

BOARD OF DIRECTORS

MR. MANOJ MOHANKA	CHAIRMAN
MR. RAGHAV BAHL	MANAGING DIRECTOR
MR. RAVI CHANDRA ADUSUMALLI	DIRECTOR
MR. HARI S. BHARTIA	DIRECTOR
MS. VANDANA MALIK	DIRECTOR
MS. SUBHASH BAHL	DIRECTOR
MR. SANJAY RAY CHAUDHURI	ALTERNATE DIRECTOR TO MR. RAVI CHANDRA ADUSUMALLI

AUDITORS

G.S. AHUJA & ASSOCIATES
CHARTERED ACCOUNTANTS

CHIEF FINANCIAL OFFICER

MR. R.D.S. BAWA

**MANAGER-CORPORATE AFFAIRS
& COMPANY SECRETARY**

MS. SHILPA VERMA

BANKERS

INDIAN OVERSEAS BANK
PUNJAB NATIONAL BANK
SYNDICATE BANK
YES BANK LIMITED

REGISTERED OFFICE

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

CORPORATE OFFICE

EXPRESS TRADE TOWER
PLOT NO. 15 & 16, SECTOR 16A,
NOIDA, U.P. - 201 301.

REGISTRAR &**SHARE TRANSFER AGENT**

ALANKIT ASSIGNMENT LIMITED
ALANKIT HOUSE
2E/21 JHANDEWALAN EXTN.
NEW DELHI-110 055.

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NOTICE

Notice is hereby given that the 15th Annual General Meeting of the members of **NETWORK18 MEDIA & INVESTMENTS LIMITED** will be held at 10.30 A.M. on Friday the 27th day of August, 2010 at MPCU Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2, Raj Nivas Marg, Shree Gujarati Samaj Marg, Delhi-110 054 to transact the following businesses .

AS ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2010, the Profit and Loss Account of the Company for the year ended on that date, the Report of the Directors and the Auditors thereon.
2. To appoint a Director in place of Ms. Vandana Malik, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint M/s G.S. Ahuja & Associates, Chartered Accountants as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.

AS SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956 Ms. Subhash Bahl, be and is hereby appointed as a Director of the Company whose period of office shall be liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Raghav Bahl, Managing Director, Mr. R.D.S.Bawa, Chief Financial Officer and Ms. Shilpa Verma, Manager Corporate Affairs & Company Secretary be and are hereby severally authorized to sign, seal, execute and file the necessary document(s), form(s), return(s) with the office of the Registrar of Companies, NCT of Delhi and Haryana or with any other authority or to do any other act(s), deed(s), thing(s), matter(s) incidental or ancillary thereto."

5. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Hari S. Bhartia who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Raghav Bahl, Managing Director, Mr. R.D.S.Bawa, Chief Financial Officer and Ms. Shilpa Verma, Manager Corporate Affairs & Company Secretary be and are hereby severally authorized to sign, seal, execute and file the necessary document(s), form(s), return(s) with the office of the Registrar of Companies, NCT of Delhi and Haryana or with any other authority or to do any other act(s), deed(s), thing(s), matter(s) incidental or ancillary thereto."

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions, if any, of the Companies Act, 1956 or any statutory modification(s) or re-enactment thereof, Mr. Ravi Chandra Adusumalli who was appointed as an Additional Director pursuant to the provisions of Section 260 of the Companies Act, 1956 and Articles of Association of the Company be and is hereby appointed as a Director of the Company not liable to retire by rotation.

RESOLVED FURTHER THAT Mr. Raghav Bahl, Managing Director, Mr. R.D.S.Bawa, Chief Financial Officer and Ms. Shilpa Verma, Manager Corporate Affairs & Company Secretary be and are hereby severally authorized to sign, seal, execute and file the necessary document(s), form(s), return(s) with the office of the Registrar of Companies, NCT of Delhi and Haryana or with

any other authority or to do any other act(s), deed(s), thing(s), matter(s) incidental or ancillary thereto."

By order of the Board
For **NETWORK18 MEDIA & INVESTMENTS LIMITED**

Sd/-
Shilpa Verma
Manager- Corporate Affairs
& Company Secretary

Place : Noida
Date : May 28, 2010

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL IN THE MEETING AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A blank Proxy Form is enclosed with this notice and if intended to be used, the form duly completed should be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Annual General Meeting.
2. Members/Proxies are requested to bring 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 Corporate/ Registered Office of the Company.
3. Members/ proxies should bring the attendance slips duly filled in for attending the meeting.
4. Corporate Members are requested to send a duly certified copy of the Board resolution/ Power of Attorney authorising their representative to attend and vote at the Annual General Meeting.
5. Members desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to write to the Company's Registrar.
6. 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.
7. The Register of Members and Register of holder of Non Convertible Cumulative Preference shares (NCCPS) will be closed from Monday 23rd day of August, 2010 to Friday 27th day of August, 2010 (both days inclusive). The transfer Books of the Company will also remain closed for the aforesaid period. Members/NCCPS holders are requested to bring along their holding statements in proof of entitlement for attending this Annual General Meeting.
8. All documents referred to in the accompanying notice and the Explanatory Statement are available for inspection at the Registered Office of the Company during working hours between 10.00 A.M. to 1.00 P.M. except holidays up to the date of Annual General Meeting.
9. Members are requested to send all the correspondence concerning registration of transfer, transmission, sub-division, consolidation of shares or any other share related matters and / or change in address to Company's Registrars, Alankit Assignments Limited, at Alankit House, 2E/21, Jhandewalan Extension, New Delhi- 110 055
10. The details of the Stock Exchanges, on which the securities of the Company are listed, are given separately in this Annual Report.
11. Any query related to the accounts may be sent at the Registered Office of the Company at least 10 days before the date of the Annual General Meeting.
12. Members who hold shares in physical form in multiple folios in identical names or joint accounts in the same order of names

are requested to send the share certificates to the Company's Registrar and Transfer Agents, M/s Alankit Assignments Limited, for consolidation into a single folio.

13. The members may please note that Special Resolutions sent through notice dated October 16, 2009 to all the members for voting through Postal Ballot have been passed on December 31, 2009 by requisite majority. Relevant details in this regard are disclosed in the Corporate Governance Report forming part of the Directors Report.
14. For any investor related queries, communication may be sent by e-mail at investors.n18@network18online.com
15. Relevant details, in terms of Clause 49 of the Listing Agreement, in respect of Director retiring by rotation and proposed to be re-appointed and other directors proposed to be appointed is disclosed in the Corporate Governance Report.

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

Item No. 4

Ms. Subhash Bahl is wife of Late Mr. Pran Nath Bahl a Retired Indian Administrative Services (IAS) Officer. Ms. Bahl has completed BA and BT (Bachelors of Teachers Training) from Punjab University. She started her career as a teacher with Cambridge School and thereafter she joined Navyug School, governed by NDMC as a Chairperson. She has also been effectively involved in social services. She is also the Director of Television Eighteen India Limited and has over 41 years of experience in educational sector.

She joined the Board with effect from July 31, 2008 in the casual vacancy caused due to the sad demise of Mr. P.N. Bahl. By virtue of Section 262 of the Companies Act, 1956 read with Articles of Association of the Company she holds the office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing along with a deposit of Rs.500/- from a member of the Company in terms of Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Ms. Subhash Bahl for the office of the Director.

The details pertaining to Ms. Subhash Bahl required to be provided pursuant to Clause 49 of the listing agreement are furnished in the report on corporate governance published elsewhere in this report.

The office of Ms. Subhash Bahl, shall be liable to retire by rotation.

The Board recommends the resolution set out at Item No. 4 for your approval.

None of the other Directors, except Mr. Raghav Bahl and Ms. Vandana Malik, are in any way concerned or interested in the resolution set at Item No. 4 of the Notice.

Item No. 5

Mr. Hari S Bhartia is the Co Chairman & Managing Director of Jubilant Organosys Ltd, an innovation driven integrated pharmaceuticals industry player delivering products and services to the global life sciences industry.

Jubilant Organosys is the flagship company of Jubilant Bhartia Group (over 16,500 employees), having business interest in Pharma Life Sciences & Specialty Chemicals, Oil & Gas (Exploration & Production), Food & Retail and Consulting Services in Aerospace and Oilfield Services. Jubilant FoodWorks Ltd, a group company, is the master franchisee of Domino's Pizza Inc. (India, Sri Lanka, Nepal and Bangladesh) and the largest food service chain in India, with more than 300 corporate owned stores across 65 cities across India and 5 franchised stores in Sri Lanka. Jubilant Energy Ltd. is one of the leading Exploration company for Oil & Gas, and has many discoveries to its credit both onshore and offshore areas of India. The Jubilant Enpro Ltd., the services arm of the Group represents in India the global industry leaders in Aerospace and Oilfield Services.

Mr Bhartia, together with Mr Shyam S. Bhartia, is the co-founder of Jubilant Bhartia Group.

Mr. Bhartia's role in institutional work includes his role in various capacities with Indian Institute of Technology (IIT), Delhi and IIT Kanpur as Chairman of the Board of Governors, and Confederation of Indian Industry (CII). He has been a member in several educational and science & technology programmes of Government of India. He

is currently the Chairman of the Society and Board of Governors of Indian Institute of Management, Raipur and President of Confederation of Indian Industry.

A Chemical Engineering Graduate of the Indian Institute of Technology, Delhi, Mr. Hari S Bhartia has been conferred Distinguished Alumni award by Indian Institute of Technology, Delhi in the year 2000

More recently he has been awarded the 'BioSpectrum- Person of the Year' 2009.

Mr Hari S Bhartia is married to Kavita, who is a leading Fashion Designer and Retailer, and they have a daughter Aashti 26 years and son Arjun 22 years.

Mr. Hari S. Bhartia is associated as an additional director of the Company since April 23, 2010 and is also a member of Audit Committee and Remuneration / Compensation Committee of the Board.

By virtue of Section 260 of the Companies Act, 1956 he holds the office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing along with a deposit of Rs.500/- from a member of the Company in terms of Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Hari S. Bhartia for the office of the Director.

The details pertaining to Mr. Hari S. Bhartia required to be provided pursuant to Clause 49 of the listing agreement are furnished in the report on corporate governance published elsewhere in this report.

The office of Mr. Hari S. Bhartia, Director shall be liable to retire by rotation.

None of the Directors, except Mr. Hari S. Bhartia himself, is concerned or interested in the Resolution.

The Board recommends the Resolution set at Item No. 5 for your approval.

Item No. 6

Mr. Ravi Chandra Adusumalli joined Softbank Asia Infrastructure Fund (SAIF) in early 2002 and is currently a General Partner and Head of SAIFs India Operations. Prior to joining SAIF, Mr. Adusumalli was an Associate Partner with Mobius Venture Capital, a \$1.25 billion early stage venture capital firm in Silicon Valley. He previously worked at Credit Suisse First Boston as an Associate and with Wasatch Funds.

Mr. Adusumalli graduated from Cornell University with a Bachelors of Arts in Economics and Government. Mr. Adusumalli led SAIF's investments in the National Stock Exchange, SIFY (NASDAQ: SIFY), IL&FS Investsmart (NSE: INVSTSMAR.NS), Intelligroup (NASDAQ: ITIG), MakeMyTrip.com, SlashSupport, Asian Dhall & HomeShop18.com.

He was appointed as an additional director of the Company w.e.f. January 21, 2010 as a Nominee of SAIF III Mauritius Company Limited, an equity investor of the Company. By virtue of Section 260 of the Companies Act, 1956 he holds the office up to the date of the ensuing Annual General Meeting.

The Company has received a notice in writing along with a deposit of Rs.500/- from a member of the Company in terms of Section 257 of the Companies Act, 1956 signifying his intention to propose the candidature of Mr. Ravi Chandra Adusumalli for the office of the Director.

The details pertaining to Mr. Ravi Chandra Adusumalli required to be provided pursuant to Clause 49 of the listing agreement are furnished in the report on corporate governance published elsewhere in this report.

