is an Alternate Director in Network18 Media & Investments Limited.

** Mr. Shahzaad Siraz Dalal is an Alternate Director in IL & FS Asian Infrastructure Managers Limited.

Note – Details of Directorship of Mr. Sameer Manchanda is not mentioned in the aforesaid table due to his resignation from the office of Managing Director as well as from the Directorship of the Company w.e.f. 22nd October, 2010.

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

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

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

Board Meetings and Procedures

The Board of the Company comprises of professionals and learned executives having in depth knowledge of their respective fields to oversee the overall functioning of the Company.

Minimum of four meetings of the Board are held every year. Besides this, the members of the Board meet to consider various matters as and when required.

Company Secretary of the Company plays a vital role in providing requisite information to the members of the Board on various Agenda item(s) to be discussed and approved by the Board at its meeting(s). Board meetings are open forum for the members of the Board to discuss and deliberate upon growth and development plans of the Company. Board members have complete freedom to express their views on the matters discussed and thereafter the decisions are taken on the basis of consensus arrived at after the discussion on each agenda item. Minutes of the proceedings of every Board meeting are recorded in the Minutes books within 30 days and are discussed before approval by the members of Board at successive Board meeting.

Attendance at Board Meetings and Annual General Meeting:

A total of eight meetings were held during the financial year 2010-11 on April 23, 2010, May 28, 2010, June 14, 2010, July 7, 2010, July 30, 2010, October 26, 2010, December 9, 2010 and January 27, 2011. Maximum time gap between any two Board meetings was not more than four months. The fifth Annual General Meeting of the Company was held on July 27, 2010.

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

Name of Director	**No. of Board meetings attended**	**Attended last Annual General Meeting**
Mr. Manoj Mohanka	8	Yes
Mr. Raghav Bahl	8	Yes
Mr. Sanjay Ray Chaudhuri	8	Yes
Mr. Shahzaad Siraz Dalal	NIL	No
*Mr. Sameer Manchanda	3	Yes
Mr. Hari S. Bhartia	1	No

* Mr. Sameer Manchanda resigned from the office of Managing Director as well as from Directorship of the Company w.e.f. October 22, 2010.

Director's Profile

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

Mr. Hari S. Bhartia

Mr. Hari S. Bhartia, aged 54 years, holds a Bachelor's Degree in Chemical Engineering from Indian Institute of Technology ("IIT"), Delhi. Mr. Hari S. Bhartia is the co-chairman of the Jubilant Group. Mr. Bhartia has interest in the Pharma, Life Sciences & Healthcare, oil and gas (Exploration & Production), Agri & Performance Polymers, Food & Retail and Consulting Services in Aerospace and Oilfield Services. Mr. Bhartia's role in institutional work includes his role in various capacities with IIT, Delhi and IIT, Kanpur as Chairman of the Board of Governors. He has served as the President of Confederation of Indian Industry ("CII") & Chairman of Indian Institute of Management (Raipur). He has also been a member in several educational and science and technology programmes of Government of India.

Mr. Bhartia is associated as Director of the Company since September 29, 2006. The details of his Directorships and Committee memberships in other Public Limited Companies are as under:

Sr. No.	Name of the Company	Position on the Board and Committees thereof
1.	Jubilant Life Sciences Limited (formerly Jubilant Organosys Limited)	Director
2.	Jubilant Chemsys Limited	Director
3.	Jubilant Biosys Limited	Director
4.	Jubilant Infrastructure Limited	Director and Chairman of Audit Committee
5.	Vam Holdings Limited	Director
6.	Geo-Enpro Petroleum Limited	Director
7.	Jubilant Foodworks Limited	Director, Chairman of Compensation Committee, member of Remuneration Committee and Regulatory & Finance Committee
8.	Television Eighteen India Limited	Director, member of Audit Committee, Investors' Grievance Committee and Remuneration / Compensation Committee.
9.	Jubilant First Trust Healthcare Limited	Director and Chairman of Audit Committee
10.	Shriram Pistons & Rings Limited	Director
11.	Jubilant Industries Limited (formerly Hitech Shiksha Limited)	Director
12.	Network18 Media & Investments Limited	Director, member of Audit Committee and Remuneration Committee.
13.	Export Credit Guarantee Corporation of India Limited	Director

Mr. Bhartia doesn't hold any share of the Company as on March 31st, 2011. He is not related to any other Director of the Company.

Compensation to the members of Board including number of Stock Options granted during 2010-11

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

Mr. Sameer Manchanda was paid managerial remuneration as approved by Remuneration/ Compensation Committee, Board of Directors, shareholders and also within the limits as approved by Central Government up till the date of his resignation.

Non-Executive & Independent members of the Board are paid sitting fees for attending the Meetings of Board and few committees thereof, within the ceiling as provided under the Companies Act, 1956. Besides this Non-Executive directors do not have any other pecuniary relationship or transaction with the Company. The Company has no policy of advancing any loans to Directors. During the year 2010 -11 no ESOP were granted to any Director of the Company.

The detail of total compensation paid by the Company to Directors on the Board during 1st April 2010 to 31st March 2011 is set out in the table as under:

(Amount in Rs.)

Name of Director	Business Relationship with Company, if any	Relationship with other Directors	Gross Remuneration	ESOP Compen-sation	Sitting Fee	Total Compen-sation#
Mr. Raghav Bahl	None	None	NIL	NIL	80,000/-	80,000/-
Mr. Manoj Mohanka	None	None	NIL	NIL	1,10,000/-	1,10,000/-
Mr. Sanjay Ray Chaudhuri	None	None	NIL	NIL	1,10,000/-	1,10,000/-
Mr. Shahzaad Siraz Dalal	None	None	NIL	NIL	NIL	NIL
* Mr. Sameer Manchanda	None	None	1,02,87,097/-	NIL	NIL	1,02,87,097/-
Mr. Hari S. Bhartia	None	None	NIL	NIL	15,000/-	15,000/-

#This is excluding of conveyance charges.

* Mr. Sameer Manchanda resigned from the office of Managing Director as well as from Directorship of the Company w.e.f. October 22, 2010.

Shareholding of Directors

Shareholding of the Directors of the Company as on March 31, 2011 is as under:

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

COMMITTEE (S) OF BOARD

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

1. AUDIT COMMITTEE

(a) Brief description of terms of reference

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

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

(b) Composition

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

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

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

(c) Number of meetings & attendance

During the year under review four meetings of the Audit Committee were convened viz. on May 28, 2010*, July 30, 2010, October 26, 2010 and January 27, 2011. The details of attendance of members at the Committee Meetings are as under:

Name	No. of meetings attended
Mr. Manoj Mohanka	4
Mr. Hari S. Bhartia	—
Mr. Sanjay Ray Chaudhuri	4

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

2. SHAREHOLDER'S/INVESTOR'S GRIEVANCE COMMITTEE

(a) Composition

The Committee presently comprises of following two Directors:

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

Note - Mr. Sameer Manchanda, Joint Managing Director was also member of Shareholder's / Investor's Grievance Committee till October 22, 2010 i.e. date of his resignation from the directorship of the Company.

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

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

(c) Number of Committee meetings & attendance

The Committee met four times during the year viz. on April 05, 2010, July 06, 2010, October 6, 2010 and January 06, 2011. The Committee discussed about the complaints received by the Company and steps taken for their redressal. The details of attendance of members at the Committee Meetings are as under:

Name	No. of meetings attended
Mr. Raghav Bahl	4
Mr. Sameer Manchanda*	3
Mr. Sanjay Ray Chaudhuri	4

* Mr. Sameer Manchanda ceased from directorship of the Company due to his resignation on October 22, 2010.

(d) Name and designation of Compliance Officer

Mr. Hitesh Kumar Jain

AGM – Corporate Affairs & Company Secretary

(e) Investors' complaints & their redressal

The Company did not receive any complaints from the Shareholders / Stock Exchange(s) / SEBI during the period from April 1, 2010 to March 31, 2011. No complaint was pending at the end of financial year March 31, 2011.

3. REMUNERATION/ COMPENSATION COMMITTEE

(a) Composition

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

Sr. No.	Name of Member	Category of Directorship	Position
1)	Mr. Manoj Mohanka	Non-Executive Independent Director	Member
2)	Mr. Sanjay Ray Chaudhuri	Non-Executive Director	Member
3)	Mr. Hari S. Bhartia	Non-Executive Independent Director	Member

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

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

(c) Number of Committee meetings & attendance

The Committee met two times during the period viz on June 14, 2010 & December 29, 2010. The details of attendance of members at the Committee Meetings are as under:

Name	Number of Meetings Attended
Mr. Manoj Mohanka	2
Mr. Sanjay Ray Chaudhuri	2
Mr. Hari S. Bhartia	1

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

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

CODE OF CONDUCT

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

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 **www.ibnlive.com.**

DISCLOSURES

- None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of the members is drawn to the disclosures of transactions with the related parties as set out in Note No. 15 of the Notes to Accounts, forming part of this Annual Report.
- The Company has complied with all the requirements, as applicable to the Company, to the best of its knowledge and understanding, of the Listing Agreement with the Stock Exchange(s), the regulations and guidelines of The Securities and Exchange Board of India (SEBI) and Uplinking and Downlinking Guidelines issued by the Ministry of Information and Broadcasting. SEBI, Stock Exchange(s) or any other statutory authorities have imposed no penalties or strictures on matters relating to capital markets from the date of listing i.e. February 8, 2007.
- The Company has complied with all the mandatory requirements under Clause 49, as applicable, except to the extent as specified in the compliance certificate annexed to this report. Apart from mandatory requirements, the Company periodically reviews the adoption and extent of adoption of non-mandatory requirements of Clause 49.
- Management Discussion and Analysis Report is provided as a part of the Directors' Report published else where in this Annual Report.
- In preparation of the financial statements, the Company has followed the Accounting Standards as issued by 'The Institute of the Chartered Accountants of India', to the extent applicable.
- Business Risk Evaluation and Management is an ongoing process within the Company. The objective of the Company's risk management is to identify the potential areas that may affect the affairs of the Company and then ensuring the reasonable assurances to avoid any possible damage to the assets and properties of the Company.
- The Manager and the General Manager- Finance have furnished to the Board, a certificate in respect of the financial statements and the Cash Flow Statement of the Company for the financial year ended March 31, 2011, which forms part of this report as Annexure – 'B'.

GENERAL BODY MEETINGS

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

Meeting	3rd AGM	4th AGM	5th AGM
Date	September 15th, 2008	August 28th, 2009	July 27th, 2010
Time	11.00 A.M.	11.00 A.M.	10.30 A.M.
Venue	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi - 110054	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi – 110054	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi – 110054
Sl. No.	Special Resolution(s)	Special Resolution(s)	Special Resolution(s)
1.	NIL	NIL	NIL

POSTAL BALLOT:

During the financial year 2010-11, Company has conducted three Postal Ballot process for seeking the approval of members in accordance with the provisions of section 192A of the Companies Act, 1956, read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001. Postal Ballot Notices containing proposed resolutions and explanatory statements thereto were send to the registered addresses of the shareholders along with the Postal Ballot form and a postage pre paid envelop containing the address of the Scrutinizer appointed by the Board. The Postal Ballot Forms received with in 30 days of dispatch were cosidered by the Scrutinizer and there after Scrutinizer submitted his report to the Company for declaraion of results. The details of the same are as under:

Date of Postal Ballot notice and declaration of result	**Name of Scrutinizer and Alternate Scrutinizer**	**Brief of Resolution(s)**	**Percentage of votes casted in favour of the resolution**
April 23, 2010 (Result declared on June 10, 2010)	Mr. Anil K. Bhayana, Practicing Company Secretary – Scrutinizer, Mr. Pankaj Kumar, Corporate Advisor - Alternate Scrutinizer	Special Resolution to accord the consent of the members of the Company to alter the Articles of Association of the Company.	99.999%
		Special Resolution to accord the consent of the members of the Company to combine all or any two calls on the partly paid-up equity shares issued by the Company on rights basis.	99.997%
		Special Resolution to accord the consent of the members of the Company to constitute any employee welfare plan(s) for employees of the company.	99.999%

Date of Postal Ballot notice and declaration of result	Name of Scrutinizer and Alternate Scrutinizer	Brief of Resolution(s)	Percentage of votes casted in favour of the resolution
		Special Resolution to accord the consent of the members of the Company to constitute any employee welfare plan(s) for employees of holding company and subsidiary companies.	99.999%
		Special Resolution under Section 372A of the Companies Act, 1956 to make Inter- corporate Loans, Investments, give guarantee or provide security.	99.999%
September 23, 2010 (Result declared on October 27, 2010)	Mr. Anil K. Bhayana, Practicing Company Secretary – Scrutinizer, Mr. Pankaj Kumar, Corporate Advisor - Alternate Scrutinizer	Special Resolution under Section 372A of the Companies Act, 1956 to make Inter- corporate Loans, Investments, give guarantee or provide security.	88.49%
		Special resolution for reappointment of Mr. Sameer Manchanda as Joint Managing Director of the Company	99.999%
December 9, 2010 (Result declared on January 18, 2011)	Mr. Anil K. Bhayana, Practicing Company Secretary – Scrutinizer, Mr. Pankaj Kumar, Corporate Advisor - Alternate Scrutinizer	Special resolution for reduction of capital pursuant to Scheme of Arrangement	99.9998%
		Ordinary resolution for appointment of Mr. Saikumar Ganapathy Balasubramanian as Manager of the Company	99.9999%

MEANS OF COMMUNICATION

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

GENERAL SHAREHOLDERS INFORMATION

Annual General Meeting

Day & Date	Friday, September 9, 2011.
Time	11.00 A.M.
Venue	MPCU, Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Niwas Marg, Shree Delhi Gujrati Samaj Marg, Civil Lines, Delhi – 110054

Financial Calendar: [Tentative and subject to change]

Financial Reporting for the 1st quarter ending June 30, 2011	on or before August 14, 2011
Financial Reporting for the 2nd quarter ending September 30, 2011	on or before November 14, 2011
Financial Reporting for the 3rd quarter ending December 31, 2011	on or before February 14, 2012
Financial Reporting for the last Quarter ending March 31, 2012/ or Financial Reporting for the F.Y. 2011-12.	on or before May 15, 2012/ on or before May 30, 2012.

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

Date of Book Closure

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

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

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

The Annual Listing fee for 2011-12 has been paid to the aforesaid Stock Exchange(s) within the stipulated time period.

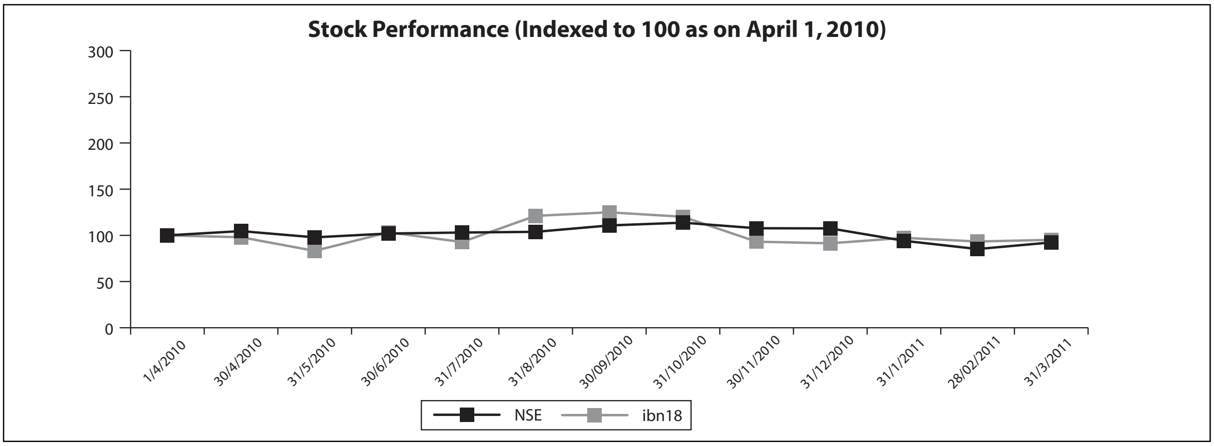
The International Securities Identification Number (ISIN) allotted to the Company's share under the Depository System is INE886H01027.

Market Price Data

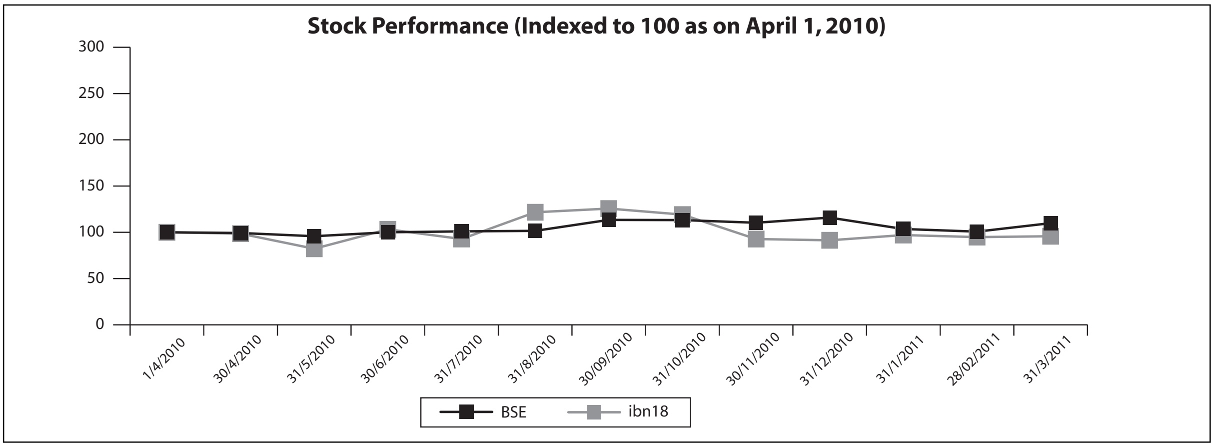
Equity Shares of the Company are listed and traded on BSE and NSE and the High Low rates of the shares of the Company during the year ended March 31, 2011 are as follows:

Month	High		Low	
	NSE	BSE	NSE	BSE
April 2010	107.80	103.50	93.00	93.05
May 2010	103.00	98.00	75.10	75.00
June 2010	104.00	103.95	79.10	79.50
July 2010	111.90	111.95	85.45	85.50
August 2010	134.65	134.80	88.05	87.50
September 2010	130.00	130.00	115.80	116.00
October 2010	126.00	125.35	108.10	106.10
November 2010	117.80	119.80	80.10	84.00
December 2010	98.90	99.00	81.00	81.00
January 2011	107.00	106.80	85.25	80.00
February 2011	121.00	109.80	87.40	87.50
March 2011	104.05	104.00	91.15	90.65

Stock performance in comparison with NSE NIFTY



Stock performance in Comparison with BSE SENSEX



Address of the Registrar & Share Transfer Agent:

M/s Link Intime India Private Limited
A-40, 2nd Floor,
Naraina Industrial Area, Phase - II
Near Batra Banquet Hall,
New Delhi - 110 028
Phone Nos. - 011- 41410592 / 41410593/ 41410594
Fax No. - 011-41410591
Email: delhi@linkintime.co.in

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

Share Transfer System

M/s Link Intime India Private Limited is appointed as the Registrar & Share Transfer Agent of the Company. The transfer of shares is approved at the meetings of Share Transfer Committee which met seven (7) times during the year 2010 – 11.