The office of Mr. Ravi Chandra Adusumalli, Director shall be non rotational and he will not be considered liable to retire by rotation.

None of the Directors, except Mr. Ravi Chandra Adusumalli himself, is concerned or interested in the Resolution.

The Board recommends the Resolution set at Item No. 6 for your approval.

By order of the Board
For **NETWORK18 MEDIA & INVESTMENTS LIMITED**

Sd/-

Place : Noida
Date : May 28, 2010

Shilpa Verma
Manager- Corporate Affairs
& Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Accounts of Network18 Media & Investments Limited (hereinafter referred to as "Company" or "Network18") for the Financial Year ended March 31, 2010.

Financial Results

The key financial figures on standalone basis of your Company for the year ended March 31, 2010 are as follows: (in Rs.)

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Profit/ (Loss) before interest and depreciation	75,982,394	370,685,095
Interest	524,941,726	509,174,440
Depreciation	5,097,677	27,577,915
Net operating profit before tax	(454,057,009)	(166,067,260)
Provision for taxes/ deferred taxes	75,000	15,926,681
Extraordinary item	NIL	NIL
Net profit/ (loss) after tax	(454,132,009)	(181,993,941)

Results of operations

During the year under review, the Company has achieved a turnover of Rs. 5617.47 lakhs (Pr. Yr. 9720.32 lakhs) and EBDIT is Rs. 759.82 lakhs (Pr. Yr. 3706.85 lakhs)

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

Dividend

In view of the loss for the financial year 2009-10, the Board of Directors of your Company has decided not to recommend payment of dividend for the year under review.

Transfer to Reserves

The company has not made any transfer to the reserves during the financial year 2009-10.

Deposits

Fixed Deposits Scheme in terms of Section 58A of the Companies Act, 1956 launched by your Company is performing incredibly well since its inception. Your Company has received an aggregate sum of Rs. 18,000 lakhs under the Fixed Deposit Scheme as on March 31, 2010.

There was no failure in repayment of interest due on Fixed Deposits by the Company and no Fixed Deposit accepted by the Company has matured till date.

Change of Registered Office

The registered office of the Company has shifted from 601, 6th floor, Commercial Tower, Hotel Le-Meridien, Raisina Road, New Delhi- 110 001 to **503, 504 & 507, 5th Floor, 'Mercantile House', 15 Kasturba Gandhi Marg, New Delhi – 110 001 w.e.f. May 10, 2010.**

Change in Capital Structure

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

During the year under review, the paid up equity share capital has increased from Rs. 3,596.78 lakhs to 5,717.04 lakhs. The details of

the same is mentioned hereunder-

Particulars	No. of Shares issued
Equity Shares allotted pursuant to ESOP Schemes	2,32,645
Equity Shares allotted pursuant to QIB Placement	1,57,62,889
Equity Shares allotted pursuant to conversion of SOFCDs	1,71,81,818
Equity Shares allotted pursuant to Preferential Allotment	92,02,650
Equity Shares allotted pursuant to conversion of PCCPs	12,024
Equity Shares allotted pursuant to conversion of warrants	13,177

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 Directors' Report.

Employee Stock Option Plan

Human Resource is the key to the success of any organization. The Company has always valued its human resources and had tried to adopt the best HR practices. During the year 31, 45, 000 options were granted to eligible employees of the Company/ Subsidiary Companies in terms of Employees Stock Option Plans. During the year 232,645 options were exercised by the employees after vesting. Accordingly, the Company made the allotment of 232,645 equity shares against the options exercised by the employees.

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

Corporate Governance

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

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

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

Directors

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

Ms. Vandana Malik, Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers herself for being reappointed as the Director of the Company.

Mr. Ravi Chandra Adusumalli and Mr. Hari S Bhartia were inducted on the Board of the Company w.e.f. January 21, 2010 and April 23, 2010 respectively as additional directors pursuant to Section 260 of the Companies Act, 1956. They hold office only upto the date of the ensuing Annual General Meeting of the company where they are proposed to be appointed as regular Directors. The Company has received notice in writing from its members proposing the candidature of Mr. Ravi Chandra Adusumalli and Mr. Hari S Bhartia to be appointed as Directors.

Ms. Subhash Bahl joined the Board with effect from July 31, 2008 in the casual vacancy caused due to the sad demise of Mr. P.N. Bahl. By virtue of Section 262 of the Companies Act, 1956 read with Articles of Association of the Company she holds the office upto the date of the Annual General Meeting. The Company has received a notice in writing from its member in terms of Section 257 of the

Companies Act, 1956 proposing the candidature of Ms. Subhash Bahl for the office of the Director.

Brief resume of all the aforesaid Directors proposed to be appointed, the nature of their expertise in specific functional areas and name of Companies in which they hold directorships and chairmanship/ memberships of Board Committees as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India are provided in the 'Report on Corporate Governance' forming part of this Annual Report.

Subsidiaries

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

Ministry of Corporate Affairs, Government of India vide order no. 47/402/2010-CL III dated May 18, 2010 has granted exemption under section 212(8) of the Companies Act, 1956 from attaching the Directors' Report, Balance Sheet, Profit & Loss Account and the Report of Auditors of the Subsidiary Companies with the Balance Sheet of the Company. The annual accounts of these subsidiary companies and the related detailed information will be made available to the subsidiary companies investors seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept for inspection by any investor in its registered office and that of the subsidiary companies concerned. The company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

Directors' Responsibility Statement

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

- i) that in the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable Accounting Standards have been followed;
- ii) that the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit or loss of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting irregularities;
- iv) that the Directors have prepared the accounts for the financial year ended March 31, 2010 on a 'going concern' basis.

Auditors & Auditors' Report

The Auditors of the Company M/s G S Ahuja & Associates, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received a letter from them to the effect that their reappointment, if made, would be within the prescribed limits under section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re-appointment within the meaning of Section 226(3) of the said 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, 2010. Except following, the rest is self explanatory.

EXPLANATION TO AUDITOR'S COMMENT:

Auditor's qualification: Refer para no. 4 of the Auditors' Report on Standalone Financial Statements and para no. 5 (ii) of the Auditors' Report on Consolidated Financial Statements of the Company.

Management's reply: The Company's application for approval of the excess remuneration paid to Mr. Raghav Bahl, Managing Director of the Company is pending before the Central Government.

Auditor's qualification: Refer para no. 5(i) of the Auditors' Report on the Consolidated Financial Statements of the Company.

Management's reply: The Management of the view that impact of non consolidation is not material.

Particulars of Employees

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

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

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

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

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

a) Conservation of Energy

Your Company is not an energy intensive unit, however regular efforts are made to conserve the energy.

b) Research and Development

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

c) Foreign Exchange Earnings and Outgo

The foreign exchange earnings and expenditure appear in Schedule No.15 'Notes to the Accounts' forming part of the Audited Annual Account.

Acknowledgement

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

For and on behalf of the Board

**Place : Noida
Date : May 28, 2010**

**Sd/-
Chairman**

Information regarding the Employees Stock Option Schemes/ Employees Stock Purchase Plan as on March 31, 2010 in terms of Regulation 12 and 19 of SEBI (Employees Stock Option and Employees Stock Purchase Scheme) Guidelines, 1999

(a) Options granted/ Shares issued

Name of Scheme	No. of option granted/ shares issued
Network18 Employee Stock Option Plan 2007	3,145,000

(b) Pricing Formula

Name of Scheme	No. of option	Price (in Rs.)
Network18 Employee Stock Option Plan 2007	145,000	73.50
Network18 Employee Stock Option Plan 2007	3,000,000	90.70

(c) Options vested during the year 868,042

(d) Options exercised during the year 232,645

(e) Total no. of shares arising as a result of exercise of options 232,645

(f) Options lapsed during the year NIL

(g) Variation in terms of options NIL

(h) Money realised by exercise of options (Rs. in lakhs) 49.54

(l) Total no. of options in force 4,942,422

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

Name of key managerial persons	Present designation	No. of options granted/ shares issued
Haresh Chawla	Group CEO	3000000
Satish Menon	CEO-Sport18	60000

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

Name of employee	Present Designation	No. of options granted
Haresh Chawla	Group CEO	3000000

(iii) Employees who were granted options during the year, equal to or exceeding 1% of the issued capital of the Company at the time of grant

Name of employee	Present Designation	No. of options granted
Haresh Chawla	Group CEO	3000000

(k) (i) Basic Earnings per share (4.50)

(ii) Diluted Earnings per share (4.41)

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

(i) Method of calculation of employee compensation cost	Intrinsic Value
(ii) Difference between the employee compensation cost so computed at (i) above and the employee compensation cost to P&L account if the company had used fair value of the Options (in Rs. lakhs)	316.44
(iii) The impact of this difference on the profits and EPS of the Company	316.44
Profit after tax (Rs. in lakhs)	-4454.36
Less: Additional employee compensation cost based on fair value (Rs. in lakhs)	316.44
Adjusted Profit after Tax (Rs. in lakhs)	4770.8
Adjusted Basic EPS	-4.82
Adjusted Diluted EPS	-4.72

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

Total Options granted	3145000
Weighted average exercise price (in Rs.)	89.91
Weighted average fair value (in Rs.)	57.20

(n) Description of the method and significant assumptions used during the year to estimate the fair value of the options, including the following weighted average information The company has adopted the black scholes option pricing model for valuation of the options. The main assumptions used are as under

Risk free rate of interest (in %)	7.16
Expected life of the options from the date of grant (in Years)	4.02
Expected volatility (in %)	61.96
Dividend yield (in %)	0

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

Annexure-II

1	Name of the Subsidiary	Television Eighteen India Limited	ibn18 Broadcast Limited	RVT Media Private Limited	ibn18 Media & Software Limited	ibn18 (Mauritius) Limited, Mauritius	Setpro 18 Distribution Limited
2	Financial year of the subsidiary ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
3	Shares of the subsidiary held by the company on the above date						
	a) No. of Shares and face value	84,028,954 Equity share of Rs. 5/- each	47,724,140 Equity shares of Rs. 2 each	10,000 Equity Shares of Rs.10 each*	1,34,58,950 Equity Shares of Rs. 10 each*	100 Equity Shares of US\$1 each*	33,000 Equity shares of Rs. 10 each
	b) Holding companies interest	46.71%	26.27%	100.00%	100.00%	100.00%	66.00%
4	Net aggregate amount of Profit/Loss of the subsidiary so far as they concern members of the Holding company: (in Rs.)						
	<i>(i) Dealt with in the Holding Company's accounts:</i>						
	a) For the financial year of the subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	173,426,821	NIL	NIL	NIL	NIL	NIL
	<i>(ii) Not dealt with in the Holding Company's accounts:</i>						
	a) For the financial year of the subsidiary	(160,656,496)	(414,353,499)	(18,583)	(26,443)	(658,396,375)	8,293,351
	b) For the Previous Financial years since it become Holding Company's Subsidiary	156,814,075	(540,641,383)	(42,127)	(175,090)	N.A.	48,817,625
5	Material changes in subsidiary between the end of its financial year and the financial year of the holding company						
	a) Fixed Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	b) Investments made	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	d) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

1	Name of the Subsidiary	Network 18 Holdings Limited, Cayman Islands	TV18 HSN Holdings Limited, Cyprus	TV18 Home Shopping Network Limited	Network18 India Holdings Pvt. Limited	The Indian Film Company Limited, Guernsey	The Indian Film Company (Cyprus) Limited, Cyprus
2	Financial year of the subsidiary ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
3	Shares of the subsidiary held by the company on the above date						
	a) No. of Shares and face value	1,500,000 ordinary shares of USD 1 each	41,923,401 ordinary shares of USD 0.04 each, 2,500 pref. share of series A USD 0.04 each, 15,625,000 pref. share of series B USD 0.04 each*	1,136,605 Equity Shares of Rs.10 each*	10,000 Equity Shares of Rs. 10/- each, 94,71,000 preference share of Rs. 10/-.	10,000,000 ordinary Shares of nil par value	1,710 Equity Shares of Euro 1 each and 301,680 Pref. Shares of Euro 1 each*
	b) Holding companies interest	100.00%	54.32%	100.00%	100.00%	18.18%	100.00%
4	Net aggregate amount of Profit/Loss of the subsidiary so far as they concern members of the Holding company: (in Rs.)						
	(i) Dealt with in the Holding Company's accounts:						
	a) For the financial year of the subsidiary	NIL	NIL	NIL	NIL	NIL	182706
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:						
	a) For the financial year of the subsidiary	126,005,733	2,456,387	(283,917,074)	2,603,160	13,030,246	589,502,901
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(41,090,139)	3,358,992	(917,635,725)	(363,192,706)	NIL	NIL
5	Material changes in subsidiary between the end of its financial year and the financial year of the holding company						
	a) Fixed Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	b) Investments made	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	d) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

1	Name of the Subsidiary	IFC Distribution Private limited	Television Eighteen Mauritius Limited (TEML) Mauritius	Television Eighteen Media and Investments Ltd. (TEML II) Mauritius	Capital 18 Limited (Capital 18), Mauritius	Colosseum Media Private Limited	Stargaze Entertainment Private Limited
2	Financial year of the subsidiary ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
3	Shares of the subsidiary held by the company on the above date						
	a) No. of Shares and face value	10,000 Equity Shares of Rs. 10 each*	12,295,000 ordinary Shares of USD 1 each*	1,00,001 ordinary Shares of USD 1 each*	1 Equity Shares of USD 1 each*	11,00,000 Equity Shares of Rs. 10 each*	80,000 Equity Shares of Rs. 10 each*
	b) Holding companies interest	100.00%	100.00%	100.00%	100.00%	98.04%	89.00%
4	Net aggregate amount of Profit/Loss of the subsidiary so far as they concern members of the Holding company: (in Rs.)						
	<i>(i) Dealt with in the Holding Company's accounts:</i>						
	a) For the financial year of the subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
	<i>(ii) Not dealt with in the Holding Company's accounts:</i>						
	a) For the financial year of the subsidiary	(5,272,013)	(159,548,466)	(2,093,088)	(2,556,639)	8,876,210	(56,202,823.62)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	62,434,052	5,971,383	(1,886,209)	5,535,483	(29,716,016)
5	Material changes in subsidiary between the end of its financial year and the financial year of the holding company						
	a) Fixed Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	b) Investments made	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	d) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

1	Name of the Subsidiary	Capital 18 Acquisition Corporation, Cayman Islands	BK Holdings Limited, Mauritius	Namono Investments Limited, Mauritius	Web18 Holdings Limited (Web 18), Cayman Islands	E-18 Limited (E-18), Cyprus	Television Eighteen Commoditiescontrol.com Ltd. (TV18CC)
2	Financial year of the subsidiary ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
3	Shares of the subsidiary held by the company on the above date						
	a) No. of Shares and face value	16,90,501 ordinary Shares of USD 0.0001 each*	5000 Equity Shares of USD 1 each*	1 Equity Share of EUR 1 each*	95,085,171 ordinary Shares Class A of USD 0.00374 each*	3,899 ordinary Shares of USD 1 each*	317,040 Equity Shares of Rs. 10 each*
	b) Holding companies interest	98.00%	100.00%	100.00%	84.27%	100.00%	79.97%
4	Net aggregate amount of Profit/Loss of the subsidiary so far as they concern members of the Holding company: (in Rs.)						
	(i) Dealt with in the Holding Company's accounts:						
	a) For the financial year of the subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:						
	a) For the financial year of the subsidiary	(353,764)	(453,286,558)	(1,385,008)	(114,202,789)	(181,848,833)	(116,968,138)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(254,775)	(102,994,480)	(1,022,467)	(42,650,097)	(140,435,734)	(94,321,350)
5	Material changes in subsidiary between the end of its financial year and the financial year of the holding company						
	a) Fixed Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	b) Investments made	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
	d) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

1	Name of the Subsidiary	e-Eighteen.com Limited (e-Eighteen)	Money Control Dot Com India Limited	Web 18 Software Services Limited	Big Tree Entertainment Pvt. Limited	Care Websites Pvt. Limited
2	Financial year of the subsidiary ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
3	Shares of the subsidiary held by the company on the above date					
	a) No. of Shares and face value	4,968,894 Equity Shares of Rs.10 each*	500,000 Equity Shares of Re. 1 each*	491,489 Equity Shares of Rs. 10 each*	11,129 Equity Shares of Rs. 10 each*	450,000 Equity Shares of Rs. 10 each*
	b) Holding companies interest	91.95%	100.00%	100.00%	60.00%	90.00%
4	Net aggregate amount of Profit/Loss of the subsidiary so far as they concern members of the Holding company: (in Rs.)					
	(i) Dealt with in the Holding Company's accounts:					
	a) For the financial year of the subsidiary	NIL	NIL	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:					
	a) For the financial year of the subsidiary	(22,748,476)	61,559	(1,242,641,584)	(66,974,848)	(11,238,220)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(40,476,202)	133,363	(926,822,128)	(57,860,128)	(9,053,719)
5	Material changes in subsidiary between the end of its financial year and the financial year of the holding company					
	a) Fixed Assets	N.A.	N.A.	N.A.	N.A.	N.A.
	b) Investments made	N.A.	N.A.	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	N.A.	N.A.	N.A.	N.A.	N.A.
	d) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	N.A.	N.A.	N.A.	N.A.	N.A.

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

1	Name of the Subsidiary	TV18 UK Limited, UK	NewWire 18 Limited	RVT Investments Pvt. Ltd.	iNews.com Limited	Infomedia 18 Limited
2	Financial year of the subsidiary ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010	31.03.2010
3	Shares of the subsidiary held by the company on the above date					
	a) No. of Shares and face value	1 Equity Share of GBP 1 each*	2,678,894 Equity Shares of Rs.10 each*	10,000 Equity Shares of Rs. 10 each*	5,949,000 Equity Shares of Rs. 10 each*	23,913,061 Equity Shares of Rs. 10 each*
	b) Holding companies interest	100.00%	77.50%	100.00%	99.15%	48.11%
4	Net aggregate amount of Profit/ Loss of the subsidiary so far as they concern members of the Holding company: (in Rs.)					
	(i) Dealt with in the Holding Company's accounts:					
	a) For the financial year of the subsidiary	NIL	NIL	NIL	NIL	NIL
	b) For the Previous Financial years since it become Holding Company's Subsidiary	NIL	NIL	NIL	NIL	NIL
	(ii) Not dealt with in the Holding Company's accounts:					
	a) For the financial year of the subsidiary	5,418,656	(353,594,089)	3,209,981	3,554,176	(640,855,199)
	b) For the Previous Financial years since it become Holding Company's Subsidiary	4,379,720	(316,037,496)	(894,218)	3,608,736	(400,140,066)
5	Material changes in subsidiary between the end of its financial year and the financial year of the holding company					
	a) Fixed Assets	N.A.	N.A.	N.A.	N.A.	N.A.
	b) Investments made	N.A.	N.A.	N.A.	N.A.	N.A.
	c) Money lent by subsidiary	N.A.	N.A.	N.A.	N.A.	N.A.
	d) Money borrowed by the subsidiary for any purpose other than that of meeting current liabilities	N.A.	N.A.	N.A.	N.A.	N.A.

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

1	Name of the Subsidiary	Glyph International Limited (formerly American Devices India Private Limited)	Cepha Imaging Private Limited	Glyph International UK Limited (formerly Key-word Group Limited)	Glyph International US LLC (Software Services LC)
2	Financial year of the subsidiary ended on	31.03.2010	31.03.2010	31.03.2010	31.03.2010
3	Shares of the subsidiary held by the company on the above date				
	a) No. of Shares and face value	4,70,002 Equity Shares of Rs. 10 each*	15,931 Equity Shares of Rs. 100 each*	1,000 Equity Shares of GBP 1 each*	Not Applicable
	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: (in Rs.)				
	(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	NIL
	(ii) Not dealt with in the Holding Company's accounts:				
	a) For the financial year of the subsidiary	65,149,779	42,270,416	2,000,879	13,714,245
	b) For the Previous Financial years since it become Holding Company's Subsidiary	(16,411,421)	(34,252,140)	(16,935,472)	(11,630)
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.

Note:* Shareholding in these companies are through its subsidiaries

NETWORK18 MEDIA & INVESTMENTS LIMITED**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	BK Holdings Limited, Mauritius	46	Network18 Holdings Limited, Cayman Islands
2	BK Media Private Limited	47	Network18 India Holdings Private Limited
3	Big Tree Entertainment Private Limited	48	Network18 Publications Limited
4	BK Capital Limited, Mauritius	49	NewsWire18 Limited
5	BK Communications Limited, Mauritius	50	R B Softech Pvt. Ltd.
6	BK Finhold Private Limited	51	R B Software Pvt. Ltd.
7	BK Media Mauritius Private Limited, Mauritius	52	RB Finhold Private Limited
8	BK Network Limited, Mauritius	53	RB Holdings Private Limited
9	BK Ventures Limited, Mauritius	54	RB Investments Private Limited
10	Blue Slate Media Pvt. Limited	55	RRB Fincap Private Limited
11	BRR Securities Pvt. Ltd.	56	RRB Holdings Pvt. Ltd.
12	Capital 18 Advisors Limited, Mauritius	57	RRB Investments Private Limited
13	Capital 18 Limited, Mauritius	58	RRB Media Private Limited
14	Capital18 Acquisition Corp., Cayman Islands	59	RRK Finhold Private Limited
15	Capital18 Advisors Limited, Mauritius	60	RRK Finvest Private Limited
16	Capital18 Limited, Cayman Islands	61	RRK Holdings Pvt. Limited
17	Capital18 Media Advisors Private Limited	62	RRK Media Private Limited
18	Care Websites Private Limited	63	RVT Fincap Pvt. Limited
19	Cepha Imaging Private Limited	64	RVT Finhold Private Limited
20	Colosseum Media Private Limited	65	RVT Holdings Private Limited
21	digital18 Media Limited	66	RVT Investments Private Limited
22	e- Eighteen.com Limited	67	RVT Media Private Ltd.
23	E18 Limited, Cyprus	68	RVT Softech Private Limited
24	Global Broadcast Employees Welfare Trust	69	Setpro18 Distribution Ltd.
25	Glyph International Limited	70	SGA News Limited
26	Glyph International UK Limited	71	Stargaze Entertainment Private Limited
27	Glyph International US LLC	72	Tangerine Digital Entertainment Private Limited
28	Goosefish Media Ventures Private Limited	73	Television Eighteen Commoditiescontrol.com Limited
29	Greycells18 Media Limited	74	Television Eighteen India Limited
30	ibn18 (Mauritius) Limited, Mauritius	75	Television Eighteen Mauritius Limited, Mauritius
31	ibn18 Broadcast Limited	76	Television Eighteen Media and Investments Limited, Mauritius
32	IBN18 Media & Software Limited	77	The Indian Film Company (Cyprus) Limited
33	IBN18 Trust	78	The Indian Film Company Limited, Guernsey
34	IFC Distribution Pvt. Ltd.	79	TV18 Employees Welfare Trust
35	India International Film Advisors Pvt. Ltd.	81	TV18 Home Shopping Network Limited
36	iNews.com Limited	82	TV18 HSN Holdings Limited, Cyprus
37	Infomedia18 Limited	83	TV18 UK Limited, UK
38	International Media Advisors Private Limited	84	VT Holdings Private Limited
39	Juxt Consult Research and Consulting Private Limited	85	VT Investments Private Limited
40	Keyman Financial Services Pvt. Ltd.	86	VT Media Private Limited
41	MobileNXT Online Private Limited	87	VT Softech Private Limited
42	Moneycontrol Dot Com India Ltd.	88	Web 18 Holdings Limited, Cayman Islands
43	Namono Investments Limited, Cyprus	89	Web18 Software Services Ltd.
44	Network18 Employees Welfare Trust	90	Webchutney Studio Pvt. Limited
45	Network18 Group Senior Welfare Professional Trust	91	Wespro Digital Private Limited