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

Total No. of shares transferred during 2010 – 2011in Physical mode : 64
Number of Shares pending for Transfer as on 31.03.2011 : NIL

Redressal of Investors Complaints

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

Dematerialization of shares and Liquidity

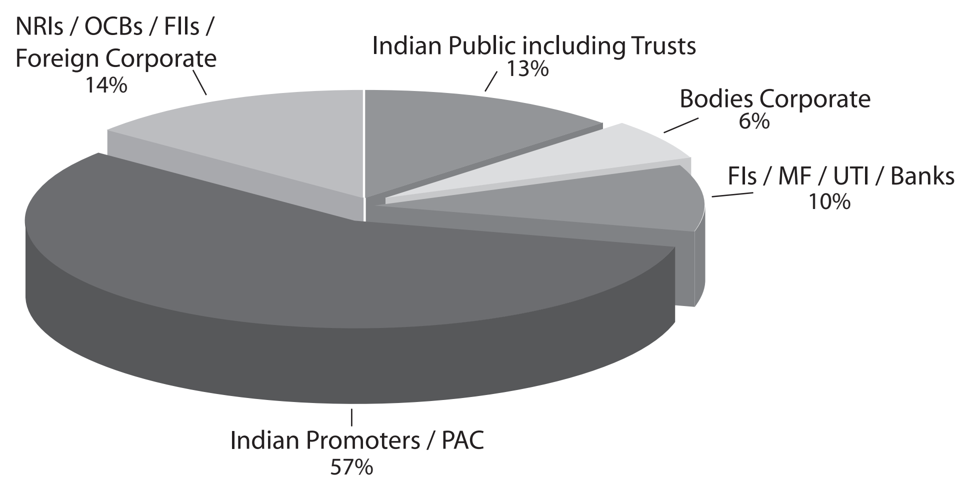
The shares of the Company are compulsorily traded in dematerialized mode and are registered for trading with both the depository participants i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The status of holding in dematerialized and physical mode, as on March 31, 2011 is as under:

Sl. No.	Mode of Holding	No. of shares	% of total share capital
1	Demat	237650827	99.91
2	Physical	216473	0.09
	TOTAL	**237867300**	**100.00**

Distribution of Shareholding as on 31.03.2011

S. No.	Category	No. of Shareholders	No. of Shares	%
1	Indian Public (Indivisual / HUF/ Clearing Member)	14123	31012990	13.04
2	Bodies Corporates	378	13278155	5.58
3	FIs / Mutual Funds / UTI / Banks	28	22791762	9.58
4	Indian Promoters / Person Acting in Concert	11	137841495	57.95
5	NRIs / OCBs / FIIs / FN	113	32942143	13.85
6	Trust	6	755	0.0003
	Total	**14659**	**237867300**	**100.00**

Graphic presentation of the Shareholding Pattern as on 31.03.2011



Distribution Schedule as on 31.03.2011

Sr. No.	Amount (Rs.)	No. of Shareholders	% of Shareholders	Amount of Shares (Rs.)	% of Shareholding
1.	1 – 5000	14285	97.449	3875844	0.815
2.	5001 – 10000	110	0.750	826008	0.174
3.	10001 – 20000	71	0.484	1067352	0.224
4.	20001 – 30000	20	0.136	495104	0.104
5.	30001 – 40000	21	0.143	742786	0.156
6.	40001 – 50000	11	0.075	517238	0.109
7.	50001 – 100000	25	0.171	1660864	0.349
8.	100001 and Above	116	0.791	466549404	98.069
	Total	**14659**	**100.00**	**475734600**	**100.00**

Outstanding GDRs/ADRs/ Warrants/ Convertible Instruments

- The Company has not issued any ADRs/ GDRs during the year under review.
- The Company has no outstanding Convertible warrants as on March 31, 2011.
- ‘The GBN Employee Stock Option Plan ("ESOP 2007") was implemented to reward the employees and Directors of Company and its subsidiaries and/or holding Company for their dedication, hard work and support. The Company has allotted 17,20,379 fully paid-up equity shares during the year consequent to the exercise of options by the Employees. 24,50,717 options are outstanding under the ESOP Scheme as on March 31, 2011.

Plant Locations

Not applicable

<u>Corporate Social Responsibility</u>

At IBN18, 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 around 200 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.

Registered Office Address:	Address for Correspondence- Corporate Office:
ibn18 Broadcast Limited 503, 504 & 507, 5th Floor, Mercantile House, 15, Kasturba Gandhi Marg, New Delhi-110001	**ibn18 Broadcast Limited** Express Trade Tower, Plot No. 15-16, Sector-16A, Noida, U. P. Phone Nos. : (+91 – 120) 434 1818 Fax No. : (+91 – 120) 432 4110

Annexure 'A'

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

Dear Members,
ibn18 Broadcast Limited,

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

It is hereby certified that all the members of the Board and senior management personnel have confirmed to and complied with the "Code of Conduct" during the financial year 2010-11 and there has been no instances of violation of the Code.

For ibn18 Broadcast Limited

Sd/-

Saikumar Ganapathy Balasubramanian
Manager

Place: Noida
Date : May 30, 2011

Annexure 'B'

CEO AND CFO CERTIFICATION

Dear Members,

ibn18 Broadcast Limited,

We, Saikumar Ganapathy Balasubramanian, Manager and Gurdeep Singh Puri, General Manager – Finance, responsible for the finance function and the compliance of the Code of Conduct of the Company certify that:

1. We have reviewed financial statements and the cash flow statement for the year and to the best of my 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 violative of the Company's Code of Conduct.
3. We accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.
4. During the year there were no –
   (i) Changes in internal control.
   (ii) Changes in accounting policies; and
   (iii) Instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For ibn18 Broadcast Limited
Sd/-
Saikumar Ganapathy Balasubramanian,
Manager
Place: Noida
Date : May 30, 2011

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

Annexure C

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

To the Members
ibn18 BROADCAST LIMITED
503, 504 & 505, 5th Floor, Mercantile House,
K G Marg, New Delhi-110001

1. We have reviewed the implementation of the corporate governance procedures by ibn18 Broadcast Limited (the company) during the year ended March 31st 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

Place: New Delhi
Date: 30.05.2011

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

IMPORTANT COMMUNICATIONS TO SHAREHOLDERS

1. MCA - Green Initiative in the Corporate Governance:-

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) and physical letters (to other shareholders whose email IDs were not 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 on the last page of the Annual Report.

2. Change of name of the Company

Pursuant to the Scheme of Arrangement and with the necessary approval of the Registrar of Companies, NCT of Delhi & Haryana, name of the Company has been changed from ibn18 Broadcast Limited to "**TV18 BROADCAST LIMITED**" w.e.f. June 17, 2011.

Scrip Code of the Company:-
NSE: TV18BRDCST BSE: 532800

Financial Statements

Auditors' Report

TO

THE MEMBERS OF ibn18 BROADCAST LIMITED

1. We have audited the attached Balance Sheet of **ibn18 Broadcast Limited**, ('the Company') as at 31 March, 2011, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by 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 Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

4. Attention is invited to Note 3 of Schedule 16 forming part of the financial statements regarding the Scheme of Arrangement ("the Scheme") which has been sanctioned by the Hon'ble High Court of Delhi on 26 April, 2011. As explained in Note 3, pending filing of the certified copies of the Orders of the Hon'ble High Court with the jurisdictional Registrar of Companies, 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 of Television Eighteen India Limited, shall be transferred to the Company. Further ibn18 Media Software Limited and iNews.com Limited will be merged with the Company.

5. *Attention is invited to Note 8(b) of Schedule 16 forming part of the financial statements regarding the carrying value of certain long term investments aggregating to Rs. 4,377.50 lakhs. Management is of the view that, having regard to the long term strategic involvement, no provision is considered necessary for 'other than temporary diminution' in the value of these Investments. In the absence of supporting documentation in respect of the appropriateness of the carrying value of such long term investments, in accordance with requirements of Accounting Standard 13 (AS-13) Accounting for Investments, we are unable to comment whether the diminution in the value of these long term investments is 'other than temporary'.*

6. Further to our comments in the Annexure referred to in paragraph 3 and 4 above, we report that:

   a. *subject to our comments in paragraph 5 above,* we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

   d. *subject to our comments in paragraph 5 above,* in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956;

   e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts, together with the notes thereon, give the information required by the Companies Act, 1956, in the manner so required and *subject to our comments in paragraph 5 above, the effect of which could not be determined,* give a true and fair view in conformity with the accounting principles generally accepted in India:

i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2011;

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

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

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

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

JITENDRA AGARWAL
Partner
(Membership No. 87104)

GURGAON, 30 May, 2011

ANNEXURE TO THE AUDITORS' REPORT

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

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

ii. In respect of its fixed assets:

   a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b. According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified by the Management in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

   c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.

iii. In respect of its inventory:

   a. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.

   b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.

   c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.

iv. In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

   a. The Company has not granted any loans, secured or unsecured to parties listed in the register maintained under Section 301 of the Companies Act, 1956.

   b. The Company has taken an unsecured loan from one party during the year listed in the register maintained under Section 301 of the Companies Act, 1956. At The year end, the outstanding balance of such loans aggregate to Rs. Nil and the maximum amount involved during the year was Rs. 4,516 lakhs (from 1 party).

   c. The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interest of the Company.

   d. The payments of principal amounts and interest in respect of such loans are regular/as per stipulations.

v. In our opinion, and according to the information and explanations given to us, having regard to the explanation that some of the fixed assets purchased, goods sold and services rendered are of a special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.

vi. In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:

   a. the particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.

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

vii. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public, except for updating details of depositors in respect of public deposits aggregating to Rs. 42.14 lakhs in the Register of Deposits (required to be maintained in terms of Section 58 A of the Companies Act, 1956) pending receipt of application forms. 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 Court or any other Tribunal.

viii. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the Management have been commensurate with the size of the Company and nature of its business.

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

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

   a. The Company has generally been regular in depositing undisputed dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed that the Company's operations did not give rise to any Investor Education and Protection Fund and Excise Duty.

   b. There are no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service tax, Customs Duty, Cess and other material statutory dues in arrears as at 31 March, 2011 for a period of more than six months from the date they became payable. We are informed that the Company's operations did not give rise to any Investor Education and Protection Fund and Excise Duty.

   c. There are no dues in respect of Income Tax, Wealth Tax, Sales Tax, Customs Duty, Service Tax and Cess which have not been deposited on account of any dispute. We are informed that the Company's operations did not give rise to any Excise Duty.

xi. The accumulated losses of the Company at the end of the financial year are less than fifty percent of its net worth and the Company has incurred cash losses in the financial year and in the immediately preceding financial year.

xii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and financial institutions. According to the information and explanations given to us, the Company did not have any outstanding debentures during the year.

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

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

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

xvi. According to the information and explanations given to us, the Company had not issued any debentures during the period covered by our audit report.

xvii. The Management has disclosed the end use of money raised by rights issues and we have verified the same.

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

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

JITENDRA AGARWAL
Partner
(Membership No. 87104)

GURGAON, 30 May, 2011

Balance Sheet as at March 31, 2011

	Schedule Reference	**As at 31.03.2011 (Rs.)**	As at 31.03.2010 (Rs.)
SOURCES OF FUNDS			
1. SHAREHOLDERS' FUNDS			
a. Share capital	1	**475,629,098**	363,302,956
b. Share application money received (pending allotment)		**-**	1,688,218,345
c. Employee stock options outstanding	2	**22,285,467**	48,907,559
d. Reserves and surplus	3	**8,680,288,198**	3,666,657,214
2. LOAN FUNDS			
a. Secured loans	4	**1,234,095,545**	2,220,140,952
b. Unsecured loans	5	**1,693,712,566**	2,184,749,466
		12,106,010,874	10,171,976,492
APPLICATION OF FUNDS			
3. FIXED ASSETS			
a. Gross block	6	**1,280,029,115**	1,255,483,533
b. Less: Accumulated Depreciation	6	**615,630,612**	500,800,685
c. Net block		**664,398,503**	754,682,848
d. Capital work in progress		**3,188,550**	-
		667,587,053	754,682,848
4. INVESTMENTS	7	**7,184,924,111**	4,651,091,511
5. CURRENT ASSETS, LOANS & ADVANCES	8		
a. Inventories		**509,602**	810,145
b. Sundry debtors		**963,167,574**	749,671,148
c. Cash and bank balances		**613,174,145**	2,035,203,373
d. Loans and advances		**1,018,155,224**	886,886,471
		2,595,006,545	3,672,571,137
6. LESS: CURRENT LIABILITIES AND PROVISIONS	9		
a. Current liabilities		**583,268,651**	740,410,215
b. Provisions		**65,289,362**	46,367,458
		648,558,013	786,777,673
7. NET CURRENT ASSETS (5-6)		**1,946,448,532**	2,885,793,464
8. PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)	10	**2,283,592,931**	1,791,095,787
9. MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)		**23,458,247**	89,312,882
		12,106,010,874	10,171,976,492
Notes to the accounts	16		

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

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL

Partner

Gurgaon
30 May, 2011

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs & Company Secretary

Noida
30 May, 2011

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

		Schedule Reference	**Year ended 31.03.2011 (Rs.)**	Year ended 31.03.2010 (Rs.)
1.	**INCOME**			
	a. Income from operations	11	**2,432,558,348**	2,095,027,618
	b. Other income	12	**95,139,418**	542,164,915
			2,527,697,766	2,637,192,533
2.	**EXPENDITURE**			
	a. Production, administrative and other costs	13	**1,697,226,570**	1,527,566,246
	b. Personnel expenses	14	**805,327,884**	707,374,485
	c. Interest and financial charges	15	**400,785,886**	433,922,633
	d. Depreciation	6	**116,854,570**	130,380,937
	e. Provision in diminution in value of investment (see note 8 (2) (a))		**-**	658,937,927
			3,020,194,910	3,458,182,228
3.	**Profit/(Loss) before tax**		**(492,497,144)**	(820,989,695)
4.	Provision for taxes		**-**	-
5.	**Profit/(Loss) after tax carried to balance sheet**		**(492,497,144)**	(820,989,695)
	Earning per equity share (See note 10)			
	(Face Value of Rs. 2 per share)			
	Basic		**(2.20)**	(4.56)
	Diluted		**(2.20)**	(4.56)
Notes to the accounts		16		

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

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
30 May, 2011

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs & Company Secretary

Noida
30 May, 2011

Cash Flow Statement for the year ended March 31, 2011

	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**(492,497,144)**	(820,989,695)
Adjustments for :		
Depreciation	**116,854,570**	130,380,937
Loss on sale/disposal of assets	**627,069**	344,133
Employee stock compensation expenses	**4,527,283**	19,293,085
Interest expense and finance charges	**400,785,886**	433,922,633
Foreign exchange loss / (gain)	**-**	(3,596,429)
Profit on sale of short term investments	**(16,518,159)**	(4,125,780)
Provisions written back	**(10,349,866)**	(7,781,076)
Interest income	**(67,071,743)**	(12,007,327)
Income from sale of ibn18 shares by ibn18 trust	**-**	(514,600,000)
Provision in dimunition in value of investment	**-**	658,937,927
Operating profit before working capital changes	**(63,642,104)**	(120,221,592)
Adjustments for :		
Decrease/(Increase) in Current assets	**(184,135,546)**	(192,506,414)
Increase/(Decrease) in Current liabilities	**(130,101,053)**	5,887,148
Cash generated from/ (used in) operations	**(377,878,703)**	(306,840,858)
Tax (paid)/ Refund (including Fringe benefit tax)	**56,086,668**	(21,206,074)
Net cash from/ (used in) operating activities	**(321,792,035)**	(328,046,932)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital advances)	**(36,286,137)**	(33,285,931)
Sale of assets/claim received	**3,874,578**	546,564
Investments purchased		
- in subsidary/affiliates (including share application money)	**(2,746,132,600)**	(2,659,429,620)
- in mutual funds and others (net)	**16,518,159**	4,125,780
Interest received	**64,981,700**	11,366,109
Income from sale of ibn18 shares by ibn18 trust	**-**	514,600,000
Net cash from/ (used in) investing activities	**(2,697,044,300)**	(2,162,077,098)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Interest and finance charges paid	**(346,001,112)**	(425,669,490)
Merger / Demerger expenses	**(23,458,247)**	-
Share application money received / refunded	**(52,553,515)**	1,688,218,345
Proceeds from issue of equity shares (Net)	**3,495,902,288**	—
Rights issue expenses	**-**	(89,312,882)
Increase / (Decrease) in loans	**(1,477,082,307)**	3,217,719,247
Net cash from/ (used in) financing activities	**1,596,807,107**	4,390,955,220
Net increase/ (decrease) in cash and cash equivalents	**(1,422,029,228)**	1,900,831,190
Cash and cash equivalents as at the beginning of the year	**2,035,203,373**	134,372,183
Cash and cash equivalents as at the end of the year	**613,174,145**	2,035,203,373
Cash and cash equivalents includes amount under lien with banks	**323,628,337**	152,212,768