MANAGEMENT DISCUSSION AND ANALYSIS REPORT
INDUSTRY STRUCTURE AND DEVELOPMENTS

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

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

(Source: FICCI-KPMG Report 2010)

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

OPPORTUNITIES AND GROWTH DRIVERS
Media and Entertainment Industry

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

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

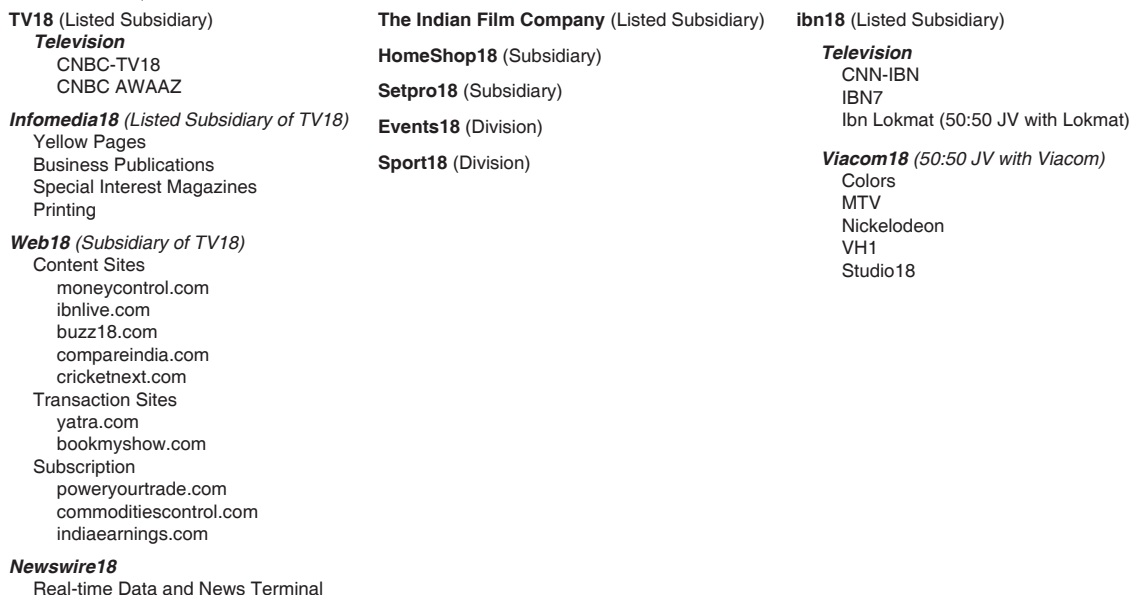
caused by the percolation of media consumption in cities apart from the large metros and the gradual increase in income & awareness levels in Tier 2 & Tier 3 cities. From the launch of regional newspapers to city & region/language based channels to special shows, this trend is spurring growth in multiple ways.

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

GROUP STRUCTURE OVERVIEW

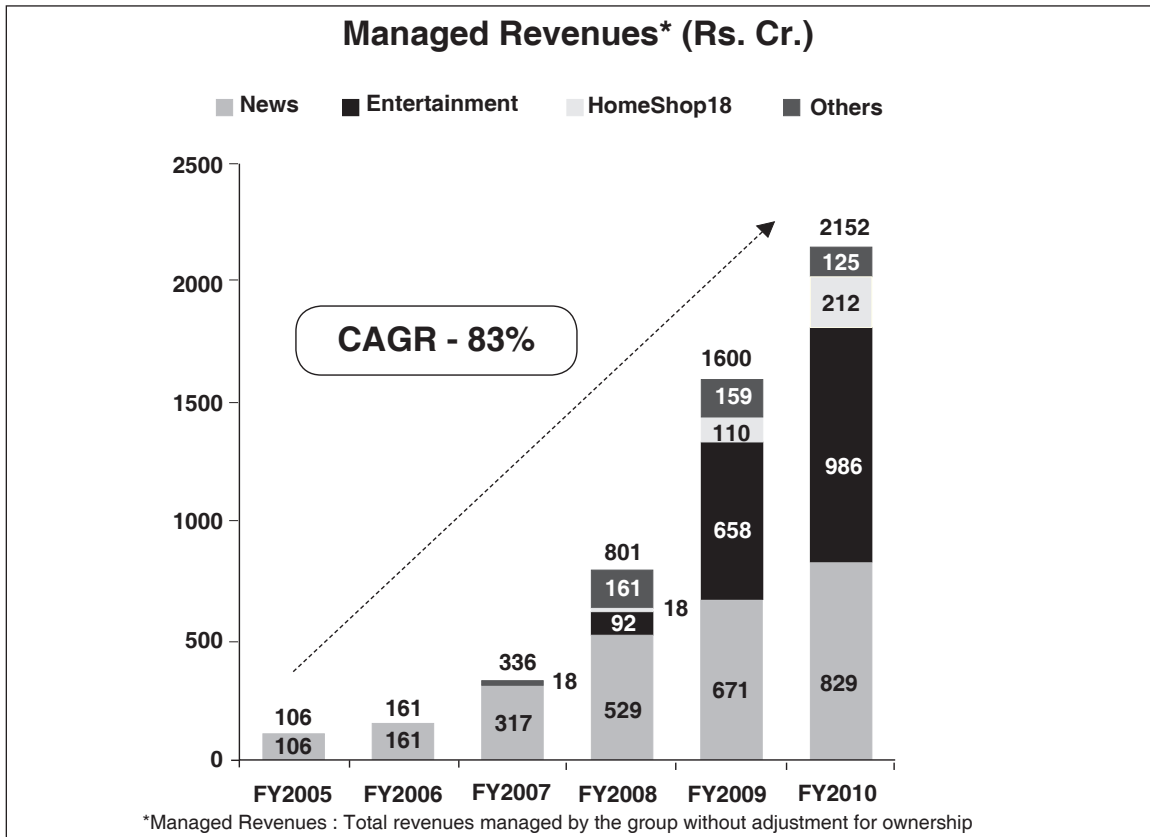
Network18[BSE: 532798,NSE: Network18] is one of India's leading full play media conglomerates with interests in television, print, internet, filmed entertainment, mobile content and allied businesses. Through its holding in Television Eighteen India Ltd (TV18) [BSE: 532299, NSE: TV-18], Network18 operates India's leading business news television channels, CNBC-TV18 and CNBC Awaaz. It also runs one of India's largest Internet players - Web18, as well as one of India's leading real time financial information and news terminals - Newswire18. TV18 expanded into print with Infomedia18, following the acquisition of Infomedia, India's leading player in the special interest publishing and local search space. Through its holding in ibn18 Broadcast Ltd (ibn18) [BSE: 532800,NSE: ibn18], Network18 operates in the general news and entertainment space with leading general news channels CNN-IBN and IBN7 and has launched IBN Lokmat, a Marathi news channel in partnership with the Lokmat group. ibn18 also operates a joint venture with Viacom, called Viacom18 which houses the MTV, VH1 and Nickelodeon channels in India - as also Studio18, the Group's filmed entertainment operation and 'Colors', the country's leading Hindi general entertainment channel. Additionally, Network18 holds the Group's online & on-air home shopping venture, Homeshop18, its full spectrum events management venture, E18 and its sports management & marketing division, Sports18.

NETWORK18 MEDIA & INVESTMENTS LIMITED



BUSINESS OVERVIEW – SEGMENT WISE PERFORMANCE

Over the past year, Network18 has successfully established itself as one of India's leading media conglomerates with leadership presence across television, print, films, internet, mobile, retail, local search, real time news and data terminal and ancillary media businesses. Television, films and print are the 3 largest segments of the M&E industry and Network18 has skillfully executed its strategic plans to emerge as the market leader in Television, Films and niche Print segment (magazines and directories). Further, the Group has also invested in the business segments of the future, those having the fastest growth rates - internet and mobile businesses and is today best positioned in the market to capitalize on the upside as those markets take off. Network18 has successfully transformed from a single channel and single website operation in 2005 to a well diversified, market leading media group today.



A key result of the business diversification is that the Group is no longer dependent upon a single business segment for growth. News business (comprises TV18 consolidated and the news channels of IBN18), which contributed 95% of the revenues in FY2007, today contributes less than 39% to the total. Entertainment business (comprises Viacom18 and TIFC), which has been the focus of management over the last 3 years, has scaled enormously and today contributes 46% to the Group's managed revenues. Hence, weekly or monthly changes in the ratings of a channel, new launches by competitors and short term business downturn in a particular segment are not likely to impact the managed revenues in any significant manner given the revenue diversification.

It has been the constant endeavour of Network18 to diversify its risks on the revenue front and substantially grow the non-advertising revenue streams. A clear outcome of this strategy is the rapid growth over the last year of transaction revenues at HomeShop18 and service revenues at Events18 and Sports18. One of the largest opportunities before Network18 today is scaling up its subscription revenues especially on the television side. As a Group, Network18 operates and manages 11 television channels, each one a market leader or pioneer. Almost all the channels have a significant skew towards advertising revenues, which has helped Network18 emerge as one of India's largest advertising revenue generating groups in the last year. The opportunity in the short to medium term is to grow the base of subscription revenues to match the contribution from advertising. Given the popularity of the channels and the widespread distribution in both India and the heavy NRI populated markets, we believe we are well positioned to monetize this opportunity.

We have operated in an extremely challenging macro-economic environment over the last 2 years. The deep-rooted financial crisis led to stringent cost reduction measures being implemented across corporates and pull back on discretionary spending by consumers, adversely impacting our advertising revenues. Capital markets were frozen making it next to impossible to raise money either in the form of debt or equity. This period unfortunately for us, coincided with the peak funding requirement across several of our key initiatives. Given the strategic nature of these investments, we continued to invest exactly as per plan and grow the businesses. A fallout of the above was weak financials in FY09 and first half of FY10. However, the investments, whether Colors, or in.com, or HomeShop18, or IBN7, or IBN Lokmat, or Forbes India, or Infomedia18, or a clutch of Capital18 start ups or The Indian Film Company or E18 have all gained significant traction in the market place, which is increasingly getting reflected in their financial performance.

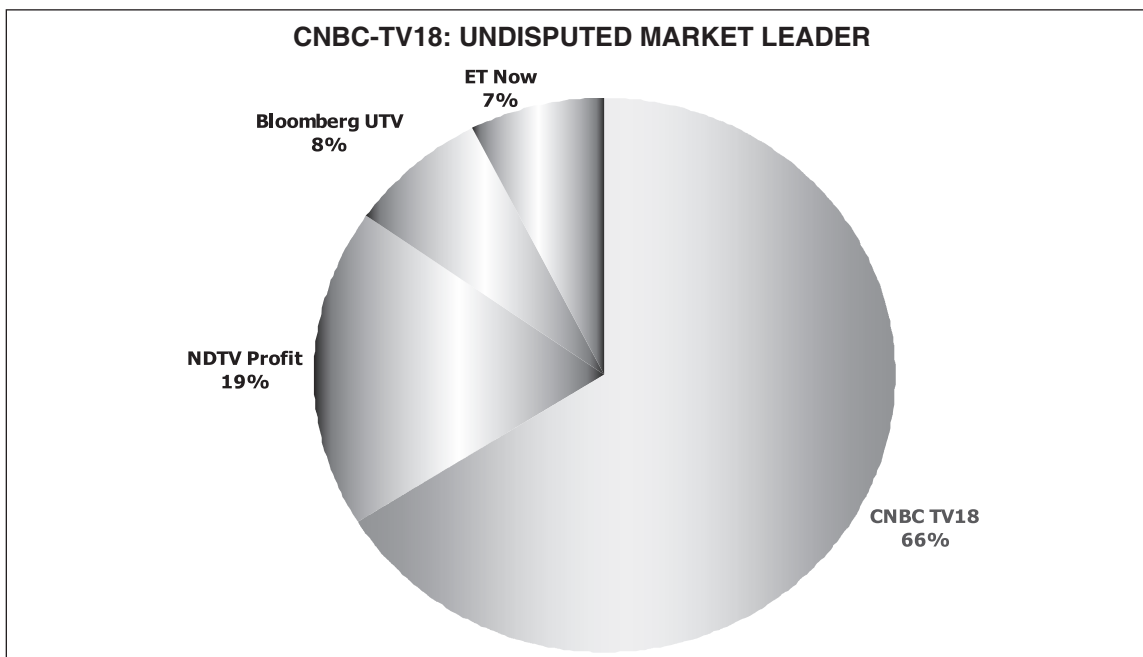
The following pages provide an overview of the performance of our various businesses