Notes :
1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
30 May, 2011

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs & Company Secretary

Noida
30 May, 2011

Schedules forming part of the Balance Sheet

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
275,000,000 (Previous year 275,000,000) Equity shares of Rs. 2 each (Previous year Rs. 2 each)	**550,000,000**	550,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
237,867,300 (Previous year 181,651,478) Equity shares of Rs. 2 each fully paid up (Previous year Rs. 2 each) (see note 1)	**475,734,600**	363,302,956
Less: Calls in arrears (70,335 shares @ Rs. 1.50 per share)	**105,502**	-
	475,629,098	363,302,956
SCHEDULE 2		
EMPLOYEE STOCK OPTIONS OUTSTANDING		
a. Employees stock options outstanding	**23,842,987**	56,991,187
b. Less: Deferred employee compensation	**1,557,520**	8,083,628
c. Net balance	**22,285,467**	48,907,559
SCHEDULE 3		
RESERVES AND SURPLUS		
a. Securities Premium Account		
i. Opening balance	**3,487,938,873**	3,237,938,873
ii. Add:		
- Premium arising on conversion of warrants	**-**	250,000,000
- Amounts received pursuant to issue of equity shares	**5,104,372,062**	-
iii. Less:		
- Rights issue expenses	**90,741,078**	-
iv. Closing balance	**8,501,569,857**	3,487,938,873
b. General Reserve	**9,998,341**	9,998,341
c. Capital Reserve	**168,720,000**	168,720,000
	8,680,288,198	3,666,657,214
SCHEDULE 4		
SECURED LOANS		
From Banks		
a. Cash credit (see note 6a)	**674,719,378**	568,476,987
b. Term loan (see note 6b)*	**555,019,898**	1,651,663,965
From Others		
c. Other loans (see note 6c)	**4,356,269**	-
	1,234,095,545	2,220,140,952
* Term Loans repayable within one year	**489,977,403**	1,517,477,400
SCHEDULE 5		
UNSECURED LOANS		
a. Short term loan from others	**105,400,001**	2,184,749,466
b. Public deposits*	**1,588,312,565**	-
	1,693,712,566	2,184,749,466
* Public deposits repayable within one year	**1,086,604,000**	-

SCHEDULE 6
FIXED ASSETS

(All amounts in Rupees)

	GROSS BLOCK AT COST				DEPRECIATION				NET BLOCK	
Particulars	As at 01.04.2010	Additions	Sale/ Adjustment	**As at 31.03.2011**	As at 01.04.2010	For the Year	Sale/ Adjustment	**As at 31.03.2011**	**As at 31.03.2011**	As at 31.03.2010
Tangible Assets										
Freehold Land	490,064	-	-	**490,064**	-	-	-	**-**	**490,064**	490,064
Leasehold improvements	211,201,992	1,832,626	639,471	212,395,147	95,665,921	30,871,683	276,800	**126,260,804**	**86,134,343**	115,536,071
Plant & machinery										
- on finance lease	-	1,453,839	-	**1,453,839**	-	25,625	-	**25,625**	**1,428,214**	-
- others	806,488,033	16,004,232	4,506,110	**817,986,155**	240,303,622	57,324,743	1,205,997	**296,422,368**	**521,563,787**	566,184,411
Electrical installation	12,577,684	325,887	-	**12,903,571**	4,190,619	867,848	-	**5,058,467**	**7,845,104**	8,387,065
Computers										
- on finance lease	-	385,875	-	**385,875**	-	15,595	-	**15,595**	**370,280**	-
- others	69,342,795	2,658,189	-	**72,000,984**	50,532,169	11,240,545	-	**61,772,714**	**10,228,270**	18,810,626
Furniture & fixtures	18,373,415	208,318	37,126	**18,544,607**	8,195,497	861,183	4,320	**9,052,360**	**9,492,247**	10,177,918
Vehicles	15,621,271	6,905,025	1,343,583	**21,182,713**	6,348,930	1,630,054	537,526	**7,441,458**	**13,741,255**	9,272,341
Intangible Assets										
Computers software	121,388,279	1,297,881	-	**122,686,160**	95,563,927	14,017,294	-	**109,581,221**	**13,104,939**	25,824,352
Total	1,255,483,533	31,071,872	6,526,290	**1,280,029,115**	500,800,685	116,854,570	2,024,643	**615,630,612**	**664,398,503**	754,682,848
Previous year	1,223,165,477	33,746,631	1,428,575	1,255,483,533	370,957,626	130,380,937	537,878	500,800,685	754,682,848	-

Schedules forming part of the Balance Sheet

		As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 7			
INVESTMENTS			
Unquoted - Long term (Trade) (at cost)			
a.	**in equity shares of subsidiary company**		
i.	10,000 (Previous year 10,000) equity shares of RVT Media Private Limited of Rs 10 each fully paid up	**100,000**	100,000
ii.	100 (Previous year 100) equity share of ibn18 (Mauritius) Limited of USD 1 each	**5,081**	5,081
iii.	13,458,950 (Previous year 13,458,950) equity shares of IBN18 Media & Software Limited of Rs. 10 each fully paid up	**1,000,000**	1,000,000
b.	**in shares of joint venture**		
i.	8,625,000 (Previous year 8,625,000) equity shares of IBN Lokmat News Private Limited of Rs. 10 each fully paid up	**86,250,000**	86,250,000
ii.	42,217,217 (Previous year 28,746,028) equity share of Viacom18 Media Private Limited of Rs. 10 each fully paid up	**6,741,225,275**	4,558,892,675
iii.	220,000 (Previous year Nil) 0.10% Non Cumulative Redeemable Preference Shares of Series "I" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	**44,000,000**	-
iv.	250,000 (Previous year Nil) 0.10% Non Cumulative Redeemable Preference Shares of Series "II" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	**50,000,000**	-
v.	1,287,500 (Previous year Nil) 0.10% Non Cumulative Redeemable Preference Shares of Series "III" of IBN Lokmat News Private Limited of Rs. 100 each fully paid up	**257,500,000**	-
c.	**in equity shares of other companies**		
i.	12,163,717 (Previous year 12,163,717) Class A Ordinary shares of Web18 Holdings Limited of USD 0.00374 (Previous year USD 0.00374) each fully paid up	**1,848,836**	1,848,836
d.	**in equity warrants of joint venture**		
i.	3,000,000 (Previous year 3,000,000) share warrants of Series "C" of Viacom18 Media Private Limited of Rs. 1 each fully paid up	**3,000,000**	3,000,000
e.	**in debentures of subsidiary company**		
i.	13,249,900 (Previous year 13,249,900) Debenture in ibn18 Mauritius Limited of USD 1 each	**658,932,846**	658,932,846
	Less: Provision for Diminution in Value of ibn18 Mauritius Limited (see note 8 (2) (a))	**(658,937,927)**	(658,937,927)
	Aggregate of unquoted long term investments	**7,184,924,111**	4,651,091,511

Schedules forming part of the Balance Sheet

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 8		
CURRENT ASSETS, LOANS & ADVANCES		
a. Inventories		
i. Tapes and compact discs	**509,602**	810,145
b. Sundry debtors (Unsecured)		
i. Debts outstanding for more than 6 months		
- considered good	**169,314,597**	48,030,779
- considered doubtful	**30,514,095**	8,414,095
ii. Other debts	**793,852,977**	701,640,369
	993,681,669	758,085,243
iii. Less: Provision for doubtful debts	**30,514,095**	8,414,095
	963,167,574	749,671,148
c. Cash and bank balances		
i. Cash on hand	**555,830**	844,205
ii. Balance with scheduled banks :		
- in current accounts	**146,246,485**	141,159,995
- in deposit accounts [1, 2, 3]	**466,371,830**	152,427,313
- in rights issue accounts [4]	**—**	1,740,771,860
	613,174,145	2,035,203,373
1. Includes fixed deposits under lien with bankers for Bank Guarantee and Letter of Credit	**160,637,737**	152,212,768
2. Includes amount held as per Rule 3A of Companies (Acceptance of . deposits) Rules, 1975	**162,990,600**	-
3. Unutilised money of Right Issue	**132,092,000**	-
4. Includes Share application money received under Rights Issue to be refunded	**-**	52,553,515
d. Loans & advances		
(Unsecured, considered good)		
i. Advances recoverable in cash or in kind or for value to be received	**185,683,490**	166,172,267
ii. Inter corporate deposits	**1,171,724**	-
iii. Share application money paid	**666,300,000**	454,000,000
iv. Advance to vendors*	**11,129,844**	29,442,458
v. Income tax deducted at source	**79,082,439**	139,269,107
vi. Interest accrued but not due	**2,638,192**	1,719,873
vii. Security and other deposits	**71,180,535**	95,313,766
viii. Fringe benefit tax [net of provision of Rs. 53,493,195 (Previous year Rs. 53,493,195)]	**969,000**	969,000
	1,018,155,224	886,886,471
* Includes Capital advances	**2,120,715**	95,000

Schedules forming part of the Balance Sheet

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 9		
CURRENT LIABILITIES & PROVISIONS		
a. Current liabilities		
i. Sundry creditors		
- Micro and small enterprises (see note 19)	**-**	-
- Others	**361,909,969**	496,663,346
ii. Interest accured but not due	**71,006,065**	16,221,291
iii. Other liabilities	**117,478,374**	97,003,413
iv. Advance from customers	**32,874,243**	77,968,650
v. Share application money to be refunded	**-**	52,553,515
	583,268,651	740,410,215
b. Provisions		
i. Retirement benefits (see note 13)	**65,289,362**	46,367,458
	65,289,362	46,367,458
	648,558,013	786,777,673

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 10		
PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)		
a. Opening balance	**1,791,095,787**	970,106,092
b. Add:		
- Loss brought forward from Profit and loss account	**492,497,144**	820,989,695
	2,283,592,931	1,791,095,787

Schedules forming part of the Profit and Loss Account

		Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
SCHEDULE 11 **INCOME FROM OPERATIONS**			
a.	Advertisement and subscription income	**2,370,417,533**	2,073,033,455
b.	Sale of content	**42,676,283**	2,325,935
c.	Equipment rentals and other receipts	**19,464,532**	19,668,228
		2,432,558,348	2,095,027,618
SCHEDULE 12 **OTHER INCOME**			
a.	Income from sale of ibn18 shares by ibn18 trust	**-**	514,600,000
b.	Loan balance written back	**-**	5,737,220
b.	Interest on		
	- Inter company balances [Including tax deducted at source Rs. 5,313,019 (Previous year: Rs. 191,448)]	**53,130,194**	1,914,483
	- Fixed deposits [including tax deducted at source Rs. 2,007,477 (Previous year Rs. 1,023,444)]	**13,941,549**	10,092,844
c.	Profit on sale of short term investments	**16,518,159**	4,125,780
d.	Excess provision written back	**10,349,866**	2,043,856
e.	Profit on exchange rate fluctuation (net)	**-**	3,596,429
f.	Miscellaneous income	**1,199,650**	54,303
		95,139,418	542,164,915
SCHEDULE 13 **PRODUCTION, ADMINISTRATIVE AND OTHER COSTS**			
a.	Studio and equipment hire charges	**61,585,731**	60,462,385
b.	Telecast and uplinking fees	**57,622,500**	59,997,162
c.	Tapes consumed	**4,736,295**	4,540,627
d.	Content and franchise expenses	**104,772,601**	105,317,353
e.	Media professional fees	**109,493,230**	61,944,710
f.	Other production expenses	**20,246,554**	20,988,068
g.	Rent	**64,049,572**	62,668,477
h.	Electricity expenses	**31,510,531**	27,519,263
i.	Insurance	**4,652,663**	4,452,684
j.	Travelling and conveyance	**119,979,164**	98,540,076
k.	Vehicle running and maintenance	**74,332,101**	60,552,479
l.	Communication expenses	**32,967,771**	34,579,496

Schedules forming part of the Profit and Loss Account

		Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
SCHEDULE 13			
PRODUCTION, ADMINISTRATIVE AND OTHER COSTS (Contd.)			
m.	Distribution, advertising and business promotion	**862,065,162**	793,415,393
n.	Repairs and maintenance		
	- Plant & machinery	**43,109,002**	38,671,029
	- Others	**6,189,582**	6,826,288
o.	Legal and professional expenses (see note 9)	**24,107,983**	28,011,945
p.	Rate, fees and taxes	**43,773**	12,292
q.	Office upkeep and maintenance	**33,685,326**	32,985,349
r.	Directors sitting fees	**315,000**	345,000
s.	Loss on sale / disposal of assets (net)	**627,069**	344,133
t.	Loss on exchange rate fluctuation (net)	**469,006**	-
u.	Bad debts written off/ provided for	**22,100,000**	10,353,245
v.	Miscellaneous expenses	**18,565,954**	15,038,792
		1,697,226,570	1,527,566,246
SCHEDULE 14			
PERSONNEL EXPENSES			
a.	Salaries and bonus	**680,079,659**	600,814,064
b.	Contribution to provident fund and other funds	**36,675,939**	32,503,603
c.	Staff welfare expenses	**59,090,331**	52,810,604
d.	Retirement benefits	**24,954,672**	1,953,129
e.	Employee stock compensation expenses	**4,527,283**	19,293,085
		805,327,884	707,374,485
SCHEDULE 15			
INTEREST AND FINANCIAL CHARGES			
a.	Interest on:		
	- Term loans	**147,261,694**	142,710,784
	- Cash credit	**46,167,909**	56,330,485
	- Public deposits	**88,837,886**	-
	- Others	**49,616,792**	199,306,405
b.	Other financial charges	**68,901,605**	35,574,959
		400,785,886	433,922,633

Schedules forming part of the Accounts

SCHEDULE 16

NOTES TO THE ACCOUNTS

1. Background

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

Of the total equity share capital of the Company, 64,892,544 equity shares (Previous year 47,724,140 equity shares) of face value of Rs.2 each are held by Network 18 Media & Investments Limited (Network18) of which, 47,384,140 shares were issued to Network18 for consideration received other than cash pursuant to scheme of amalgamation between the company and SRH Broadcast News Holdings Private Limited.

Network18 Media & Investments Limited is the holding company by virtue of management control over the Company's operations.

2. Significant Accounting Policies

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

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

a. Revenue Recognition

i. Income from media operations includes:

- Advertisement revenue comprising:
  - Revenue from sale of advertising time, which is recognised on the accrual basis when advertisements are telecast in accordance with contractual obligations.
  - Revenue from sponsorship contracts, which is recognised proportionately over the term of the sponsorship.
- Subscription revenue which is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency.
- Facility and equipment rental which is accounted for on the accrual basis for the period of use of equipment by the customers.

ii. Revenue from sale of television content is recognised on transmission of audio-video content to the customer and their acceptance.

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

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

b. Fixed Assets

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

Schedules forming part of the Accounts

c. Depreciation

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

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

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

d. Impairment of assets

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

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

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

e. Inventories

Inventories consist of blank betacam tapes and are stated at cost on First in First out (FIFO) basis.

Stocks of other tapes are written off at the time of purchase.

f. Investments

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

g. Employee Benefits

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

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

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

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

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

Schedules forming part of the Accounts

h. Foreign Currency Translation

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

i. Taxation

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

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

j. Earnings Per Share

The Company reports basic and diluted earnings per equity share in accordance with AS-20, Accounting Standard on Earnings Per Share. Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year ending 31 March, 2011. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year ending 31 March, 2011 and except where the results would be anti-dilutive.

k. Borrowing Costs

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

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

l. Use of estimates

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

m. Employee Stock Option Scheme (ESOS)

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

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

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and reliable estimate can be made of the amount of the obligation. A contingent liability is recognised where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

o. Leases

i. Operating Lease

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

ii. Finance Lease

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

p. Barter Transactions

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

q. Segment Information

i. Business Segments

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

ii. Geographic Segments

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

3. 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, Network18 Media & Investments Limited ('Network18'), Television Eighteen India Limited ('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, TV18's television businesses inter-alia consisting of business news channels viz. CNBC TV18 and CNBC Awaaz will be demerged and consolidated with the Company. On the same date, ibn18 Media Software Limited (ibn18 Media) a subsidiary of the Company and iNews.com Limited (iNews) will be merged into the Company and since these are either the wholly owned subsidiary or will become wholly owned subsidiary pursuant to scheme, no consideration will be payable to their shareholders. As per the Scheme, the shareholders of TV18 will be given 68 shares of the Company in lieu of 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 of TV18, shall be transferred to the Company. Further ibn18 Media and iNews will be merged with the Company.

4. Capital commitment, contingent liabilities and litigations

a. Estimated amounts of contracts remaining to be executed on capital account (net of advances) Rs.2.90 million (Previous year Rs. 0.86 million).

Schedules forming part of the Accounts

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

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

d. The Company has given corporate guarantees of Rs. 249.00 million (Previous year Rs. 272.5 million) towards credit facility given by banks to IBN Lokmat. As at the year end Rs. 146.38 million was outstanding in respect of such loans.

e. The Company has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, objectionable contents and defamation suits in relation to the programmes produced by it, the aggregate claim being Rs. 3,124.15 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.

5. Share Capital

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

RVT Investments had in the 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 Company had allotted 12,500,000 equity shares of face value of Rs. 2/- each upon conversion of Warrants at a premium of Rs 100/- per equity share as per the terms of issue of Warrants.

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

6. Secured Loans

a. Cash credit from banks of Rs 674.72 million are secured as follows:

   i. Cash credit facility of Rs 547.35 million are secured as follows:

      - First pari passu charge on all the current assets of the company.
      - Additionally secured by unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited
      - Cash credit facility of Rs. 159.98 million is additionally secured by second charge on the Company's movable fixed assets.

   ii. Cash credit facility of Rs. 127.37 million is secured by hypothecation of book debts.

b. The term loan of Rs. 555.02 million taken from banks is secured as follows:

   i. Term loan of Rs. 40 million is secured by:

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

Schedules forming part of the Accounts

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

ii. Term loan of Rs. 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

iii. 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

iv. Term loan of Rs. 320.84 million is secured by:

- Subservient charge on all movable fixed assets (all present & future) of the Company.
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited, to remain valid during currency of credit facility.

v. Term loan of Rs. 100.00 million is secured by:

- Subservient charge on all movable fixed assets (all present & future) of the Company.
- Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited, to remain valid during currency of credit facility.
- Exclusive charge over the assets purchased.

c. Other secured loans are secured by hypothecation of vehicle and plant and machinery.