BUSINESS TELEVISION CNBC-TV18 - INDIA'S NO.1 TV BRAND & INDIA'S NO.1 BUSINESS MEDIUM

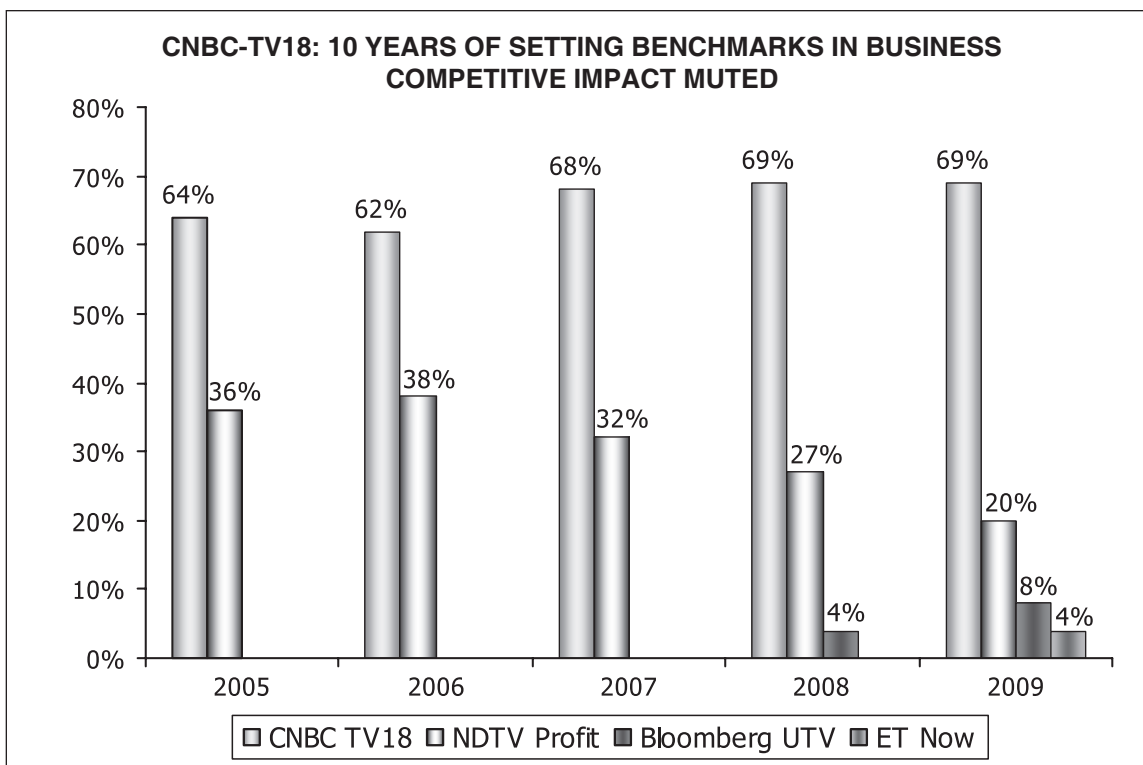
The undisputed leader in business news and information in India, CNBC-TV18, is trusted by business leaders for its analysis, insight and real-time market coverage. Since 1999, CNBC-TV18 has been the platform for thought leaders across India, giving India's decision makers' unparalleled news, analysis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

VIEWERSHIP PERFORMANCE

For the year ended March 31, 2010, CNBC-TV18 led the news genre and emerged as the nation's most preferred news source amongst the core audiences. Its leadership in the business news space was undisputed



Source: TAM, Channel Share, TG: CS AB Male 25+, Market: All India, Time Period: 1st Apr – 31st Mar '10, All Days 600-2400 hrs

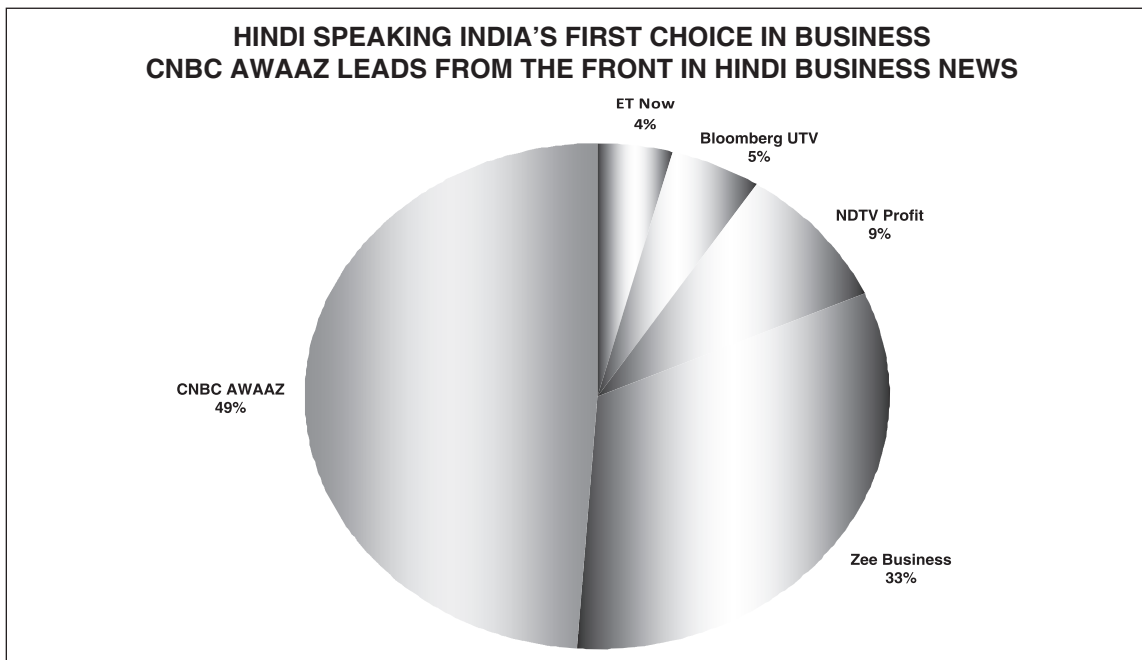


Source: TAM, Market Share, TG: CS AB Male 25+; Market: All India, Period: All Days, 0600-2400 hrs

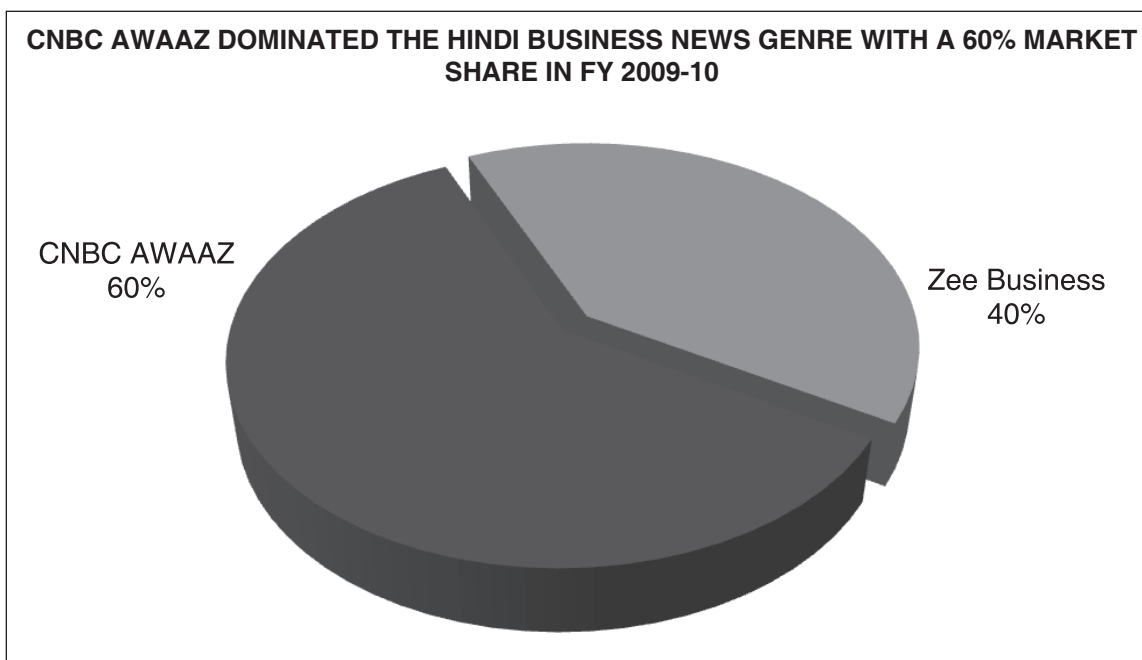
CNBC AWAAZ - INDIA'S NO.1 HINDI BUSINESS NEWS CHANNEL

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

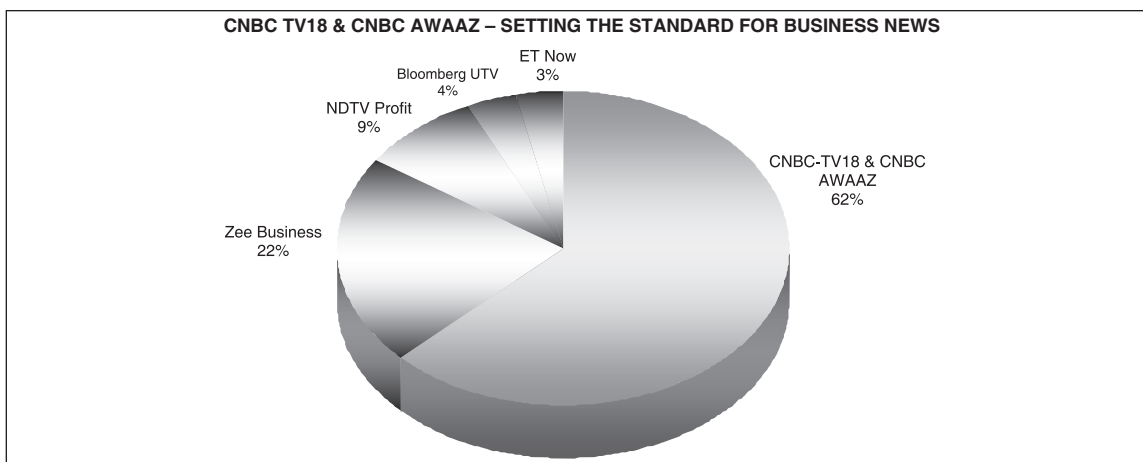
VIEWERSHIP PERFORMANCE



Source: TAM, Channel Share, TG: CS AB Male 25+, Market: HSM, Time Period: 1st Apr – 31st Mar '10, All Days 600-2400 hrs



Source: TAM, Channel Share, TG: CS AB Male 25+, Market: HSM, Time Period: 1st Apr – 31st Mar '10, All Days 600-2400 hrs



Source: TAM, Market Share, TG: CS AB Male 25+, Market: All India, Time Period:: 1st Apr – 31st Mar '10, All Days 600-2400 hrs.

Out of Home: Do note that the existing TV viewership measurement mechanisms though essential do not project the actual delivery for a media platform like CNBC TV18 & CNBC AWAAZ. The CNBC TV18 & CNBC AWAAZ services attract a great amount of viewership out of home (OOH) especially in corporate offices, institutions, business areas, markets etc. This viewership is not captured in the commonly used TV measurement mechanisms and thus CNBC TV18 audience reach is actually much higher.