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

Particulars	Purchases		Sales	
	Units	Rs.	Units	Rs.
Reliance Liquidity Fund-Growth Option	28,826,477	405,000,000	28,826,477	407,501,855
Tata Liquid Super High Investment Fund-Appreciation	144,946	250,000,000	144,946	251,626,714
Birla Sun Life Cash Plus-Instalment Premium-Growth	20,014,701	300,000,000	20,014,701	302,043,573
L&T Liquid Instalment Pus-Cumulative	13,283,317	250,000,000	13,283,317	251,429,285
DWS Instalment Cash Plus Fund-Institutional Plan-Growth	16,981,273	250,000,000	16,981,273	250,512,834
DSP Black Rock Liquidity Fund-Institutional Plan-Growth	112,128	150,000,000	112,128	150,885,534
J M High Liquidity Fund-Super Institutional Plan-Growth(94)	17,099,746	250,000,000	17,099,746	250,932,502
Kotak Liquid Institutional Premium- Growth	13,181,205	250,000,000	13,181,205	250,519,339
Principal Cash Management Fund-Growth	17,193,829	250,000,000	17,193,829	250,677,437

Schedules forming part of the Accounts

Particulars	Purchases		Sales	
	Units	Rs.	Units	Rs.
UTI Liquid Cash Plan Institutional-Growth Option	143,372	220,000,000	143,372	221,400,039
Taurus Liquid Plus-Super Institutional Growth	49,774	50,000,000	49,774	50,301,369
IDFC Saving Advantage Fund-Plan A-Growth	21,983,433	250,000,000	21,983,433	250,531,999
Religare Liquid Fund-Super Institutional Growth	23,365,760	300,000,000	23,365,760	301,715,047
Axis Liquid Fund-Institutional Growth	241,425	250,000,000	241,425	251,440,631

All the above investments in mutual funds were purchased and sold during the year resulting in NIL investments in mutual funds at the year ended 31 March 2011.

8. Investments

1. Having regard to the long term investment and strategic involvement with the Company, no provision is considered necessary for diminution in the value of following investment and advance for share application paid:

a. Investments in Viacom18 Media Private Limited (Viacom18)

The Company 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 Company 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. These amounts are disclosed under loans and advances.

The Company'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.

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

The Company had invested Rs 437.75 million in IBN Lokmat. As at 31 March 2011, IBN Lokmat has significant accumulated losses and its net worth has been substantially eroded.

c. Investment in RVT Media Private Limited (RVT Media)

The Company had invested Rs. 26.20 million (including share application money) in RVT Media. RVT Media has consolidated accumulated losses and its networth has been partially eroded.

2. Provision is considered necessary for diminution in the value of following investment:

a. Investment in ibn18 Mauritius Limited (ibn18 Mauritius)

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

Schedules forming part of the Accounts

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

	Particulars	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
a.	**Remuneration paid to Directors**		
	i. Salary and bonus	**9,804,001**	13,275,539
	ii. Contribution to provident and other funds	**483,097**	864,000
	Total*	**10,287,097**	14,139,539
	This remuneration pertains to the Joint Managing Director of the Company and has been approved by the Central Government vide its letter dated 27 December, 2010.		
	* Includes Gratuity and leave encashment paid but for the previous year it excludes provision for compensated absences and gratuity since the provision is based on an actuarial valuation for the Company as a whole.		
b.	**Expenditure in foreign currency**		
	i. Content and franchise expenses	**83,005,427**	93,686,968
	ii. Other production expenses	**26,496,845**	15,821,993
	iii. Travelling and conveyance	**6,034,897**	4,513,842
		115,537,169	114,022,803
c.	**CIF value of imports**		
	i. Capital goods	**3,689,737**	4,006,821
	ii. Tapes Purchased	**1,232,208**	920,823
		4,921,945	4,927,644
d.	**Tapes consumed**		
	i. Domestic	**3,564,298**	2,964,480
	ii. Imported	**1,171,997**	1,576,147
		4,736,295	4,540,627
e.	**Earnings in foreign currency**		
	Income from operations	**557,938**	1,303,257
f.	**Auditors' remuneration (excluding service tax)**		
	i. Statutory audit fees (including Quarterly limited reviews/audits)	**5,950,000**	5,650,000
	ii. Certification for the QIP / Rights issue	**4,250,000**	4,500,000
	iii. Out of pocket expenses	—	31,120
		10,200,000	10,181,120

10. Earnings per share (EPS)

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year ended 31 March, 2011. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The details are:

Schedules forming part of the Accounts

Particulars		Units	Year ended 31.3.2011	Year ended 31.3.2010
a.	Net profit/(loss) after tax	Rs.	**(492,497,144)**	(820,989,695)
b.	Weighted average of number of equity shares used in computing basic earnings per share (Nominal value is Rs 2/- per share)	No. of shares	**224,032,396**	180,165,177
c.	Basic earnings/(loss) per share (a/b)*	Rs.	**(2.20)**	(4.56)
d.	Weighted average of the number of shares issued under Options	No. of shares	**1,627,977**	3,192,242
e.	Adjustment for number of shares that would have been issued at the fair value	No. of shares	**(1,302,418)**	(2,414,545)
f.	Weighted average of number of equity shares used in computing diluted earnings per share (b+d+e)	No. of shares	**224,357,955**	180,942,874
g.	Diluted earnings per share (a/f)*	Rs.	**(2.20)**	(4.56)

* Since the effect of dilution is anti-dilutive the diluted EPS is same as basic EPS.

11. Deferred tax

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

12. Segmental reporting

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

13. Employee Benefits

a. Description of the Gratuity plan

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

Schedules forming part of the Accounts

b. Defined Benefit Plans

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

Particulars	Year ended 31.3.2011		Year ended 31.03.2010	
	Gratuity benefits	Compensated absences	Gratuity benefits	Compensated absences
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Change in benefit obligations:				
i. Present value of obligation at the year beginning	**27,526,280**	**18,841,178**	25,992,612	33,164,885
ii. Current service cost	**8,503,838**	**5,801,441**	6,891,980	5,304,763
iii. Interest cost	**2,202,102**	**1,507,294**	2,079,409	2,653,191
iv. Past service cost	**1,807,309**	**-**	-	-
v. Actuarial (gain)/loss	**5,282,795**	**(150,106)**	(7,042,350)	(7,933,864)
vi. Benefits paid	**(3,087,185)**	**(2,945,584)**	(395,371)	(14,347,797)
vii. Present value of obligation at the year end	**42,235,139**	**23,054,223**	27,526,280	18,841,178
The fair value of plan assets is nil since both gratuity plan and long term compensated absences plan are wholly unfunded as on 31 March, 2011.				
Expenses recognised in the profit and loss account:				
i. Current service Cost	**8,503,838**	**5,801,441**	6,891,980	5,304,763
ii. Interest cost	**2,202,102**	**1,507,294**	2,079,409	2,653,191
iii. Net actuarial (gain)/loss	**5,282,795**	**(150,106)**	(7,042,350)	(7,933,864)
iv. Past service cost	**1,807,309**	**-**	-	-
v. Net cost	**17,796,044**	**7,158,629**	1,929,039	24,090
Actuarial assumptions used:				
i. Discount rate	**8%**	**8%**	8%	8%
ii. Expected salary escalation rate	**6%**	**6%**	6%	6%
iii. Expected rate of return	**-**	**-**	-	-
iv. Mortality table	**LIC (1994-96) duly modified**		LIC (1994-96) duly modified	
v. Retirement age	**60 Yrs**		60 Yrs	
vi. Withdrawal rates	**Age**	**%**	Age	%
	Upto 30 Year	**3**	Upto 30 Year	3
	31 to 44 Year	**2**	31 to 44 Year	2
	Above 44 year	**1**	Above 44 year	1

Notes:

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

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Year Ended	The present value of the Gratuity benefits Rs.	The experience adjustments arising on the Gratuity benefits Rs.
31.03.2011	42,235,139	5,282,795
31.03.2010	27,526,280	(7,042,350)
31.03.2009	25,992,612	7,744,498
31.03.2008	9,002,744	(109,656)
31.03.2007	4,696,941	224,315

The Company's best estimate of contributions expected to be paid during the annual year beginning after the balance sheet date is Rs. 16,428,944

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

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

b. Options which have been granted under ESOP 2007 shall vest with the grantee equally over a four year period from the date of grant. The exercise period of the options is a period of two years after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each (for one equity share of Rs 2 each after split) fully paid up on payment of exercise price (as determined by the remuneration/compensation committee) of share determined with respect to the date of grant. The Company has granted 5,020,642 options upto 31 March, 2011.

c. 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	**Weighted Average Price**	Options	Weighted Average Price
	(Numbers)	**(Rs.)**	(Numbers)	(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**	-	-
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

Schedules forming part of the Accounts

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

e. Pro forma Accounting for Stock Option Grants

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

Particulars	**Year ended 31.03. 2011 (Rs.)**	Year ended 31.03. 2010 (Rs.)
1. Net Profit/ (Loss) as reported (a)	**(492,497,144)**	(820,989,695)
2. Add: Stock based employee compensation expense debited to Profit and Loss account	**4,527,283**	19,293,085
3. Less: Stock based employee compensation expense based on fair value	**17,370,431**	53,443,643
4. Difference between (2) and (3)	**(12,843,148)**	(34,150,558)
5. Adjusted pro forma Profit/(Loss)	**(505,340,292)**	(855,140,253)
6. Difference between (1) and (5)	**(12,843,148)**	(34,150,558)
7. Basic earnings per share as reported	**(2.20)**	(4.56)
8. Pro forma basic earnings per share	**(2.26)**	(4.75)
9. Diluted earnings per share as reported	**(2.20)**	(4.56)
10. Pro forma diluted earnings per share	**(2.26)**	(4.75)

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

Particulars	**Year ended 31.03.2011**	Year ended 31.03.2010
Risk free interest rates (in %)	**7.96%**	6.05%
Expected life (in years)	**3.01 years**	4.84 years
Volatility (in %)	**39.36%**	65.67%
Dividend yield (in %)	**0%**	0%

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

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

Particulars	**Year ended 31.03.2011**	Year ended 31.03.2010
Total options granted	**-**	-
Weighted average exercise price (in Rs.)	**-**	-
Weighted average fair value (in Rs.)	**-**	-

Schedules forming part of the Accounts

15. Related Party disclosures

a. Related parties and their relationships

Holding Company

i. Network18 Media & Investments Limited (Network18) (formerly Network18 Fincap Limited)

Subsidiary Companies

i. RVT Media Private Limited (RVT Media)

ii. ibn18 Media and Software Limited (ibn18 Media) (Formerly Jagran TV Private Limited (Jagran TV)

iii. ibn18 (Mauritius) Ltd w.e.f 1 April, 2009

iv AETN18 Media Private Limited (AETN18) w.e.f 22 November, 2010

Joint Venture

i. IBN Lokmat News Private Limited (IBN Lokmat)

ii. Viacom18 Media Private Limited (Viacom18) w.e.f 1 April, 2009

Fellow Subsidiaries

i. Television Eighteen India Limited (TV18)

ii. Network18 India Holdings Private Limited (N-18 Holding)

iii. Setpro18 Distribution Limited (Setpro18), formerly Setpro 18 Distribution Private Limited

iv. Television Eighteen Mauritius Limited, Mauritius (TEML) [Subsidiary of TV18]

v. NewsWire18 Limited (Newswire), formerly News Wire18 India Private Limited till 27 February, 2009 [Subsidiary of TV18]

vi. RVT Investments Private Limited (RVT) [Subsidiary of TV18]

vii. Infomedia 18 Limited (Infomedia) w.e.f 21 August, 2008 [Subsidiary of TV18]

viii. Web18 Holdings Limited, Cayman Islands (Web18 Holding) [Subsidiary of TEML]

ix. BK Holdings Limited, Mauritius (BKH) [Subsidiary of TEML]

x. TV18 UK Limited (TV18 UK) [Subsidiary of TEML]

xi. E-18 Limited, Cyprus (E-18, Cyprus) [Subsidiary of Web18 Holding]

xii. e-Eighteen.com Limited (E-18) [Subsidiary of E-18, Cyprus]

xiii. Television Eighteen Commoditiescontrol.com Limited (TECCL) [Subsidiary of E-18, Cyprus]

xiv. Web18 Software Services Limited (Web18) [Subsidiary of E-18, Cyprus]

xv. Care Websites Private Limited (Care) w.e.f. 14 February, 2008 [Subsidiary of E-18, Cyprus]

xvi. Moneycontrol Dot Com India Limited (MCD) [subsidiary of E-18]

xvii. TV18 Home Shopping Network Limited (TV18 HSN)

xviii. Bigtree Entertainment Private Limited (Bigtree)

xix. Digital18 Media Limited (Digital18) w.e.f. 01 July, 2010

Individual exercising control

i. Raghav Bahl (RB)

Key management personnel and their relatives

i. Sameer Manchanda (SM) upto 22 October, 2010

ii. Rajdeep Sardesai (RS)

iii. Sagarika Ghose (SG)

Entity under significant influence

i. SGA News Limited (SGA News) upto 18 August, 2010

ii. Greycells 18 Media Limited (Greycells)

iii. Digital18 Media Limited (Digital18) upto 30 June, 2010

Schedules forming part of the Accounts

b. Balances outstanding/transactions with related parties:

Particulars	Holding	Entity under significant influence (Note 1)	Subsidiary	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
i. Transactions during the year						
Income from operations and other income						
1. Network18	519,288 (5,033,047)	- (-)	- (-)	- (-)	- (-)	- (-)
2. TV 18	- (-)	- (-)	- (-)	3,630,972 (4,450,667)	- (-)	- (-)
3. Web 18	- (-)	- (-)	- (-)	13,534,644 (20,219,689)	- (-)	- (-)
4. TV 18 HSN	- (-)	- (-)	- (-)	- (52,500)	- (-)	- (-)
5. IBN 18 Media	- (-)	- (-)	1,582,000 (1,380,000)	- (-)	- (-)	- (-)
6. Digital18	- (-)	- (129,819)	- (-)	519,276 (-)	- (-)	- (-)
7. Others	- (-)	- (-)	- (-)	878,352 (609,045)	- (-)	- (-)
Total	**519,288 (5,033,047)**	**- (129,819)**	**1,582,000 (1,380,000)**	**18,563,244 (25,331,901)**	**- (-)**	**- (-)**
Expenditure for services received						
1. Setpro18	- (-)	- (-)	- (-)	414,182,974 (356,905,058)	- (-)	- (-)
2. TV 18	- (-)	- (-)	- (-)	66,479,973 (66,079,980)	- (-)	- (-)
3. Network18	8,160,731 (24,683,536)	- (-)	- (-)	- (-)	- (-)	- (-)
4. IBN 18 Media	- (-)	- (-)	1,866,000 (1,721,000)	- (-)	- (-)	- (-)
5. Greycells18	- (-)	460,000 (-)	- (-)	- (-)	- (-)	- (-)
6. SM	- (-)	- (-)	- (-)	- (-)	10,287,097 (14,139,539)	- (-)
7. RS	- (-)	- (-)	- (-)	- (-)	14,424,000 (14,497,973)	- (-)
8. Others	- (-)	- (-)	- (-)	2,171,417 (13,169,574)	1,724,358 (1,613,280)	- (-)
Total	**8,160,731 (24,683,536)**	**460,000 (-)**	**1,866,000 (1,721,000)**	**482,834,364 (436,154,612)**	**26,435,455 (30,250,792)**	**- (-)**
Interest (Paid)						
1. Network18	2,612,421 (48,016,903)	- (-)	- (-)	- (-)	- (-)	- (-)
2. TV 18	- (-)	- (-)	- (-)	1,062,395 (11,684,215)	- (-)	- (-)
3. RVT investment	- (-)	- (-)	- (-)	16,519,589 (111,660,137)	- (-)	- (-)

Schedules forming part of the Accounts

Particulars	Holding	Entity under significant influence (Note 1)	Subsidiary	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
4. N-18 Holding	- (-)	- (-)	- (-)	6,787,398 (-)	- (-)	- (-)
Total	**2,612,421 (48,016,903)**	**- (-)**	**- (-)**	**24,369,382 (123,344,352)**	**- (-)**	**- (-)**
Interest (Received)						
1. RVT Media	- (-)	- (-)	1,301,916 (-)	- (-)	- (-)	- (-)
2. Web 18	- (-)	- (-)	- (-)	692,601 (-)	- (-)	- (-)
Reimbursement of expenses (paid)						
1. Network18	85,385,795 (46,939,931)	- (-)	- (-)	- (-)	- (-)	- (-)
2. TV 18	- (-)	- (-)	- (-)	94,399,488 (158,403,726)	- (-)	- (-)
3. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	3,812,855 (5,152,555)
4. Setpro18	- (-)	- (-)	- (-)	324,076,422 (257,040,475)	- (-)	- (-)
5. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	10,313,910 (2,112,868)
6. Greycells18	- (-)	- (363,000)	- (-)	- (-)	- (-)	- (-)
7. Infomedia	- (-)	- (-)	- (-)	6,734,200 (-)	- (-)	- (-)
8. Others	- (-)	- (4,375)	- (-)	1,191,889 (986,731)	- (-)	- (-)
Total	**85,385,795 (46,939,931)**	**- (367,375)**	**- (-)**	**426,401,999 (416,430,932)**	**- (-)**	**14,126,765 (7,265,423)**
Expenses incurred towards fixed assets on behalf of the Company						
1. Network 18	- (25,808,968)	- (-)	- (-)	- (-)	- (-)	- (-)
Transfer of fixed assets by the Company						
1. TV18 HSN	- (-)	- (-)	- (-)	2,089,120 (-)	- (-)	- (-)
2. TV 18	- (-)	- (-)	- (-)	150,000 (-)	- (-)	- (-)
Reimbursement of expenses (received)						
1. Network 18	10,682,393 (9,084,254)	- (-)	- (-)	- (-)	- (-)	- (-)
2. IBN 18 Media	- (-)	- (-)	60,000 (-)	- (-)	- (-)	- (-)
3. Setpro 18	- (-)	- (-)	- (-)	19,621,263 (21,085,247)	- (-)	- (-)