The Network18 group has a news-gathering network comprising of 23 news bureaus (including in London and New York), providing latest corporate and financial news from Indian and global markets.

The business news segment has shown a marked improvement in the financials in FY10 over FY09

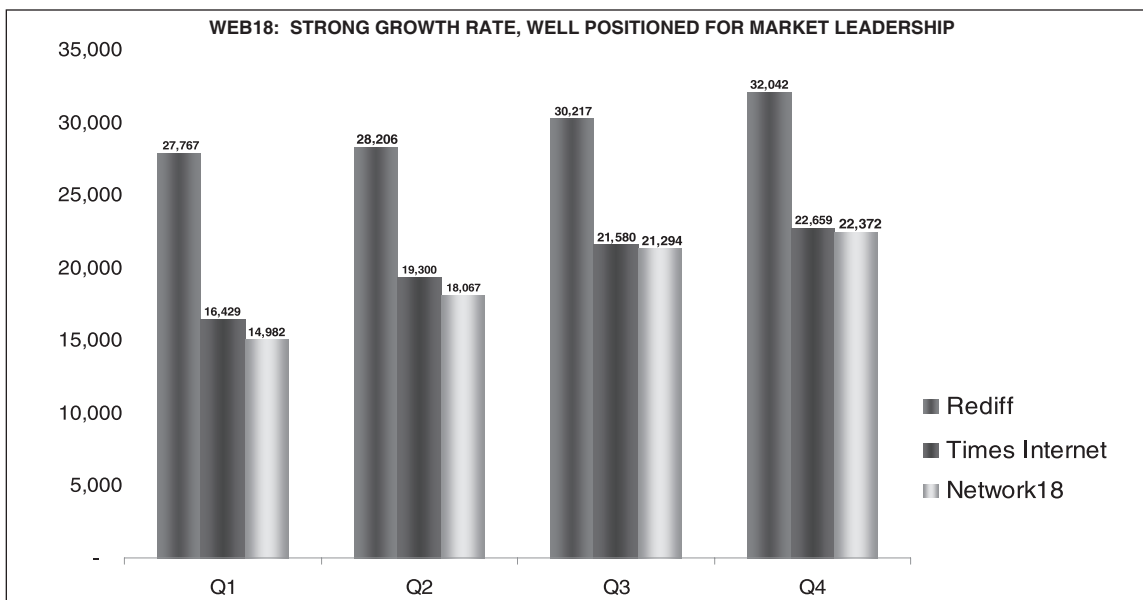
(All Values in Rs Lacs)

Financial Metric	FY10	FY09
Revenue	27,306	27,962
Operating Expense	20,824	28,446
Operating Profit	6,481	(484)
Operating Margin	24%	(2%)

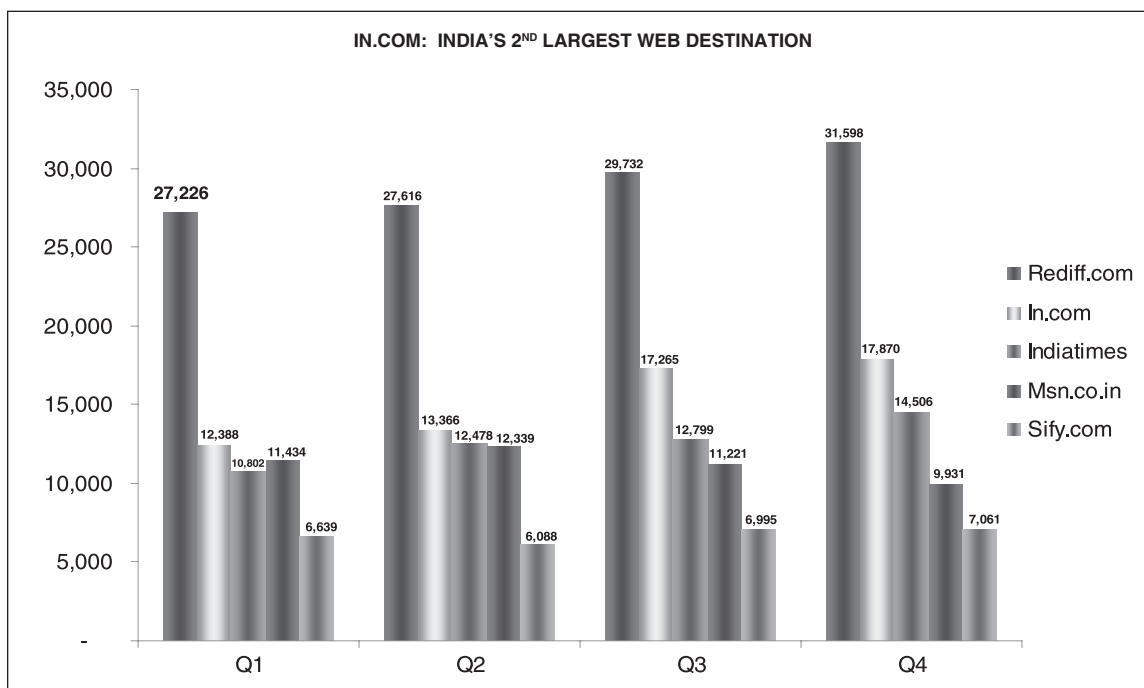
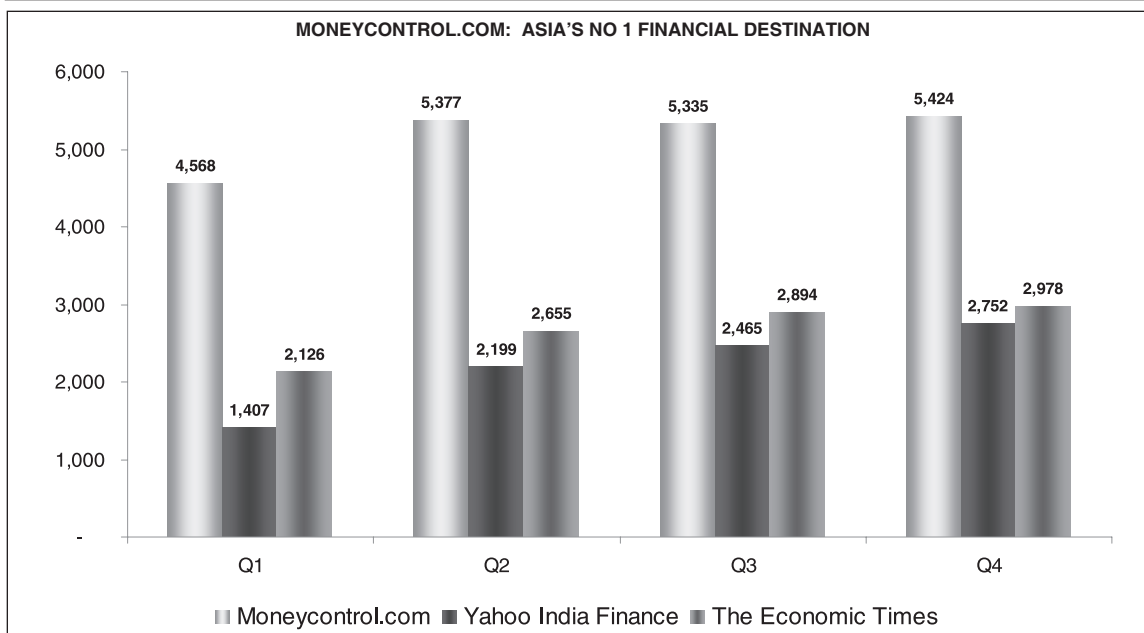
WEB18

Web18, India's leading Internet player continued to build on its leadership in the online space through strong traffic sustenance on its web portals, growth in its WAP services portfolio and continued innovation in its features & offerings

COMPARATIVE PERFORMANCE



Source: Comscore, Unique Visitors (in '000)



Source: Comscore, Unique Visitors (in '000)

Web18 has scaled up strongly and is close to operational break-even

(All Values in Rs Lacs)

Financial Metric	FY10	FY09
Revenue	7,282	6,544
Operating Expense	8,209	10,119
Operating Profit	(927)	(3,575)
Operating Margin	(13%)	(55%)

Infomedia18

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

Some of the key business expansion activities undertaken during the year include

- Launch of the new look print directory "Infomedia Yellow Pages (IYP)" which was well received by the users
- Growth in our partnership with Alibaba.com, to sell memberships to SMEs in India which has gone from strength to strength. During the year, the partnership has delivered new contracts with 3,800 SMEs.
- Acquisition of Askme.com was completed during the Year. "Askme.in" beta site was successfully launched during the year.
- Launch of "Entrepreneur" magazine during the year, which is one of the world's leading magazines for small businesses & business owners, for the Indian market. The local edition focuses on India's small businesses, start-ups, venture funds and financial institutions. The magazine offers an in-depth understanding of what an entrepreneur wants and needs: information, tools and resources to conquer their daily business challenges

Infomedia18 has undergone large scale restructuring over the last 2 years and is now poised for rapid growth

(All Values in Rs Lacs)

Financial Metric	FY10	FY09
Revenue	17,385	16,400
Operating Expense	19,093	21,400
Operating Profit	(1,708)	(5,000)
Operating Margin	(10%)	(30%)

Newswire18

Newswire18 is India's leading real-time news and data terminal services provider and the only domestic player with an integrated platform. The Newswire 18 News & Data platform is a state-of-the-art market data platform providing customizable views and several analytical tools structured to meet unique Indian customer needs. The platform has news on India, Indian exchange data, Indian OTC data, Global News from several sources including Dow Jones, Global exchange data, and Global OTC data, along with news, financials of companies and data histories.

Newswire18 has operated in an extremely challenging macro-economic environment for the last two years given that its core customer base, the financial services industry has been the most adversely impacted by the financial and economic downturn. In spite of the banks, financial institutions and the other key clients canceling / deferring purchases, Newswire18 has recorded robust revenue growth for FY2009-10 and has also been able to turn in a positive EBITDA for the year.

(All Values in Rs Lacs)

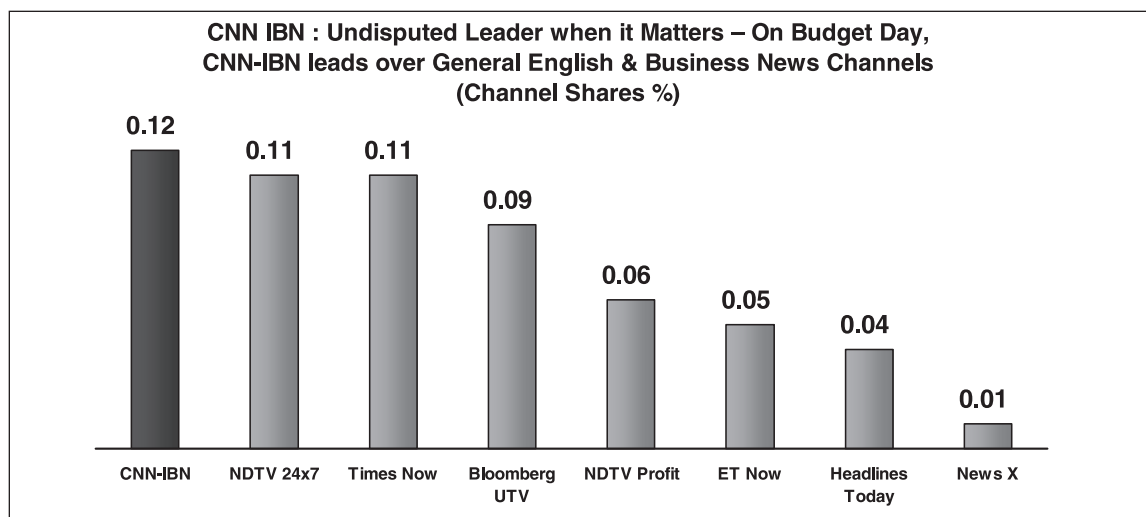
Financial Metric	FY10	FY09
Revenue	3,296	2,313
Operating Expense	3,112	3,081
Operating Profit	184	(768)
Operating Margin	6%	(33%)