Schedules forming part of the Accounts

Particulars	Holding	Entity under significant influence (Note 1)	Subsidiary	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
4. TV 18	- (-)	- (-)	- (-)	49,721,803 (64,475,004)	- (-)	- (-)
5. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	33,862,502 (28,317,022)
6. Digital18	- (-)	- (357,765)	- (-)	1,431,536 (-)	- (-)	- (-)
7. Infomedia	- (-)	- (-)	- (-)	7,153 (23,763,050)	- (-)	- (-)
8. Viacom	- (-)	- (-)	- (-)	- (-)	- (-)	196,080 (4,962,037)
9. AETN18	- (-)	- (-)	7,476,657 (-)	- (-)	- (-)	- (-)
10. Web 18	- (-)	- (-)	- (-)	3,353,780 (-)	- (-)	- (-)
11. Others	- (-)	- (-)	- (-)	320,354 (6,887,452)	- (-)	- (-)
Total	**10,682,393 (9,084,254)**	**- (357,765)**	**7,536,657 (-)**	**74,455,889 (116,210,753)**	**- (-)**	**34,058,582 (33,279,059)**
Loan taken						
1. N-18 Holding	- (-)	- (-)	- (-)	495,000,000 (-)	- (-)	- (-)
2. RVTInvestment	- (-)	- (-)	- (-)	450,000,000 (1,885,000,000)	- (-)	- (-)
3. Network 18	420,000,000 (1450,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)
Total	**420,000,000 (1450,000,000)**	**- (-)**	**- (-)**	**945,000,000 (1,885,000,000)**	**- (-)**	**- (-)**
Loan Given						
1. RVT media	- (-)	- (-)	30,000,000 (-)	- (-)	- (-)	- (-)
2. AETN18	- (-)	- (-)	102,431 (-)	- (-)	- (-)	- (-)
Total	**- (-)**	**- (-)**	**30,102,431 (-)**	**- (-)**	**- (-)**	**- (-)**
Loan repaid						
1. N-18 Holding	- (-)	- (-)	- (-)	495,000,000 (-)	- (-)	- (-)
2. RVTInvestment	- (-)	- (-)	- (-)	1,924,718,781 (500,000,000)	- (-)	- (-)
3. Network 18	870,000,000 (1000,000,000)	- (-)	- (-)	- (-)	- (-)	- (-)
Total	**870,000,000 (1000,000,000)**	**- (-)**	**- (-)**	**2,419,718,781 (500,000,000)**	**- (-)**	**- (-)**

Schedules forming part of the Accounts

Particulars	Holding	Entity under significant influence (Note 1)	Subsidiary	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/JV
	(Rs.)	**(Rs.)**	**(Rs.)**	**(Rs.)**	**(Rs.)**	**(Rs.)**
Investment in equity shares						
1. ibn18 (Mauritius)	- (-)	- (-)	- (5,081)	- (-)	- (-)	- (-)
2. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	2,182,332,600 (2,124,873,014)
Total	**- (-)**	**- (-)**	**- (5,081)**	**- (-)**	**- (-)**	**2,182,332,600 (2,124,873,014)**
Investment in debentures						
1. ibn18 (Mauritius)	- (-)	- (-)	- (658,932,846)	- (-)	- (-)	- (-)
Guarantees taken						
1. Network18	- (2,039,600,000)	- (-)	- (-)	- (-)	- (-)	- (-)
ii. Balances at the year end						
Loans/advances						
1. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	20,509,048 (24,446,741)
2. Web 18	- (-)	- (-)	- (-)	22,171,290 (2,893,413)	- (-)	- (-)
3. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	10,250,954 (7,514,218)
4. Infomedia	- (-)	- (-)	- (-)	20,962,768 (26,970,535)	- (-)	- (-)
5. Digital18	- (-)	- (191,865)	- (-)	951,429 (-)	- (-)	- (-)
6. RVT media	- (-)	- (-)	1,171,724 (-)	- (-)	- (-)	- (-)
7. AETN18	- (-)	- (-)	9,729,407 (-)	- (-)	- (-)	- (-)
8. Others	- (-)	- (-)	- (-)	1,259,188 (1,052,720)	- (-)	- (-)
Total	**- (-)**	**- (191,865)**	**10,901,131 (-)**	**45,344,675 (30,916,668)**	**- (-)**	**30,760,002 (31,960,959)**
Creditors						
1. Network18	13,448,912 (22,517,106)	- (-)	- (-)	- (-)	- (-)	- (-)
2. Setpro18	- (-)	- (-)	- (-)	12,318,191 (103,905,181)	- (-)	- (-)
3. TV 18	- (-)	- (-)	- (-)	7,848,481 (37,094,867)	- (-)	- (-)
4. Others	- (-)	- (-)	- (-)	1,437,413 (3,206,068)	- (-)	- (-)
Total	**13,448,912 (22,517,106)**	**- (-)**	**- (-)**	**21,604,085 (144,206,116)**	**- (-)**	**- (-)**

Schedules forming part of the Accounts

Particulars	Holding	Entity under significant influence (Note 1)	Subsidiary	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Loan Repayable						
1. Network18	- (450,414,247)	- (-)	- (-)	- (-)	- (-)	- (-)
2. RVT Investment	- (-)	- (-)	- (-)	- (1,474,718,781)	- (-)	- (-)
Total	**- (450,414,247)**	**- (-)**	**- (-)**	**- (1,474,718,781)**	**- (-)**	**- (-)**
Share application money paid pending allotment						
1. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	- (254,000,000)
2. RVT Media	- (-)	- (-)	26,100,000 (-)	- (-)	- (-)	- (-)
3. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	640,200,000 (200,000,000)
Total	**- (-)**	**- (-)**	**26,100,000 (-)**	**- (-)**	**- (-)**	**640,200,000 (454,000,000)**
Guarantees given outstanding						
1. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	249,000,000 (272,500,000)
Guarantees taken outstanding						
1. Network18	1,669,600,000 (2,719,600,000)	- (-)	- (-)	- (-)	- (-)	- (-)
Investments at year end						
1. ibn18 Media	- (-)	- (-)	1,000,000 (1,000,000)	- (-)	- (-)	- (-)
2. ibn18 (Mauritius)	- (-)	- (-)	658,937,927 (658,937,927)	- (-)	- (-)	- (-)
3. RVT Media	- (-)	- (-)	100,000 (100,000)	- (-)	- (-)	- (-)
4. Web18 Holding	- (-)	- (-)	- (-)	1,848,836 (1,848,836)	- (-)	- (-)
5. Viacom18	- (-)	- (-)	- (-)	- (-)	- (-)	6,744,225,275 (4,561,892,675)
6. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (-)	437,750,000 (86,250,000)
Total	**- (-)**	**(-) (-)**	**660,037,927 (660,037,927)**	**1,848,836 (1,848,836)**	**- (-)**	**7,181,975,275 (4,648,142,675)**

Figures in brackets indicate amounts pertaining to the previous year.

Notes:

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

Schedules forming part of the Accounts

16. Rights issue

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 Company 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.

17. Barter Transactions

During the year ending 31 March, 2011, the Company had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The Income from operations for the year ended 31 March, 2011 has been net of, to reflect revenue from barter transactions of Rs. 102.32 million and expenditure of Rs. 93.93 million being the fair value of barter transactions provided and received.

18. Transfer Pricing

As per the Transfer Pricing Rules of the Income tax Act, 1961 every company is required to get a transfer pricing study conducted to determine whether the international transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2011 is currently in progress and hence adjustments if any which may arise there from have not been taken into account in these financial statements for the year ended 31 March, 2011 and will be effective in the financial statements for the year ended 31 March, 2012. However in the opinion of the Company's management, adjustments, if any, are not expected to be material.

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

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

20. Foreign exchange forward contracts

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

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

Particulars	**Currency**	**Amount**	
		Foreign Currency	**INR**
Payable	USD	789,148	35,235,830
	GBP	11,307	813,295

Schedules forming part of the Accounts

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

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account. The Company has taken various residential/ commercial premises under cancelable/non cancelable operating leases. The cancelable lease agreements are normally renewed on expiry. Rent amounting to Rs 64,049,572 (Previous year Rs 62,668,477) has been debited to the profit and loss account during the year. The details of future minimum lease payments under leases are as under:

Particulars	**Year ended 31.3.2011**	Year ended 31.03.2010
Not later than one year	**83,392,776**	76,909,578
Later than one year but not later than five years	**97,999,811**	83,769,924
More than five years	**1,196,414**	1,196,489

Leases where the lessor effectively transferred substantially all the risks and benefits of ownership of the leased asset to lessee are classified as finance leases. Finance lease payments are treated as installment payments along with interest. The Company has taken few plant & machinery under non cancelable finance leases. Finance Lease payment amounting to Rs. 163,447 (Previous year Rs Nil) has been paid during the year. The details of future minimum lease payments under finance leases are as under:

Particulars	**Year ended 31.3.2011**	Year ended 31.03.2010
Not later than one year	**653,853**	-
Later than one year but not later than five years	**1,190,855**	-
More than five years	**-**	-

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

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs & Company Secretary

Noida
30 May, 2011

(Currency : Indian Rupees in Thousands)

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

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No.	13214	State Code	55
Balance Sheet Date	31 - 03 - 11 (Date Month Year)		

II Capital Raised During the Year **(All amount in Rs. thousands)**

Public Issue	NIL	Rights Issue	1088885
Bonus Issue	NIL	Private Placement / Others (ESOPs)	3441
Preferential allotment	NIL		

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

Total Liabilities (including Shareholders' Funds)	12754569	Total Assets	12754569

Sources of Funds :

Paid-Up Capital	475629	Reserve & Surplus	6418981
Secured Loan	1234096	Unsecured Loan	1693713
Deferred Tax Liability	NIL		

Application of Funds :

Net Fixed Assets (Including capital work in progress)	667587	Investments	7184924
Net Current Assets	1946449	Misc Expenditure	23458

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

Turnover (including Other Income)	2527698	Total Expenditure	3020195
Profit/Loss Before Tax (+ / - : ✔ -)	492497	Profit/Loss After Tax (+ / - : ✔ -)	492497
Earnings per Share (in Rs.)- Annualised (+ / - : ✔ -)	2.20	Dividend Rate (%)	NIL

(Please tick appropriate box + for profit, - for loss)

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

V Generic Names of Principal Products/Services of Company

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

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHURI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM - Corporate Affairs & Company Secretary

Noida
30 May, 2011

Auditors' Report

TO THE BOARD OF DIRECTORS
ibn18 BROADCAST LIMITED

1. We have audited the attached Consolidated Balance Sheet of **ibn18 Broadcast Limited**, ("the Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31 March, 2011, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared on the basis of separate financial statements and other information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statements of certain subsidiaries and joint ventures, whose financial statements reflect total assets of Rs. 86,161.59 lakhs, as at 31 March, 2011, total revenues of Rs. 56,061.11 lakhs and net cash outflows amounting to Rs. 10,566.05 lakhs 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 in so far as it relates to the amounts included in respect of these subsidiaries and joint ventures is based solely on the reports of other auditors.

4. Attention is invited to Note 4 of Schedule 16 forming part of the consolidated financial statements regarding the Scheme of Arrangement ("the Scheme") which has been sanctioned by the Hon'ble High Court of Delhi on 26 April, 2011. As explained in Note 4, pending filing of the certified copies of the Orders of the Hon'ble High Court with the jurisdictional Registrar of Companies, 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 of TV18, shall be transferred to the Company. Further ibn18 Media Software Limited and iNews.com Limited will be merged with the Company.

5. Attention is invited to Note 23 of Schedule 16 to the consolidated financial statements concerning the uncertainties involved in the share in loss of a subsidiary of a joint venture. The matters explained in Note 23 of Schedule 16 indicate the existence of a material uncertainty for the subsidiary of the joint venture in respect of the predicted future revenues which form the 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 the carrying value of inventories of the joint venture and the resultant impact on the share in loss of the Company cannot presently be determined.

6. We report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.

7. Further to our comments in paragraph 4 and 5 above, based on our audit and on consideration of the separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures, and to the best of our information and according to the explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

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

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

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

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

JITENDRA AGARWAL
Partner
(Membership No. 87104)

GURGAON, 30 May, 2011

Consolidated Balance Sheet as at 31 March 2011

		Schedule Reference	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SOURCES OF FUNDS				
1.	SHAREHOLDERS' FUNDS			
	a. Share capital	1	**475,629,098**	363,302,956
	b. Share application money (pending allotment)		**-**	1,688,218,345
	c. 0.01% Convertible Redeemable Cumulative Preference shares of Rs.10 each fully paid up issued by Viacom18 Media Private Limited to Viacom18 Inc. (50% share)		**219,677,500**	219,677,500
	d. Employee stock options outstanding	2	**22,285,467**	48,907,559
	e. Reserves and surplus	3	**8,681,309,166**	3,666,657,214
2.	LOAN FUNDS			
	a. Secured loans	4	**3,562,573,592**	2,534,759,005
	b. Unsecured loans	5	**1,942,850,078**	2,184,749,466
3.	DEFERRED TAX LIABILITY		**8,287,667**	-
			14,912,612,568	10,706,272,045
APPLICATION OF FUNDS				
4.	FIXED ASSETS			
	a. Gross block	6	**1,696,786,305**	1,649,442,469
	b. Less: Accumulated Depreciation	6	**881,304,005**	710,720,197
	c. Net block		**815,482,300**	938,722,272
	d. Capital work in progress		**4,130,156**	6,347,417
			819,612,456	945,069,689
5.	GOODWILL		**4,005,406,402**	3,539,938,138
6.	INVESTMENTS	7	**58,606,479**	3,584,764
7.	DEFERRED TAX ASSET		**68,287,667**	-
8.	CURRENT ASSETS, LOANS & ADVANCES	8		
	a. Inventories		**3,456,283,856**	370,080,484
	b. Sundry debtors		**3,114,251,343**	2,281,694,259
	c. Cash and bank balances		**2,203,256,257**	2,568,680,275
	d. Loans and advances		**1,375,135,425**	1,033,838,547
			10,148,926,881	6,254,293,565
9.	LESS: CURRENT LIABILITIES AND PROVISIONS	9		
	a. Current liabilities		**2,650,945,450**	2,407,265,407
	b. Provisions		**75,654,112**	56,998,490
			2,726,599,562	2,464,263,897
10.	NET CURRENT ASSETS (8-9)		**7,422,327,319**	3,790,029,668
11.	PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)	10	**2,514,913,998**	2,338,336,904
12.	MISCELLANEOUS EXPENDITURE (TO THE EXTENT NOT WRITTEN OFF)		**23,458,247**	89,312,882
			14,912,612,568	10,706,272,045
Notes to the accounts		16		

The schedules referred to above form an integral part of the Balance Sheet
In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
30 May, 2011

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHARI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs & Company Secretary

Noida
30 May, 2011

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

		Schedule Reference	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
1.	**INCOME**			
	a. Income from operations	11	**7,998,090,246**	6,035,042,976
	b. Other income	12	**135,245,770**	553,652,326
			8,133,336,016	6,588,695,302
2.	**EXPENDITURE**			
	a. Production, administrative and other costs	13	**6,373,583,969**	5,232,511,758
	b. Personnel expenses	14	**1,205,440,941**	1,130,209,143
	c. Interest and financial charges	15	**509,085,147**	476,526,234
	d. Depreciation	6	**175,963,575**	186,247,509
	e. Option premium paid		**-**	658,113,750
			8,264,073,632	7,683,608,394
3.	**Profit/(Loss) before tax**		**(130,737,616)**	(1,094,913,092)
4.	Provision for taxes		**43,308,874**	676,300
5.	**Profit/(Loss) after tax carried to balance sheet**		**(174,046,490)**	(1,095,589,392)
	Earning per equity share (See note 9) (Face Value of Rs. 2 per share)			
	Basic		**(0.78)**	(6.08)
	Diluted		**(0.78)**	(6.08)
Notes to the accounts		16		

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

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
30 May, 2011

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHARI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs & Company Secretary

Noida
30 May, 2011

Consolidated Cash Flow Statement for the year ended 31 March 2011

		Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
A.	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Profit before tax	**(130,737,616)**	(1,094,913,092)
	Adjustments for :		
	Depreciation	**175,963,575**	186,247,509
	Loss on sale/disposal of assets	**2,150,349**	723,028
	Employee stock compensation expenses	**4,527,283**	19,293,085
	Finance expenses	**509,085,147**	476,526,234
	Foreign exchange loss / (gain)	**(294,829)**	(2,815,975)
	Dividend income	**(1,042,485)**	-
	Profit on sale of short term investments	**(16,518,159)**	(4,125,780)
	Provisions written back	**(13,145,470)**	(8,929,804)
	Interest income	**(73,554,715)**	(12,397,447)
	Option premium paid (paid last year)	**-**	304,881,029
	Operating profit before working capital changes	**456,433,080**	(135,511,213)
	Adjustments for :		
	Decrease/(Increase) in Current assets	**(2,212,949,322)**	(573,135,208)
	Increase/(Decrease) in Current liabilities	**178,536,217**	147,116,510
	Cash generated from/ (used in) operations	**(1,577,980,025)**	(561,529,911)
	Tax paid (including Fringe benefit tax)	**(263,829,036)**	(142,519,806)
	Net cash from/ (used in) operating activities	**(1,841,809,061)**	(704,049,717)
B.	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of fixed assets (including capital advances)	**(60,335,288)**	(80,144,300)
	Sale of assets/claim received	**4,969,223**	3,276,001
	Investments sale / (purchased)		
	- in subsidary/affiliates (including share application money)	**(2,486,297,774)**	(1,680,237,325)
	- in mutual funds and others (net)	**6,279,936**	4,125,780
	Interest received	**69,641,620**	11,643,211
	Dividend received	**1,042,485**	-
	Net cash from/ (used in) investing activities	**(2,464,699,798)**	(1,741,336,633)
C.	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Interest paid	**(454,419,090)**	(468,446,446)
	Merger / Demerger expenses	**(23,458,247)**	-
	Share application money received / refunded	**(52,553,515)**	1,740,771,860
	Proceeds from issue of equity shares	**3,495,902,288**	-
	Rights issue expenses	**-**	(89,312,882)
	Increase / (Decrease) in loans	**714,165,199**	3,394,375,757
	Net cash from/ (used in) financing activities	**3,679,636,635**	4,577,388,289
	Net increase/ (decrease) in cash and cash equivalents	**(626,872,224)**	2,132,001,939
	Cash and cash equivalents as at the beginning of the year	**2,568,680,275**	139,296,208
	Opening Cash and cash equivalents of Viacom18	**261,448,206**	297,382,128
	Cash and cash equivalents as at the end of the year	**2,203,256,257**	2,568,680,275
	Cash and cash equivalents includes amount under lien with banks	**323,628,337**	152,212,768

Notes :

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Previous year figures have been regrouped and recast wherever necessary to conform to the current year classification.

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner

Gurgaon
30 May, 2011

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHARI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM-Corporate Affairs & Company Secretary

Noida
30 May, 2011

Schedules forming part of Consolidated Balance Sheet

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 1		
SHARE CAPITAL		
AUTHORISED :		
275,000,000 (Previous year 275,000,000) Equity shares of Rs. 2 each (Previous year Rs. 2 each)	**550,000,000**	550,000,000
ISSUED, SUBSCRIBED AND PAID UP:		
237,867,300 (Previous year 181,651,478) Equity shares of Rs. 2 each fully paid up (Previous year Rs. 2 each) (see note 2)	**475,523,596**	363,302,956
Less: Calls in arrears (70,335 shares @ Rs. 1.50 per share)	**105,502**	-
	475,629,098	363,302,956
SCHEDULE 2		
EMPLOYEE STOCK OPTIONS OUTSTANDING		
a. Employees stock options outstanding	**23,842,987**	56,991,187
b. Less: Deferred employee compensation	**1,557,520**	8,083,628
c. Net balance	**22,285,467**	48,907,559
SCHEDULE 3		
RESERVES AND SURPLUS		
a. Securities Premium Account		
i. Opening balance	**3,487,938,873**	3,237,938,873
ii. Add:		
- Premium arising on conversion of warrants	**-**	250,000,000
- Amount received during the year through Rights issue	**5,104,372,062**	-
iii. Less:		
- Rights issue expenses	**90,741,078**	-
iv. Closing balance	**8,501,569,857**	3,487,938,873
b. General Reserve balance b/f	**9,998,341**	9,998,341
c. Capital Reserve balance b/f	**168,720,000**	168,720,000
d. Foreign exchange reserve	**1,020,968**	—
	8,681,309,166	3,666,657,214
SCHEDULE 4		
SECURED LOANS		
From Banks		
a. Cash credit (see note 7a)	**1,935,822,425**	792,350,676
b. Term loan (see note 7b)	**1,622,394,898**	1,742,338,673
From Others		
c. Other loans (see note 7c)	**4,356,269**	69,656
	3,562,573,592	2,534,759,005
SCHEDULE 5		
UNSECURED LOANS		
a. Short term loan from a bank	**249,137,512**	-
b. Short term loan from Others	**105,400,001**	2,184,749,466
c. Public Deposits	**1,588,312,565**	-
	1,942,850,078	2,184,749,466

Schedules forming part of Consolidated Balance Sheet

SCHEDULE 6
FIXED ASSETS

(All amounts in Rupees)

	GROSS BLOCK AT COST					DEPRECIATION					NET BLOCK	
Particulars	As at 01.04.2010	**Additions**	**Additions on Acquisition of JV**	**Sale/ Adjustment**	**As at 31.03.2011**	As at 01.04.2010	**For the year**	**Additions on Acquisition of JV**	**Sale/ Adjustment**	**As at 31.03.2011**	**As at 31.03.2011**	As at 31.03.2010
Tangible Assets												
Freehold Land	490,064	-	-	-	**490,064**	-	-	-	-	**-**	**490,064**	490,064
Leasehold improvements	276,522,681	3,345,769	-	2,531,657	**277,336,793**	134,783,809	43,696,910	-	1,416,272	**177,064,447**	**100,272,346**	141,738,872
Plant & machinery												
- on finance lease	-	1,453,839	-	-	**1,453,839**	-	25,625	-	-	**25,625**	**1,428,214**	-
- others	1,014,814,459	35,063,327	134,494	4,729,510	**1,045,282,770**	351,992,160	77,067,827	47,991	1,358,103	**427,749,875**	**617,532,895**	662,822,299
Electrical 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
Computers												
- on finance lease	-	385,875	-	-	**385,875**	-	15,595	-	-	**15,595**	**370,280**	-
- others	133,683,026	9,947,518	34,927	1,648,736	**142,016,735**	86,441,569	25,827,242	17,999	1,650,365	**110,636,445**	**31,380,290**	47,241,457
Furniture & fixtures	26,722,731	225,940	20,223	120,524	**26,848,370**	11,583,866	1,907,514	7,276	45,502	**13,453,154**	**13,395,216**	15,138,865
Vehicles	17,945,874	6,905,025	-	3,252,619	**21,598,280**	6,672,991	1,829,029	-	922,332	**7,579,688**	**14,018,592**	11,272,883
Intangible Assets												
Computers software	157,267,595	2,031,160	-	10,424	**159,288,331**	113,892,671	23,172,768	-	9,052	**137,056,387**	**22,231,944**	43,374,924
Rights	3,290,733	-	-	-	**3,290,733**	274,201	1,096,800	-	-	**1,371,001**	**1,919,732**	3,016,532
Total	**1,649,442,469**	**59,726,797**	**189,644**	**12,572,605**	**1,696,786,305**	**710,720,197**	**175,963,575**	**73,266**	**5,453,033**	**881,304,005**	**815,482,300**	938,722,272
Previous year	1,362,354,856	78,074,259	216,568,749	7,555,395	1,649,442,469	393,184,219	186,247,509	134,844,835	3,556,366	710,720,197	938,722,272	969,170,637

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 7		
INVESTMENTS		
a. Quoted - Short Term in units of mutual funds - other than trade		
a. 2,048,229 (Previous year Nil) units of Rs. 10 each Fidelity Cash Fund (Institutional) - Daily Dividend	**10,243,703**	-
b. 3,998,430 (Previous year Nil) units of Rs. 10 each in Fidelity Ultra Short Term Debt Fund Super Institutional - Daily Dividend Option	**20,013,940**	-
Aggregate of Quoted - Short Term Investments	**30,257,643**	-
Aggregate market value of quoted investments	**30,257,643**	-
b. Unquoted - Long term (Trade) (at cost) (See note 8)		
a. in equity shares of other companies		
i. 12,163,717 (Previous year 12,163,717) Class A Ordinary shares of Web18 Holdings Limited of USD 0.00374 each fully paid up	**1,848,836**	1,848,836
ii. 250,000 (Previous year 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**	-
iii. Nil (Previous year 1,475) equity share of Viacom 18 Media (UK) Ltd of GBP 1 each fully paid up (100% subsidiary of Viacom18 Media Private Limited)	**-**	117,964
iv. Nil (Previous year 50) equity share of Viacom 18 Media US Inc of USD 0.01 each fully paid up (100% subsidiary of Viacom18 Media Private Limited)	**-**	117,964
b. in equity warrants of other companies		
ii. 1,500,000 (Previous year 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
Aggregate of unquoted long term investments	**28,348,836**	3,584,764
	58,606,479	3,584,764

Schedules forming part of Consolidated Balance Sheet

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 8		
CURRENT ASSETS, LOANS & ADVANCES		
a. Inventories		
i. Tapes and compact discs	**698,035**	1,022,423
ii. Unamortised Cost of Completed Films, Shows & Events and Rights	**2,696,846,657**	366,788,206
iii. Projects in progress	**758,739,164**	2,269,855
	3,456,283,856	370,080,484
b. Sundry debtors (Unsecured)		
i. Debts outstanding for more than 6 months		
- considered good	**1,931,479,609**	526,684,217
- considered doubtful	**34,103,740**	24,998,000
ii. Other debts		
- considered good	**1,182,771,734**	1,755,010,042
- considered doubtful	**147,886,863**	9,157,263
	3,296,241,946	2,315,849,522
iii. Less: Provision for doubtful debtors	**181,990,603**	34,155,263
	3,114,251,343	2,281,694,259
c. Cash and bank balances		
i. Cash on hand	**785,062**	1,189,644
ii. Cheques on hand	**268,986,668**	218,862,524
iii. Balance with scheduled banks:		
- in current accounts	**1,402,289,867**	422,580,566
- in deposit accounts	**531,194,660**	185,275,681
- in rights issue accounts	**-**	1,740,771,860
	2,203,256,257	2,568,680,275
d. Loans & advances		
(Unsecured, considered good)		
i. Advances recoverable in cash or in kind or for value to be received	**502,868,242**	481,378,485
ii. Inter corporate deposits	**1,171,724**	-
iii. Share application money paid	**320,100,000**	122,500,000
iv. Advance to vendors	**11,836,223**	33,181,218
v. Income tax deducted at source	**416,499,979**	261,166,998
vi. Interest accrued but not due	**4,574,262**	1,832,891
vii. Security and other deposits	**117,101,836**	132,795,796
viii. Fringe benefit tax paid	**983,159**	983,159
	1,375,135,425	1,033,838,547

Schedules forming part of Consolidated Balance Sheet

	As at 31.03.2011 (Rs.)	As at 31.03.2010 (Rs.)
SCHEDULE 9		
CURRENT LIABILITIES & PROVISIONS		
a. Current liabilities		
i. Sundry creditors	**2,125,618,956**	1,955,307,741
ii. Interest accured but not due	**71,922,762**	17,256,705
iii. Other liabilities	**300,355,391**	272,105,456
iv. Advance from customer	**153,048,341**	110,041,990
v. Share application money to be refunded	**-**	52,553,515
	2,650,945,450	2,407,265,407
b. Provisions		
i. Retirement benefits	**75,654,112**	55,144,006
ii. Fringe benefit tax payable	**-**	1,854,484
	75,654,112	56,998,490
	2,726,599,562	2,464,263,897
SCHEDULE 10		
PROFIT AND LOSS ACCOUNT (DEBIT BALANCE)		
a. Opening balance	**2,338,336,904**	1,242,747,512
b. Add:		
- Opening profits of subsidiaries	**2,530,604**	-
- Loss brought forward from Profit and loss account	**174,046,490**	1,095,589,392
	2,514,913,998	2,338,336,904

Schedules forming part of Consolidated Profit and Loss Account

	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
SCHEDULE 11		
INCOME FROM OPERATIONS		
a. Advertisement and subscription income	**7,618,237,138**	5,899,285,128
b. Sale of content and film rights	**266,522,158**	2,381,724
c. Equipment rentals and other receipts	**113,330,950**	133,376,124
	7,998,090,246	6,035,042,976
SCHEDULE 12		
OTHER INCOME		
a. Income from sale of ibn18 shares by ibn18 trust	**-**	514,600,000
b. Loan balance written back	**-**	5,737,220
c. Interest on		
- Inter company balances	**58,013,653**	1,914,483
- Fixed deposits	**15,488,832**	12,397,447
- Others	**52,230**	-
d. Dividend on short term investments	**1,042,485**	-
e. Profit on sale of short term investments	**16,518,159**	4,125,780
f. Excess provision written back	**13,145,470**	3,192,584
g. Foreign exchange fluctuation income	**292,166**	2,815,975
h. Miscellaneous income	**30,692,775**	8,868,837
	135,245,770	553,652,326

Schedules forming part of Consolidated Profit and Loss Account

		Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
SCHEDULE 13			
PRODUCTION, ADMINISTRATIVE AND OTHER COSTS			
a.	Cost of Shows	**2,055,284,676**	1,731,021,471
b.	Cost of Film rights	**568,605,511**	279,777,102
c.	Cost of Music rights	**59,739,289**	46,580,107
d.	Film and production shoot expenses	**-**	91,025,006
e.	Studio and equipment hire charges	**65,198,153**	76,537,506
f.	Telecast and uplinking fees	**237,319,164**	119,591,779
g.	Tapes consumed	**4,965,450**	10,899,699
h.	Content and franchise expenses	**104,810,501**	105,336,886
i.	Media professional fees	**112,338,916**	175,916,888
j.	Other production expenses	**226,761,135**	38,148,434
k.	Rent	**117,783,291**	106,107,895
l.	Electricity expenses	**46,231,428**	40,772,190
m.	Insurance	**11,861,391**	12,383,806
n.	Travelling and conveyance	**174,603,071**	130,505,908
o.	Vehicle running and maintenance	**79,845,553**	66,367,743
p.	Communication expenses	**52,849,926**	48,534,196
q.	Distribution, advertising and business promotion	**2,085,364,711**	1,963,001,902
r.	Repairs and maintenance		
	- Building	**5,694,077**	4,477,314
	- Plant & machinery	**48,960,125**	42,174,057
	- Others	**13,699,004**	11,350,260
s.	Legal and professional expenses	**115,810,145**	53,412,524
t.	Rate, fees and taxes	**2,487,893**	3,101,709
u.	Office upkeep and maintenance	**36,577,357**	35,500,494
v.	Directors sitting fees	**1,249,708**	345,000
w.	Loss on sale / disposal of assets	**2,150,349**	723,028
x.	Bad debts written off/ provided for	**113,317,489**	18,320,326
y.	Pre-operative expenses written off	**8,282,140**	-
z.	Miscellaneous expenses	**21,793,516**	20,598,528
		6,373,583,969	5,232,511,758
SCHEDULE 14			
PERSONNEL EXPENSES			
a.	Salaries and bonus	**1,038,928,832**	1,003,019,897
b.	Contribution to provident fund and other funds	**51,330,361**	43,051,985
c.	Staff welfare expenses	**78,734,865**	64,740,925
d.	Retirement benefits	**31,919,600**	103,251
e.	Employee stock compensation expenses	**4,527,283**	19,293,085
		1,205,440,941	1,130,209,143
SCHEDULE 15			
INTEREST AND FINANCIAL CHARGES			
a.	Interest on:		
	- Term loans	**159,276,895**	174,192,830
	- Cash credit	**112,878,763**	59,184,641
	- Public deposits	**88,837,886**	-
	- Others	**49,616,792**	199,306,405
b.	Other financial charges	**98,474,811**	43,842,358
		509,085,147	476,526,234

Schedules forming part of the consolidated accounts

SCHEDULE 16

NOTES FORMING PART OF THE ACCOUNTS (CONSOLIDATED)

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

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

2. Background

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

RVT Media Private Limited (RVT Media), a 100% subsidiary of ibn18 (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.

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

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

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

Viacom18 Media Private Limited (Viacom18), a joint venture of ibn18 (50% shareholding), operates four TV channels ("Colors", "MTV" (India), "Nick" (India) and "VH1"), and has a films division ("Studio18") and sells merchandise related to its brands. Till March 31, 2009 Viacom18 was consolidated as an Associate with 33.71% holding. With effect from April 01, 2009, Viacom18 was consolidated as a joint venture with 33.71% holding till 14th July 2010 and thereafter at 50% holding. During the year, the Viacom18 has consolidated its 100% subsidiaries namely Viacom 18 Media US Inc., Viacom 18 Media UK Limited, Roptonal Limited, Cyprus and The Indian Film Co. (Cyprus) Ltd.

Excess of Purchase consideration over the parent company's share in the net worth of Viacom18 is considered as Goodwill.

Schedules forming part of the consolidated accounts

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

Of the total equity share capital of the Parent, 64,892,544 equity shares of face value of Rs.2 each (Previous year 47,724,140 equity shares of face value of Rs.2 each) are held by Network 18 Media & Investments Limited (Formerly known as Network 18 Fincap Limited). Network 18 Media & Investments Limited is also the holding company by virtue of management control over the Group's operations.

3. Significant Accounting Policies

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

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

a. Basis of consolidation

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

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

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

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

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

b. Revenue Recognition

i. Income from media operations includes:

- Advertisement revenue comprising:
  - Revenue from sale of advertising time, which is recognised on the accrual basis when advertisements are telecast in accordance with contractual obligations.
  - Revenue from sponsorship contracts, which is recognised proportionately over the term of the sponsorship.
- Subscription revenue which is recognised on accrual basis in accordance with the terms of the contract with the distribution and collection agency.
- Revenue from export of television programmes are recognised when the programmes are dispatched to the customer.
- Facility and equipment rental which is accounted for on the accrual basis for the period of use of equipment by the customers.
- Commission
  - Advertisement sales commission from acting as an advertising agent is recognised when the advertisement is transmitted and the necessary intimation is received from the principal.

Schedules forming part of the consolidated accounts

- Revenues from production and supervision commission are recognised on the basis of completion of milestone of the movies under production

➢ Licensing and Merchandising

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

➢ Other Sales and Service Income

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

➢ Licensing of Film Rights

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

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

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

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

c. Fixed Assets

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

d. Depreciation

(i) Depreciation for entities other than Viacom18 is provided for as follow:

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

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

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

(ii) Depreciation for Viacom18 is provided on straight line method on a prorata basis at the following rates:

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

e. Impairment of assets

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

Schedules forming part of the consolidated accounts

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

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

f. Inventories

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

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

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

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

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

i. Under the fiction and non-fiction category for local and / or foreign shows, the amortisation would be 90% in the first year of telecast and the balance 10 % amortised evenly in the second year.

ii. For events, in case of multiple run rights, the amortization would be 60%, 20% and 20% in the first, second and third years respectively, for a three years right and 60% and 40% in the first and second years respectively, for a two years right.

iii. For movies, in case of multiple run rights, the amortization would be 50%, 30% and 20% in the first, second and third years respectively, for a three years right and 50% each in the first and second years, for a two years right. Movies having either a single or multiple run rights and costing up to Rs.1.5 million would be fully amortised on the first airing.

iv. Work-in-progress (program under preparation) is valued at cost in Viacom18. Finished goods (Completed program) are valued at cost or net realisable value, whichever is less.

g. Investments

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

h. Employee Benefits

i. The Group's Employee's Provident Fund scheme is a defined contribution plan. The Group's contribution to the Employees' Provident Fund is charged to the profit and loss account during the period in which the employee renders the related service.