General News Operations – CNN IBN and IBN7

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

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

The channel continued to be the market leader during all critical news events during the year, including election results day and the day of the budget



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

IBN7 has shown good revenue traction in the intensely competitive Hindi news space

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

The general news channels have shown smart improvement in revenues in FY10

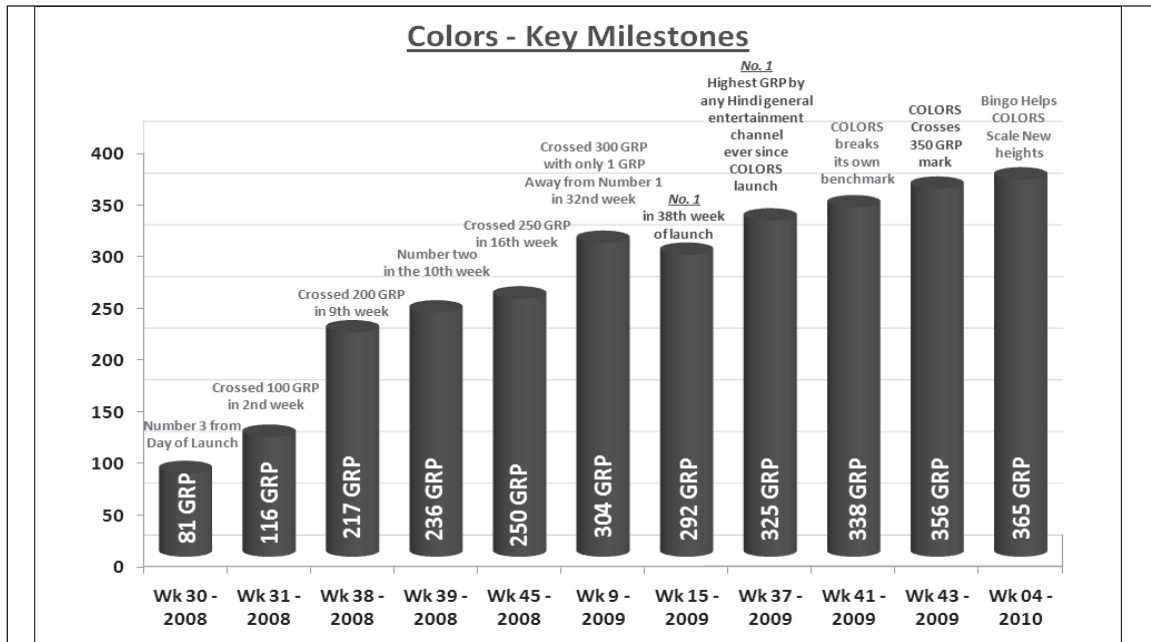
(All Values in Rs Lacs)

Financial Metric	FY10	FY09
Revenue	20,950	18,085
Operating Expense	22,156	22,397
Operating Profit	(1,206)	(4,312)
Operating Margin	(6%)	(24%)

Entertainment – Viacom18

COLORS

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



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

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

COLORS became the market leader in the first Quarter of FY 2009-10 and has dominated the space since. COLORS leads the primetime with in 6 out of existing 10 slots for all of FY 2009-10.

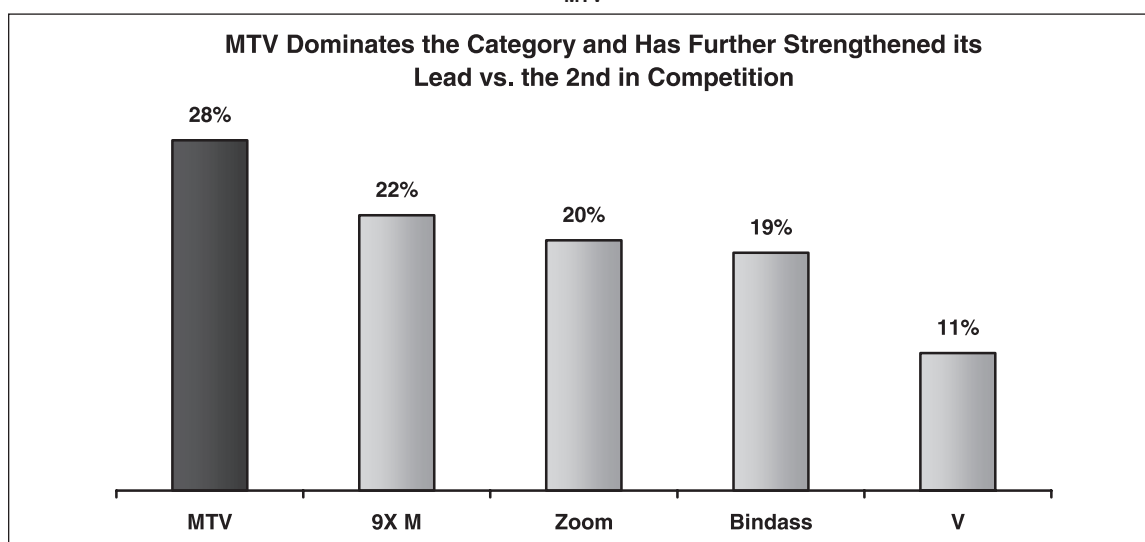
7 of the top 10 Slots Occupied by COLORS Shows

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

6 of the Top 10 Shows for FY10 were on COLORS

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

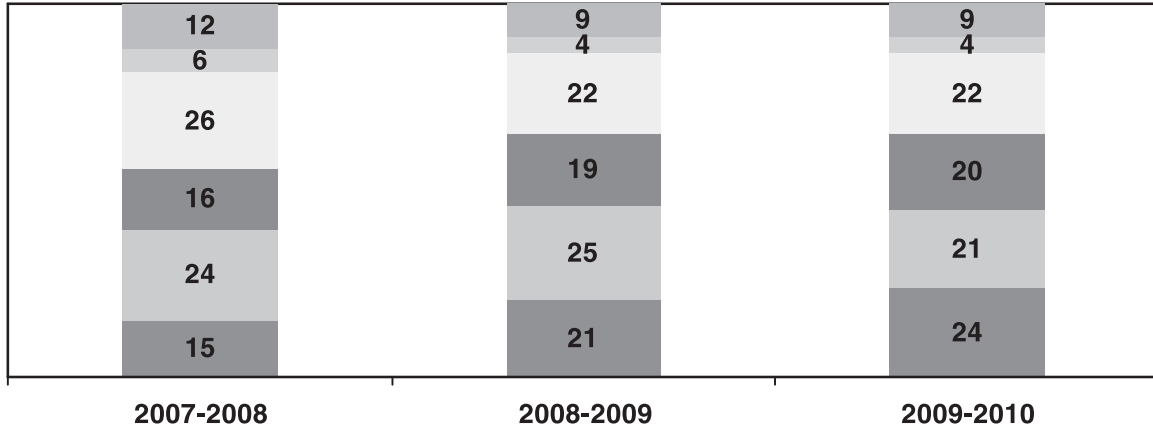
MTV



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

NICK

Nick is the fastest growing kids channel which has gone from No. 4 rank to No. 1 rank in 3 years



■ Nick ■ CNW ■ POGO ■ Hungama ■ Disney XD ■ Disney

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

Viacom18 has been able to scale up its business very rapidly and been able to successfully monetize its ratings leadership

(All Values in Rs Lacs)

Financial Metric	FY10
Revenue	83,364
Operating Expense	86,507
Operating Profit	(3,143)
Operating Margin	(4%)

HomeShop18

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

Orders executed in FY 2009-2010 witnessed an increase of 92% over the previous financial year and HomeShop18 launched 857 new products during the year and introduced services as part of its offerings.

The business has shown spectacular growth having grown its revenues by 8x in the last 2 years

(All Values in Rs Lacs)

Financial Metric	FY10	FY09
Revenue	5,091	2,270

The Indian Film Company Limited (TIFC)

The IFC is the first publicly listed film company specifically created to invest in Indian films and films primarily targeted at the Indian audiences throughout the world – a £1bn market which is growing at a compounded annual growth rate of 16%. During the year, TIFC pioneered the first ever day and date release of a Bollywood movie on YouTube, targeting the Indian Diaspora in overseas markets with high broadband penetration

TIFC got consolidated into Network18 during the financial year. Nine films were released during the year which were a combination of acquisitions, co-productions and productions

(All Values in Rs Lacs)

Financial Metric	FY10	FY09
Revenue	15,060	32,024
Operating Expense	18,470	28,604
Operating Profit	(3,409)	3,420
Operating Margin	(23%)	11%

NETWORK18 MEDIA & INVESTMENTS LIMITED



E18 (A Division Of Network18)

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

In the past year, E18's revenue model has essentially been driven from three sources

- Sponsorships of proprietary event properties,
- Management & execution of properties from other network18 brands
- Corporate segment.

During the period under review, E18 further strengthened its revenue base with a healthy annual growth in its third year of operations.

(All Values in Rs Lacs)

Financial Metric	FY10	FY09
Revenue	2,012	1,743

SPORT18 (A Division Of Network18)

SPORT18 is the sports management division of Network18, established in July 2008. SPORT18 is focused on emerging growth opportunities within the business of sports in India including but not limited to rights management and representation, licensing & advisory and sponsorship marketing.

Since launch, SPORT18 has managed to carve a niche for itself in the highly challenging & cluttered sports management business with some early significant moves. A large part of growth has come from marquee properties such as the marketing & broadcasting rights of the Professional Golf Tour of India (PGTI), derby rights from Royal Western India Turf Club (RWITC) and the broadcast rights for the benchmark city marathons in Mumbai, Delhi and Bangalore. SPORT18 has built on this further with pioneering moves in sports such as Cycling, Sailing etc.

(All Values in Rs Lacs)

Financial Metric	FY10	FY09
Revenue	1,198	600

CAPITAL18 MEDIA ADVISORS (A Division Of Network18)

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

BUSINESS STRATEGY AND FUTURE PLANS

Network18 is today one of India's leading multi platform, well diversified market leading media group. The rapid growth of the group over the years has been driven by an optimal combination of organic ventures, inorganic acquisitions and strategic alliances. Network18 is today ideally positioned to capitalise on and profit from the growth in the traditional media segments while the new media assets are uniquely placed to benefit from the segment expansion going forward. The following are the key aspects of the Group's business strategy:

- **Consolidate leadership position across traditional media businesses:** Traditional media in India especially television, filmed entertainment and print are far from reaching saturation levels. The share of advertising, largely the mainstay of traditional media, when compared to GDP is still reasonably low in India compared to global levels. Traditional media has continued to post healthy growth in recent years and estimates for the next few years are also very strong. Clearly the growth potential within traditional media continues to be highly encouraging with sustained economic growth, rapidly growing middle class, rising disposable incomes and increase in private domestic consumption. Network18 will look to consolidate its existing leadership positions across television, filmed entertainment and niche print and grow faster than the market.
- **Substantially grow presence across new & addressable media:** Network18 through its online and mobile offerings, has been a leader in the new media space in India. New media has already shown signs of being a major growth opportunity and the group intends to strengthen its existing presence continually. Network18 will also capitalize on newer and addressable plays such as DTH, Internet Protocol Television (PTV), Video On Demand (VOD) etc and other "addressable" platforms in order to be well positioned for garnering the subscription upside on account of its leader brands & loyal consumer base.
- **Expand subscription revenue base:** One of the largest opportunities before Network18 today is scaling up its subscription revenues especially on the television side. The opportunity in the short to medium term is to grow the base of subscription revenues to match the contribution from advertising. Given the popularity of the channels and the widespread distribution in both India and the heavy NRI populated markets, we believe we are well positioned to monetize this opportunity.
- **Exploit content & platform synergies:** Network18 would continue to focus on unleashing existing and emerging synergies across the group, thus unlocking value and creating new opportunities in the process. The underlying theme of growth initiatives would be to exploit untapped market gaps in the Indian consumer and business media spectrum, strengthen the value proposition to existing consumers of the group, agglomerate audiences in a more meaningful manner for advertisers and partners and encourage users to move up the value chain through the various services being offered by the group.