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

iii. The Group provides for gratuity, a defined benefit retirement plan (the "Gratuity Plan") covering eligible employees. In accordance with the Payment of Gratuity Act, 1972, the Gratuity Plan provides

Schedules forming part of the consolidated accounts

a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

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

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

i. Goodwill on consolidation

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

j. Foreign Currency Translation

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

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

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

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

k. Taxation

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

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

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

Schedules forming part of the consolidated accounts

l. Earnings Per Share

The Group reports basic and diluted earnings per equity share in accordance with AS-20, Accounting Standard on Earnings Per Share. Basic earnings per equity share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year ending 31 March, 2011. Diluted earnings per equity share is computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year ending 31 March 2011 except where the results would be anti-dilutive.

m. Borrowing Costs

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

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

n. Use of estimates

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

o. Employee Stock Option Scheme (ESOS)

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

p. Provisions and Contingencies

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

q. Leases

i. Operating Lease

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

ii. Finance Lease

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

Schedules forming part of the consolidated accounts

r. Barter Transactions

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

s. Segment Information

i. Business Segments

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

ii. Geographic Segments

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

4. The Board of Directors of the parent company in its meeting held on 7 July, 2010 considered and approved a Scheme of Arrangement ("the Scheme") between the parent company, Network18 Media & Investments Limited ('Network 18'), Television Eighteen Limited ('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, TV18's television businesses inter-alia consisting of business news channels viz. CNBC TV18 and CNBC Awaaz will be demerged and consolidated with the parent company. On the same date, ibn18 Media Software Limited (ibn18 Media) a subsidiary of the parent company and iNews.com Limited (iNews) will be merged into the parent company and since these are either the wholly owned subsidiary or will become wholly owned subsidiary pursuant to scheme, no consideration will be payable to their shareholders. As per the Scheme, the shareholders of TV18 will be given 68 shares of the parent company in lieu of 100 shares held in TV18.

The shareholders of the parent 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 of TV18, shall be transferred to the parent company. Further ibn18 Media and iNews will be merged with the parent company.

5. Contingent liabilities and litigations

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

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

c. The Parent has given corporate guarantees of Rs. 249.00 million (Previous year Rs. 272.50 million) towards credit facility and term loan given by banks to IBN Lokmat. As at the year end Rs. 146.38 million was outstanding in respect of such loans.

Schedules forming part of the consolidated accounts

d. The Parent has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, objectionable contents and defamation suits in relation to the programmes produced by it, the aggregate claim being Rs. 3,124.15 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.

e. Viacom18 has following contingent liabilities:

(Rs. In million)

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

6. Share Capital

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

7. Secured Loans

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

i. Cash credit facility of Rs 547.35 million are secured as follows:

- First pari passu charge on all the current assets of the Parent.
- Additionally secured by unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited
- Cash credit facility of Rs. 159.98 million is additionally secured by second charge on the Company's movable fixed assets of the Parent.

ii. Cash credit facility of Rs. 127.37 million is secured by hypothecation of book debts of the Parent.

iii. 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.

iv. Cash credit facility of Rs. 1,255.29 million is secured only by hypothecation on the Viacom18's Stock, book debts and fixed assets.

Schedules forming part of the consolidated accounts

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

   i. Term loan of Rs. 40 million is secured by:

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

   ii. Term loan of Rs. 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

   iii. 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

   iv. 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.

   v. 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.

   vi. 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 IBN Lokmat.
      - Corporate Guarantee from parent and Lokmat Newspapers Private Limited

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

      - Hypothecation on the Viacom18's Stock, book debts and fixed assets.

c. Other secured loans are secured by hypothecation of vehicle and plant and machinery.

8. Investments

a. 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

Schedules forming part of the consolidated accounts

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. Earnings per share

Basic earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year ended 31 March, 2011. Diluted earnings per equity share have been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year. The details are:

	Particulars	Units	Year ended 31.03.2011	Year ended 31.03.2010
a.	Net profit/(loss) after tax	Rs.	(174,046,490)	(1,095,589,392)
b.	Weighted average of number of equity shares used in computing basic earnings per share(Nominal value is Rs 2/- per share)	No. of shares	224,032,396	180,165,177
c.	Basic earnings / (loss) per share (a/b)*	Rs.	(0.78)	(6.08)
d.	Weighted average of the number of shares issued under Options	No. of shares	1,627,977	3,192,242
e.	Adjustment for number of shares that would have been issued at the fair value	No. of shares	(1,302,418)	(2,414,545)
f.	Weighted average of number of equity shares used in computing diluted earnings per share (b+d+e)	No. of shares	224,357,955	180,942,874
g.	Diluted earnings / per share (a/f)*	Rs.	(0.78)	(6.08)

* Since the effect of dilution is anti-dilutive the diluted EPS is same as basic EPS.

10. Deferred tax

The Group has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 – 'Accounting for Taxes on Income' referred in Companies (Accounting Standards) Rules, 2006. In view of significant accumulated losses the Group has not provided for deferred tax assets as there is no virtual certainty that there will be sufficient future taxable income available to realise such assets except in Viacom18. Hence deferred tax asset is created only in Viacom 18 and no deferred tax asset / liability was required at the year end in other companies of the Group.

a. Components of Deferred Tax Asset and Liability are as under:

	Amount in Rs.
Particulars	**As at March 31, 2011**
Deferred Tax Asset:	
- Depreciation	16,701,910
- Provision for Doubtful Debts	37,230,995
- Provision for Retirement Benefits	2,242,698
- Expenses disallowed under section 40(a) allowable later	12,112,064
Total	**68,287,667**
Deferred Tax Liability:	
- Inventories	8,287,667
Total	**8,287,667**

Net deferred tax expense for the year ending 31 March 2011 is Rs. 59,183,148.

b. Considering long term corporate strategies, future profitability and virtual certainty, Deferred Tax Asset (net) of Rs. 60 million has been recognised as on the Balance Sheet date of Viacom18 and the management of Viacom18 is of the opinion that in the long run, the carry forward loss would be fully realized.

11. Segmental reporting

Segment Identification, Reportable Segments and definition of each reportable segment:

i. Primary/Secondary Segment Reporting Format:

a) The risk/return profile of the group's business is determined predominantly by the nature of its products and services. Accordingly, the business segments constitute the primary segments for disclosure of segment information.

b) In respect of secondary segment information, the group has identified its geographical segments as (i) domestic and (ii) overseas. The secondary segment information has been disclosed accordingly.

ii. Segment Identification:

Business segments have been identified on the basis of the nature of the products/services, the risk/return profile of individual businesses, the organizational structure and the internal reporting system of the group.

iii. Reportable Segments:

Reportable segments have been identified as per the criteria prescribed in Accounting Standard-17 - 'Segment Reporting' as specified in the Companies (Accounting Standards) Rules, 2006.

iv. Segment Composition:

a) Broadcasting and Content comprise of television content and airtime sales;

b) Film production and Distribution business;

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v. Revenue and expenses have been accounted on the basis of their relationship to the operating activities of the segment. Incomes and expenditures which are related to the group as a whole and are not allocable to segments on a reasonable basis have been allocated under "Unallocable Income and Expenditure". Assets and Liabilities, which relate to the group as a whole, and are not allocable to segments on a reasonable basis, have been included under "Unallocable Assets and Liabilities."

vi. Inter-segment Transfers - The Group accounts for intersegment sales and transfers at cost.

Particulars	**Broadcasting Content**	**Film Production & & Distribution**	**Total**
Revenue			
Income from operations	7,944,419,145	97,801,512	8,042,220,657
Inter segment Revenue	-	-	-
Total revenue	**7,944,419,145**	**97,801,512**	**8,042,220,657**
Segment Results (PBT)	327,501,370	(40,269,198)	287,232,172
Add: Unallocated income			17,560,644
Add: Interest Income			73,554,715
Less: Interest Expense			509,085,147
Profit/(loss) before Tax			**(130,737,616)**
Provision for tax (Net)			43,308,874
Profit/(loss) after Tax			**(174,046,490)**
Segment Assets	**11,881,934,136**	**1,928,143,427**	**13,810,077,563**
Unallocated Assets			1,290,762,322
Total Assets			**15,100,839,885**
Segment Liabilities	**7,841,886,374**	**5,157,579**	**7,847,043,953**
Unallocated Liabilities			393,266,946
Total Liabilities			**8,240,310,899**
Non-Cash Expenditure other than depreciation			**116,033,149**
SECONDARY SEGMENT			
Revenue			
India			8,042,072,050
Overseas			148,607
Assets			
India			13,228,946,651
Overseas			1,871,893,234

Note: Segment was not applicable during the previous year.

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12. Employee Benefits

a. Description of the Gratuity plan

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

b. Defined Benefit Plans

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

Particulars		Year ended 31.03.2011		Year ended 31.03.2010	
		Gratuity benefits (Rs.)	Compensated absences (Rs.)	Gratuity benefits (Rs.)	Compensated absences (Rs.)
Change in benefit obligations:					
i.	Present value of obligation at the year beginning	36,163,360	23,625,181	26,642,846	34,220,013
ii.	Opening Liabilities of Viacom18	-	-	6,139,839	4,644,536
iii.	Current service cost	11,611,619	6,822,213	9,752,307	4,907,036
iv.	Interest Cost	2,893,069	1,586,628	2,364,907	2,737,601
v.	Actuarial (Gain)/Loss	7,906,479	(211,733)	(7,472,867)	(8,457,729)
vi.	Past service cost	1,807,309	-	-	-
vii.	Benefits paid	(3,923,482)	(7,631,179)	(1,263,672)	(14,426,276)
viii.	Present value of obligation at the year end	**56,458,354**	**24,191,110**	**36,163,360**	**23,625,181**
*	Gratuity plan and long term compensated absences plan are wholly unfunded as on 31 March, 2011 for the Group entities except for Viacom18 for which changes in plan assets for Gratuity are as follows:				
	i. Fair value of plan assets at the beginning of the year (Viacom18)	4,618,965	-	4,127,646	-
	ii. Expected return on plan assets	369,517	-	156,962	-
	iii. Employer's contributions	1,597,676	-	934,865	-
	iv. Benefits paid	(836,297)	-	(868,301)	-
	v. Actuarial gain/ (loss)	126,467	-	267,793	-
	vi. Fair value of plan assets at the year end	5,876,328	-	4,618,965	-

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Particulars	**Year ended 31.03.2011**		**Year ended 31.03.2010**	
	Gratuity benefits	**Compensated absences**	**Gratuity benefits**	**Compensated absences**
	(Rs.)	**(Rs.)**	**(Rs.)**	**(Rs.)**
Net liability:				
Present value of obligation at the year end	**56,458,354**	**24,191,110**	**36,163,360**	**23,625,181**
Fair value of plan assets at the year end	5,876,328	-	4,618,965	-
Net liability	**50,582,026**	**24,191,110**	**31,544,395**	**23,625,181**
Expenses recognised in the profit and loss account:				
i. Current service Cost	11,611,619	6,822,213	9,752,307	4,907,036
ii. Viacom18's opening liability Reversal	-	-	-	(3,303,251)
iii. Interest Cost	2,893,069	1,586,628	2,364,907	2,737,601
iv. Past service cost	1,807,309	-	-	-
v. Net actuarial (gain)/loss	7,780,012	(211,733)	(7,740,660)	(8,457,729)
vi. Expected Return on plan assets	(369,517)	-	(156,962)	-
vii. Net cost	**23,722,492**	**8,197,108**	**4,219,592**	**(4,116,343)**
Actuarial assumptions used:				
i. Discount Rate	8%	8%	8%	8%
ii. Expected Salary Escalation Rate	6%	6%	6%	6%
iii. Expected Rate of Return	8.50%	-	8%	-
iv. Mortality Table	LIC (1994-96) duly modified		LIC (1994-96) duly modified	
v. Retirement Age	60 Yrs		60 Yrs	
vi. Withdrawal Rates	**Age**	**Percentage**	**Age**	**Percentage**
	Upto 30 Year	3	Upto 30 Year	3
	30 to 44 Year	2	30 to 44 Year	2
	Above 44 year	1	Above 44 year	1

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Notes:

1. Liabilities for Leave encashment in Viacom18 has been provided on the accrual basis as at the Balance Sheet date since Viacom18 does not allow encashment of leaves and no balance of unavailed leaves are allowed to be carried forward either during the tenure of service or at the time of leaving the company.

2. The discount rate is based on the prevailing market yields of Indian Government securities as at the balance sheet date for the estimated term of obligations.

3. The expected return is based on the expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations.

4. The estimates of future salary increases considered takes into account the, inflation seniority, promotion and other relevant factors.

5. All plan assets are invested in debt instruments.

Particulars	**Year Ended 31.03.2011 Rs.**	**Year Ended 31.03.2010 Rs.**
the present value of the Gratuity benefits (a)	56,458,354	36,163,360
the fair value of the plan assets (b)	5,876,328	4,618,965
the (surplus) or deficit in the plan (a-b)	50,582,026	31,544,395
the experience adjustments arising on the Gratuity benefits	7,906,479	(7,472,867)

The Group's best estimate of contributions expected to be paid during the annual year beginning after the balance sheet date is Rs. 21,878,455.

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

a. The Parent had established an Employee Stock Option Plan (ESOP 2007) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which 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 upto 1,700,000 (8,500,000 options pursuant to split of 1 share of face value of Rs.10 in 5 shares of face value of Rs.2 each) options to eligible employees and directors of the Parent and its subsidiaries and holding company of the Parent.

b. Options which have been granted under ESOP 2007 shall vest with the grantee equally over a four 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 upto 31 March, 2011.

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

	Particulars	ESOP 2007 Year ended 31.03.11		ESOP 2007 Year ended 31.03.10	
		Options	Weighted Average Price	Options	Weighted Average Price
		(Numbers)	(Rs.)	(Numbers)	(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	-	-
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

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

e. Pro forma Accounting for Stock Option Grants

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

	Particulars	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
1.	Net Profit/ (Loss) as reported (a)	(174,046,490)	(1,095,589,392)
2.	Add: Stock based employee compensation expense debited to Profit and Loss account	4,527,283	19,293,085
3.	Less: Stock based employee compensation expense based on fair value	17,370,431	53,443,643
4.	Difference between (2) and (3)	(12,843,148)	(34,150,558)
5.	Adjusted pro forma Profit/(Loss)	(186,889,638)	(1,129,739,950)
6.	Difference between (1) and (5)	(12,843,148)	(34,150,558)
7.	Basic earnings (loss) per share as reported	(0.78)	(6.08)
8.	Pro forma basic earnings per share	(0.83)	(6.27)
9.	Diluted earnings per share as reported	(0.78)	(6.08)
10.	Pro forma diluted earnings per share	(0.83)	(6.27)

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

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Risk free interest rates (in %)	7.96%	6.05%
Expected life (in years)	3.01 years	4.84 years
Volatility (in %)	39.36%	65.67%
Dividend yield (in %)	0%	0%

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

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

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Total options granted	-	-
Weighted average exercise price (in Rs.)	-	-
Weighted average fair value (in Rs.)	-	-

(ii) ESOP 2008 Policy of Viacom 18

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	Year ended 31.03.2011	Year ended 31.03.2010
Option Outstanding at the beginning of the year	2,303,717	2,307,726
Options Granted during the year	-	33,937
Options Exercised during the year	-	-
Options Lapsed during the year	117,272	37,946
Options Outstanding at the year end	**2,186,445**	**2,303,717**

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14. Related Party disclosures

a. Related parties and their relationships

Holding Company

i. Network 18 Media & Investments Limited (Network18) (formerly Network 18 Fincap Limited)

Subsidiary Companies

i. RVT Media Private Limited (RVT Media)
ii. ibn18 Media and Software Limited (ibn18 Media) (Formerly Jagran TV Private Limited (Jagran TV)
iii. ibn18 (Mauritius) Ltd w.e.f 1 April, 2009
iv. AETN 18 Media Private Limited (AETN18) w.e.f 22 November, 2010

Joint Venture

i. IBN Lokmat News Private Limited (IBN Lokmat)
ii. Viacom18 Media Private Limited (Viacom18) w.e.f 1 April, 2009 (see note 21)

Fellow Subsidiaries

i. Television Eighteen India Limited (TV18)
ii. Network 18 India Holdings Private Limited (N-18 Holding)
iii. Setpro18 Distribution Limited (Setpro18), formerly Setpro 18 Distribution Private Limited
iv. Television Eighteen Mauritius Limited, Mauritius (TEML) [Subsidiary of TV 18]
v. NewsWire18 Limited (Newswire), formerly News Wire 18 India Private Limited till 27 February, 2009 [Subsidiary of TV 18]
vi. RVT Investments Private Limited (RVT) [Subsidiary of TV 18]
vii. Infomedia 18 Limited (Infomedia) w.e.f 21 August, 2008 [Subsidiary of TV 18]
viii. Web 18 Holdings Limited, Cayman Islands (Web 18 Holding) [Subsidiary of TEML]
ix. BK Holdings Limited, Mauritius (BKH) [Subsidiary of TEML]
x. TV18 UK Limited (TV 18 UK) [Subsidiary of TEML]
xi. E-18 Limited, Cyprus (E 18, Cyprus) [Subsidiary of Web 18 Holding]
xii. e-Eighteen.com Limited (E-18) [Subsidiary of E 18, Cyprus]
xiii. Television Eighteen Commoditiescontrol.com Limited (TECCL) [Subsidiary of E 18, Cyprus]
xiv. Web18 Software Services Limited (Web 18) [Subsidiary of E 18, Cyprus]
xv. Care Websites Private Limited (Care) w.e.f. 14 February, 2008 [Subsidiary of E 18, Cyprus]
xvi. Moneycontrol Dot Com India Limited (MCD) [subsidiary of E-18]
xvii. TV18 Home Shopping Network Limited (TV18 HSN)
xviii. Bigtree Entertainment Private Limited (Bigtree)
xix. Digital18 Media Limited (Digital18) w.e.f. 01 July, 2010
xx. IFC Distribution Private Limited (IFC Distribution) upto 31 October, 2010
xxi. The Indian Film Co. (Cyprus) Ltd (TIFC,Cyprus) upto 31 October, 2010

Individual exercising control

i. Raghav Bahl (RB)

Key management personnel and their relatives

i. Sameer Manchanda (SM) upto 22 October, 2010
ii. Rajdeep Sardesai (RS)
iii. Sagarika Ghose (SG)

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Entity under significant influence

i. SGA News Limited (SGA News) upto 18 August, 2010
ii. Greycells 18 Media Limited (Greycells)
iii. Digital18 Media Limited (Digital18) upto 30 June, 2010
iv. Web Chutney Studio Private Limited (Web Chutney)
v. Colosceum Media Private Limited (Colosceum Media)
vi. Den Digital Entertainment Networks Private Limited (Den Digital Entertainment)
vii. Den Digital Cable Network Private Limited (Den Digital Cable)
viii. Den Networks Limited (Den Networks)
ix. Network 18 Publications Limited (Network 18 Publications)
x. Den Digital Entertainment Bangalore Private Limited (Den Digital Entertainment Bangalore)
xi. Den Bellary City Cable Private Limited (Den Bellary City)
xii. Den Manoranjan Satellite Private Limited (Den Manoranjan)
xiii. Den Nashik City Cable Network Private Limited (Den Nashik City)
xiv. Den Supreme Satellite Vision Private Limited (Den Manoranjan)
xv. Tangerine Digital Entertainment Private Limited (Tangerine Digital)

b. Balances outstanding/transactions with related parties:

Particulars	**Holding**	**Entity under significant influence (Note 1)**	**Fellow Subsidiary (Note 2)**	**KMP and their Relatives**	**Associate/ JV**
	(Rs.)	**(Rs.)**	**(Rs.)**	**(Rs.)**	**(Rs.)**
i. Transactions during the year					
Income from operations and Other income					
1. Network18	519,288 (9,727,299)	- (-)	- (-)	- (-)	- (-)
2. TV 18	- (-)	- (-)	5,549,287 (5,223,960)	- (-)	- (-)
3. Web 18	- (-)	- (-)	13,245,901 (22,057,432)	- (-)	- (-)
4. TV 18 HSN	- (-)	- (-)	27,813,575 (675,574)	- (-)	- (-)
5. Digital18	- (-)	- (2,663,953)	519,276 (-)	- (-)	- (-)
6. IFC Distribution	- (-)	- (-)	- (9,955,625)	- (-)	- (-)
7. Den Networks	- (-)	(10,000,000)	- (-)	- (-)	- (-)
8. TIFC, Cyprus	- (-)	- (-)	- (37,696,346)	- (-)	- (-)
9. Others	- (-)	- - (52,853)	924,281 (609,045)	- -(-)	- -(-)
Total	**519,288 (9,727,299)**	**- (12,716,806)**	**48,052,320 (76,217,982)**	**- (-)**	**- (-)**

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Particulars	Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Expenditure for services received					
1. Setpro18	- (-)	 (-)	415,432,974 (358,155,058)	- (-)	- -(-)
2. TV 18	- (-)	- (-)	129,252,127 (122,815,637)	- (-)	- (-)
3. Network18	12,685,770 (26,315,673)	- (-)	- (-)	- (-)	 (-)
4. TIFC, Cyprus	- (-)	- (-)	- (81,823,347)	- (-)	- (-)
5. Den Networks	- (-)	- (107,007,623)	- (-)	- (-)	- (-)
6. Network 18 publications	- (-)	258,931 (-)	- (-)	- (-)	- (-)
7. Greycells18	- (-)	460,000 (-)	- (-)	- (-)	- (-)
8. SM	- (-)	- (-)	(-) -	10,287,097 (14,139,539)	- (-)
9. RS	- (-)	- (-)	- (-)	14,424,000 (14,497,973)	- (-)
10. Others	- (-)	- (12,009,971)	9,783,243 (30,400,727)	1,724,358 (1,613,280)	- (-)
Total	**12,685,770 (26,315,673)**	**718,931 (119,017,594)**	**554,468,343 (593,194,769)**	**26,435,455 (30,250,792)**	**- (-)**
Interest (Paid)					
1. N-18 Holding	- (-)	- (-)	6,787,398 (-)	- (-)	- (-)
2. Network18	2,612,421 (48,018,151)	- (-)	- (-)	- (-)	- (-)
3. TV 18	- (-)	- (-)	1,062,395 (14,140,228)	- (-)	- (-)
4. RVT Investment	- (-)	- (-)	16,519,589 (111,660,137)	- (-)	- (-)
Total	**2,612,421 (48,018,151)**	**- (-)**	**24,369,382 (125,800,365)**	**- (-)**	**- (-)**
Interest (Received)					
1. Web 18	- (-)	- (-)	692,601 (-)	- (-)	- (-)

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Particulars	Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	**(Rs.)**	**(Rs.)**	**(Rs.)**	**(Rs.)**
Reimbursement of expenses (paid)					
1. Network18	86,292,729 (51,564,936)	- (-)	- (-)	- (-)	- (-)
2. TV18	- (-)	- (-)	100,822,148 (171,630,889)	- (-)	- (-)
3. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	1,906,428 (2,576,278)
4. Setpro18	- (-)	- (-)	368,612,736 (294,482,975)	- (-)	- (-)
5. Viacom18	- (-)	- (-)	- (-)	- (-)	5,156,955 (1,056,434)
6. Greycells	- (-)	- (363,000)	- (-)	- (-)	- (-)
7. Others	- (-)	(4,375)	80,007,321 (1,867,644)	(-)	- (-)
Total	**86,292,729 (51,564,936)**	**- (367,375)**	**549,442,205 (467,981,508)**	**- (-)**	**7,063,383 (3,632,712)**
Expenses incurred towards fixed assets on behalf of the Company					
1. Network 18	- (25,808,968)	- (-)	- (-)	- (-)	- (-)
Transfer of fixed assets by the Company					
1. TV18 HSN	- (-)	- (-)	2,089,120 (-)	- (-)	- (-)
2. TV18	- (-)	- (-)	150,000 (-)	- (-)	- (-)
Total	**- (-)**	**- (-)**	**2,239,120 (-)**	**- (-)**	**- (-)**
Reimbursement of expenses (received)					
1. Network18	10,682,393 (9,084,254)	- (-)	- (-)	- (-)	- (-)
2. Setpro 18	- (-)	- (-)	19,634,404 (21,103,419)	- (-)	- (-)
3. TV18	- (-)	- (-)	52,532,330 (64,475,004)	- (-)	- (-)
4. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	16,931251 (14,158,511)

Schedules forming part of the consolidated accounts

Particulars	Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
5. Digital18	- (-)	- (357,765)	1,431,536 (-)	- (-)	- (-)
6. Infomedia	- (-)	- (-)	33,677 (23,763,050)	- (-)	- (-)
7. Viacom18	- (-)	- (-)	- (-)	- (-)	98,040 (2,481,019)
8. Others	- (-)	- (-)	3,769,094 (6,887,452)	- (-)	- (-)
Total	**10,682,393 (9,084,254)**	**- (357,765)**	**77,401,041 (116,228,925)**	**- (-)**	**17,029,291 (16,639,530)**
Loan taken					
1. N-18 Holding	- (-)	- (-)	495,000,000 (-)	- (-)	- (-)
2. RVT Investment	- (-)	- (-)	450,000,000 (1,885,000,000)	- (-)	- (-)
3. Network18	420,000,000 (1,450,000,000)	- (-)	- (-)	- (-)	- (-)
Total	**420,000,000 (1,450,000,000)**	**- (-)**	**945,000,000 (1,885,000,000)**	**- (-)**	**- (-)**
Loan repaid					
1. N-18 Holding	- (-)	- (-)	495,000,000 (-)	- (-)	- (-)
2. RVT Investment	- (-)	- (-)	1,924,718,781 (500,000,000)	- (-)	- (-)
3. Network18	870,000,000 (1,000,000,000)	- (-)	- (-)	- (-)	- (-)
Total	**870,000,000 (1,000,000,000)**	**- (-)**	**2,419,718,781 (500,000,000)**	**- (-)**	**- (-)**
Investment in equity shares					
1. Viacom 18 Media UK	- (-)	- (-)	- (-)	- (-)	- (117,964)
2. Viacom 18 Media US	- (-)	- (-)	- (-)	- (-)	- (117,964)
Total	**- (-)**	**- (-)**	**- (-)**	**- (-)**	**- (235,928)**
Guarantees taken					
1. Network18	- (2,039,600,000)	- (-)	- (-)	- (-)	- (-)

Schedules forming part of the consolidated accounts

Particulars		Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
		(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
ii.	**Balances at the year end**					
	Loans/advances					
1.	Network 18	5,074,206 (5,177,761)	- (-)	- (-)	- (-)	- (-)
2.	Viacom18	- (-)	- (-)	- (-)	- (-)	10,254,524 (12,223,371)
3.	TV 18 HSN	- (-)	- (-)	5,137,348 (1,539,048)	- (-)	- (-)
4.	Web 18	- (-)	- (-)	22,197,476 (4,916,347)	- (-)	- (-)
5.	IBN Lokmat	- (-)	- (-)	- (-)	- (-)	5,125,477 (3,757,109)
6.	Infomedia	- (-)	- (-)	23,177,166 (30,003,202)	- (-)	- (-)
7.	Digital18	- (-)	- (2,934,329)	3,426,265 (-)	- (-)	- (-)
8.	IFC Distribution	- (-)	- (-)	- (36,615,734)	- (-)	- (-)
9.	Den Networks	- (-)	- (11,030,000)	- (-)	- (-)	- (-)
10.	Network 18 Publications	- (-)	325,910 (-)	- (-)	- (-)	- (-)
11.	TIFC, Cyprus	- (-)	- (-)	- (19,425,330)	- (-)	- (-)
12.	Others	- (-)	- (81,057)	1,265,127 (1,092,884)	- (-)	- (850,000)
	Total	**5,074,206 (5,177,761)**	**325,910 (14,045,386)**	**55,203,381 (93,592,545)**	**- (-)**	**15,380,001 (16,830,480)**
	Creditors					
1.	Network18	28,852,032 (482,456,437)	- (-)	- (-)	- (-)	- (-)
2.	Setpro18	- (-)	- (-)	18,967,287 (103,917,776)	- (-)	- (-)
3.	TV 18	- (-)	- (-)	37,130,014 (65,916,486)	- (-)	- (-)
4.	Den Networks	- (-)	- (32,654,328)	- (-)	- (-)	- (-)
5.	TIFC,Cyprus	- (-)	- (-)	- (56,018,146)	- (-)	- (-)
6.	Others	- (-)	- (683,195)	6,651,252 (6,046,439)	- (-)	- (-)
	Total	**28,852,032 (482,456,437)**	**- (33,337,523)**	**62,748,552 (231,898,847)**	**- (-)**	**- (-)**

Schedules forming part of the consolidated accounts

Particulars	Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Loan payable					
1. RVT Investment	- (-)	- (-)	- (1,474,718,781)	- (-)	- (-)
2. Network18	- (472,931,353)	- (-)	- (-)	- (-)	- (-)
	(472,931,353)		(1,474,718,781)		
Share application money paid pending allotment					
1. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	- (22,500,000)
2. Viacom18	- (-)	- (-)	- (-)	- (-)	320,100,000 (100,000,000)
Total	**- (-)**	**- (-)**	**- (-)**	**- (-)**	**320,100,000 (122,500,000)**
Guarantees given outstanding					
1. IBN Lokmat	- (-)	- (-)	- (-)		124,500,000 (272,500,000)
Guarantees taken outstanding					
1. Network18	1,669,600,000 (2,719,600,000)	- (-)	- (-)	- (-)	- (-)
2. TV 18			320,000,000 (320,000,000)		
Investments at year end					
1. Web18 Holding	- (-)	- (-)	1,848,836 (1,848,836)	- (-)	- (-)
2. Viacom18	- (-)	- (-)	- (-)	- (-)	1,500,000 (1,500,000)
3. IBN Lokmat	- (-)	- (-)	- (-)	- (-)	25,000,000 (-)
4. Others	- (-)	- (-)	- (-)	- (-)	- (235,928)
Total	**- (-)**	**- (-)**	**1,848,836 (1,848,836)**	**- (-)**	**26,500,000 (1,735,928)**

Schedules forming part of the consolidated accounts

Particulars	Holding	Entity under significant influence (Note 1)	Fellow Subsidiary (Note 2)	KMP and their Relatives	Associate/ JV
	(Rs.)	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Security Deposit Paid					
1. Network18	3,391,250 (3,391,250)	- (-)	- (-)	- (-)	- (-)

Figures in brackets indicate amounts pertaining to the previous year.

Notes:

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

15. Rights issue

The Parent 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 parent has received Rs. 5,090.93 million towards the rights issue proceeds comprising Rs. 1,689.36 million towards share application money and Rs. 3401.57 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.

16. Auditors' remuneration (excluding service tax)

Particulars	Year ended 31.03.2011 (Rs.)	Year ended 31.03.2010 (Rs.)
i. Statutory audit fees (including Quarterly limited reviews/audits)	5,950,000	5,650,000
ii. Certification for the QIP / Rights issue	4,250,000	4,500,000
iii. Out of pocket expenses	-	31,120
	10,200,000	**10,181,120**

Schedules forming part of the consolidated accounts

17. Foreign currency exposure

The Group does not use foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. The Group's foreign currency exposure not hedged by a derivative instrument or otherwise as on 31 March, 2011 is as follows:

Particulars	Currency	Amount as at 31 March, 2011	
		Foreign Currency	INR
Trade Payables	USD	789,148	35,235,830
	GBP	11,307	813,295

18. Barter Transactions

During the year ended 31 March 2011, the Parent had entered into barter transactions, which were recorded at the fair value of consideration receivable or payable. The Income from operations for the year ended 31 March, 2011 has been net off to reflect revenue from barter transactions of Rs. 102.32 million and expenditure of Rs. 93.93 million being the fair value of barter transactions provided and received.

19. Transfer Pricing

As per the Transfer Pricing Rules of the Income tax Act, 1961 every company is required to get a transfer pricing study conducted to determine whether the international transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2011 is currently in progress and hence adjustments if any which may arise there from have not been taken into account in these financial statements for the year ended 31 March, 2011 and will be effective in the financial statements for the year ended 31 March, 2012. However in the opinion of the Group's management, adjustments, if any, are not expected to be material.

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

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Operating lease charges are recognised as an expense in the profit and loss account. The Group has taken various residential/ commercial premises under cancellable /non-cancellable operating leases. The cancellable lease agreements are normally renewed on expiry. Rent amounting to Rs 117,783,291 (Previous year Rs. 106,107,895) has been debited to the consolidated profit and loss account during the year. The details of future minimum lease payments under leases are as under:

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
Not later than one year	121,117,596	76,909,578
Later than one year but not later than five years	137,341,119	83,769,924
More than five years	1,196,414	1,196,489

Leases where the lessor effectively transferred substantially all the risks and benefits of ownership of the leased asset to lessee are classified as finance leases. Finance lease payments are treated as installment payments along with interest. The Group has taken few plant & machinery under non cancelable finance leases. Finance Lease payment amounting to Rs. 163,447 (Previous year Rs Nil) has been paid during the year. The details of future minimum lease payments under finance leases are as under:

Particulars	Year ended 31.3.2011	Year ended 31.03.2010
Not later than one year	653,853	-
Later than one year but not later than five years	1,190,855	-
More than five years	-	-

Schedules forming part of the consolidated accounts

21. Interest in Joint Ventures

The Parent'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:

(a) 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	**-**	-

Schedules forming part of the consolidated accounts

(b) 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**	-
	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

Schedules forming part of the consolidated accounts

22. Disclosure of information in respect of the subsidiaries pursuant to Section 212 (8) of the Companies Act, 1956 and General Circular No: 2/2011 of the Ministry of Corporate Affairs:

(Amount in Rs.)

Name of Subsidiary Company	RVT Media	ibn18 Media	ibn18 Mauritius	AETN18
Reporting Currency	INR	INR	USD	INR
Exchange Rate	1	1	44.65	1
Capital *	26,200,000	134,589,500	5,075	26,100,000
Reserves**	(125,225)	(134,064,001)	(658,589,540)	(8,257,075)
Total Assets	27,411,330	572,751	-	29,132,451
Total Liabilities	1,336,555	47,252	658,584,465	11,289,526
Investments (except in case of investments in subsidiaries)	-	-	-	-
Turnover (including other income)	1,262,466	1,866,000	25,892	-
Profit/(Loss) before taxation	(64,515)	(134,214)	(164,492)	(8,257,075)
Provision for taxation (including deferred tax)	-	-	-	-
Profit/(Loss) after taxation	(64,515)	(134,214)	(164,492)	(8,257,075)
Proposed Dividend	-	-	-	-
Country	India	India	Mauritius	India

* Including Share Application Money pending allotment

** Debit balance in profit and loss account and miscellaneous expenditure to the extent not written off have been reduced from the reserves and surplus

23. 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.

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

For and on behalf of the Board

RAGHAV BAHL
Director

SANJAY RAY CHAUDHARI
Director

GURDEEP SINGH PURI
General Manager - Finance

HITESH KUMAR JAIN
AGM Corporate Affairs
Company Secretary

Noida
30 May, 2011

TV18 Broadcast 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)

To,
Link Intime India Private Limited
Unit: TV18 Broadcast Limited
A-40, 2nd Floor,
Naraina Industrial Area, Phase - II
Near Batra Banquet Hall,
New Delhi - 110 028.

Dear Sir,

I/ We shareholder (s) of TV18 Broadcast Limited ("the Company"), agree to receive all notices and documents including the Annual Report, Notice for General Meetings and other Shareholders Communications, being sent by the Company 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 Agent 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-id to their respective Depository Participants.

C M Y K

TV18 BROADCAST 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 6th ANNUAL GENERAL MEETING of the above named Company held at 11.00 A.M. 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.
ADDRESS	DP ID No.
	No. of shares held

Name of Proxy (in block letters)
(To be filled in, if the Proxy attends instead of the Member)

____
Signature

TV18 BROADCAST 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 **TV18 BROADCAST 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 6th ANNUAL GENERAL MEETING of the Company to be held at 11.00 A.M. 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.