RISKS AND CONCERNS

The following are the areas of concern:

- **Advertising Environment Risks** – Advertising revenues form a significant component of Network18's consolidated revenues. Any impact on the macro economic environment which either directly or indirectly affects the advertising market is a significant risk impacting business growth.
- **Increasing content acquisition costs** – Acquisition cost for television and filmed content has been on the rise on account of competitive pressures driven by severe fragmentation accompanied with availability of funding options. Content is by far the single largest cost element for both the broadcasting and filmed entertainment businesses of the group and increases and volatility in content costs can impact profitability.

- **Regulatory concerns** - The Indian media industry and specifically the broadcasting segment is subject to significant Government regulations. License to uplink channels from India provides broad discretion to the Government to influence the conduct of business by channels by giving right to modify, at any time, the terms and conditions of licenses granted. Any adverse change in regulatory environment can negatively impact the business of channels. The Telecom Regulatory Authority of India ("TRAI") has also implemented a series of additional regulatory measures, including a standardized template that fixes the commercial terms between broadcasters and cable operators. Emergence of large number of channels in the market has led to fragmentation of audiences. Also, advertisements in India are regulated by applicable guidelines issued by the Government of India, with the discretion to determine the display or broadcast of any particular advertisement on the basis of public policy, general interest of society and such other factors. Increasing regulation(s) and government intervention in the news broadcasting space could impact news broadcasters. The broadcasting industry is subject to rapid changes in technology. The Company strives to keep in line with the latest international technological standards. The cost of implementing new technology significantly influences the financial condition of the Company.

INTERNAL CONTROL SYSTEMS

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

HUMAN RESOURCES AND DEVELOPMENT

Your Company recognizes that a significant part of its success depends on the quality of its human resources. This intellectual capital is reflected in the quality of our programming and broadcasting, our business strategy, our excellent customer relations and our financial health. Your company is focused on attracting, developing and managing talent. Robust Human Resource systems & processes have been implemented to provide an enriching work experience to employees. A culture of incentives and pay-for-performance has been inculcated to ensure excellence in deliverables.

Network18's Human Resource team continues to make a concerted effort to cultivate Company's image as an 'employer of choice' at leading campuses across the country. Network18 Group has been judged by the Great Place to Work Institute and the Economic Times as the 'Best Workplace in the Media Industry' two years in a row – 2008 and 2009. This, coupled with the Network18 Group's strong brand equity, continues to attract the best talent in the industry. The comprehensive Performance Management System continues to help employees recognize their strengths and areas of improvement. Your Company has created a dedicated Organization Development team which aims to create a Learning Organization in the coming years. In our efforts towards building a High Performance Work Culture, a set of 5 Values have been deployed along with the Mission statement. The Reward & Recognition Program continues to identify and reward the outstanding performers for their contribution and excellence. Embedded HR teams are working closely with different businesses so that there is rigor in the Reward & Recognition Program. As on March 31, 2010 101 employees were on the payroll of the Company.

DISCLAIMER

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimate, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could influence the Company's operations include economic developments within the country, demand and supply conditions in the industry, input prices, changes in government regulations, tax laws and other factor such as litigation and industrial relations.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance broadly refers to the set of processes, policies, customs, laws and institutions affecting the way a Company is directed, administered or controlled. It is about commitment to values, about ethical business conduct and about holding the balance between economic and social goals. The aim is to align as nearly as possible the interests of individuals, corporations and society.

It is the Company's constant endeavour to adopt the best governance practices to enhance and retain investor trust. The Corporate Governance philosophy has been strengthened with the implementation, a few years ago, by the Company of the Code of Conduct and Code of Insider Trading. Both these codes are available on the Company's website. The Company is in full compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement.

This part, along with the chapters on Management Discussion and Analysis and Additional Shareholders Information, reports Network18 compliance with clause 49 and highlights the additional initiatives taken in line with international best practices.

BOARD OF DIRECTORS

(A) Composition of the Board

The Board of Network18 consists of an appropriate mix of Executive, Non Executive Directors and Independent Directors to maintain independence of the Board, and to separate the Board functions of governance and management.

The details of the Directors on the Board of the Company during the year 2009- 2010 are set out in the table below:

Name	No. of outside Directorships Held*	No. of Chairmanships / Memberships of other Board Committees**	
		Chairmanship	Membership
Promoter and Managing Director			
Mr. Raghav Bahl	13	1	-
Non-Executive Independent Director			
Mr. G.K. Arora ¹	N/A	N/A	N/A
Mr. Manoj Mohanka ²	6	3	2
Nominee Director			
Mr. Ravi Chandra Adusumalli ³	2	-	-
Non-Executive Director			
Ms. Vandana Malik	6	-	-
Mr. Sanjay Ray Chaudhuri ⁴	11	1	4
Ms. Subhash Bahl	1	-	-

*For the purpose of considering outside Directorships all the Public Limited Companies, whether listed or not has been considered. Private Limited Companies including the subsidiaries of Public Limited companies, Foreign Companies and their Indian/Foreign subsidiaries and Companies under Section 25 of the Companies Act, 1956 have not been included.

**For the purpose of considering the total number of Memberships/ Chairmanships of committee only Audit Committees and Shareholders'/ Investor Grievance Committees of all Public Limited Companies have been considered.

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

Notes:

1. Mr. G.K. Arora ceased to be a member w.e.f. November 5, 2009. So his details of directorship/ committee membership as on March 31, 2010 are not being given herein above.
2. After the sad demise of Mr. G.K. Arora, Mr. Manoj Mohanka is appointed as the Chairman of the Board.
3. Mr. Ravi Chandra Adusumalli was appointed as an Additional Director on January 21, 2010.
4. Mr. Sanjay Ray Chaudhuri resigned from the directorship on April 23, 2010. Thereafter he is been appointed as an Alternate Director to Mr. Ravi Chandra Adusumalli.

Further, Mr. Hari S. Bhartia, Non Executive Independent Director was inducted on the Board of the Company w.e.f. April 23, 2010.

Appointment or Re-appointment of Directors:

Ms. Vandana Malik, a Director is retiring by rotation and being eligible, has offered herself for re-appointment.

Ms. Subhash Bahl was appointed in the casual vacancy and her tenure as a Director expires at the ensuing Annual General Meeting. The Company has received a notice under section 257 proposing her candidature for the directorship of the Company. It is proposed to appoint Ms. Subhash Bahl as a director of the Company in the ensuing Annual General Meeting.

Mr. Ravi Chandra Adusumalli was appointed as an additional director w.e.f. January 21, 2010 on the nomination of SAIF III Mauritius Company Limited, an equity investor of the company. Mr. Sanjay Ray Chaudhuri was appointed as an alternate director to Mr. Ravi w.e.f. April 23, 2010. It is proposed to appoint Mr. Ravi as a regular director in the ensuing Annual General Meeting.

Mr. Hari S. Bhartia was inducted on the Board as an Additional Director of the Company w.e.f. April 23, 2010. It is proposed to appoint him as a regular director in the ensuing Annual General Meeting.

Brief profiles of the aforesaid directors are given hereunder

Ms. Vandana Malik is a graduate in history from the Lady Shree Ram College, New Delhi. Her television career began in 1992 as Editorial Coordinator with Business India Television.

Through the 1990's she was the face of Television Eighteen India Limited (TV18) for most of the Entertainment television channels based in Bombay. As both Executive Producer and Bombay Bureau Chief Vandana worked back stage and front stage to ensure that TV18 remains among the premier television software production companies in India.

In February 2000, TV18 debuted on the Bombay Stock Exchange at a fantastic premium. Soon thereafter Vandana was appointed as a Director on the board of TV 18.

In May 2006 she joined the team of Studio 18/The Indian Film Company in the capacity as a Creative Director for the Network 18's foray into Feature Film Production. She has over 15 years of experience in media and allied fields

Ms. Subhash Bahl wife of Late Mr. Pran Nath Bahl a Retired Indian Administrative Services (IAS) officer. Ms. Bahl has Completed BA and BT (Bachelor of Teachers Training) from Punjab University. She started her career as a teacher with Cambridge School and thereafter she joined Navyug School, governed by NDMC as a Chairperson. She has also been effectively involved in social services. She has over 41 years experience in educational sector.

Mr. Hari S Bhartia is the Co Chairman & Managing Director of Jubilant Organosys Ltd, an innovation driven integrated pharmaceuticals industry player delivering products and services to the global life sciences industry.

Jubilant Organosys is the flagship company of Jubilant Bhartia Group (over 16,500 employees), having business interest in Pharma Life Sciences & Specialty Chemicals, Oil & Gas (Exploration & Production), Food & Retail and Consulting Services in Aerospace and Oilfield Services. Jubilant FoodWorks Ltd, a group company, is the master franchisee of Domino's Pizza Inc. (India, Sri Lanka, Nepal and Bangladesh) and the largest food service chain in India, with more than 300 corporate owned stores across 65 cities across India and 5 franchised stores in Sri Lanka. Jubilant Energy Ltd. is one of the leading Exploration company for Oil & Gas, and has many discoveries to its credit both onshore and offshore areas of India. The Jubilant Enpro Ltd., the services arm of the Group represents in India the global industry leaders in Aerospace and Oilfield Services.

Mr Bhartia, together with Mr Shyam S. Bhartia, is the co-founder of Jubilant Bhartia Group.

Mr. Bhartia's role in institutional work includes his role in various capacities with Indian Institute of Technology (IIT), Delhi and IIT Kanpur as Chairman of the Board of Governors, and Confederation of Indian Industry (CII). He has been a member in several educational and science & technology programmes of Government of India. He is currently the Chairman of the Society and Board of Governors of Indian Institute of Management, Raipur and President of Confederation of Indian Industry.

A Chemical Engineering Graduate of the Indian Institute of Technology, Delhi, Mr. Hari S Bhartia has been conferred Distinguished Alumni award by Indian Institute of Technology, Delhi in the year 2000

More recently he has been awarded the 'BioSpectrum- Person of the Year' 2009.

Mr Hari S Bhartia is married to Kavita, who is a leading Fashion Designer and Retailer, and they have a daughter Aashti 26 years and son Arjun 22 years.

Mr. Ravi Chandra Adusumalli is graduate from Cornell University with a Bachelors of Arts in Economics and Government. He joined Softbank Asia Infrastructure Fund (SAIF) in early 2002 and is currently a General Partner and Head of SAIFs India Operations. Prior to joining SAIF, Mr. Adusumalli was an Associate Partner with Mobius Venture Capital, a \$1.25 billion early stage venture capital firm in Silicon Valley. He previously worked at Credit Suisse First Boston as an Associate and with Wasatch Funds.

Mr. Adusumalli led SAIF's investments in the National Stock Exchange, SIFY (NASDAQ: SIFY), IL&FS Investsmart (NSE: INVSTSMAR.NS), Intelligroup (NASDAQ: ITIG), MakeMyTrip.com, SlashSupport, Asian Dhall, & HomeShop18.com.

Other Directorship/Committee membership

Name of Director	Other Directorship/Committee Membership details	
	Name of the Public Limited Companies	Position on the Board and Committee thereof
Ms. Vandana Malik	iNews.com Limited	Director
	News Wire18 Limited	Director
	SGA News Limited	Director
	Television Eighteen India Limited	Director
	e-Eighteen.com Limited	Director
	Television Eighteen Commodities Control.com Limited	Director
Ms. Subhash Bahl	Television Eighteen India Limited	Director
Mr. Hari S. Bhartia	ibn18 Broadcast Limited	Director & Member of Audit Committee & Remuneration Committee.
	Jubilant Organosys Limited	Co-Chairman of Board & MD
	Jubilant Chemsys Limited	Director
	Jubilant Biosys Limited	Director
	Jubilant Infrastructure Limited	Director & Chairman of Audit Committee
	Clinsys Clinical Research Limited	Director & Member of Audit Committee
	Jubilant First Trust Healthcare Ltd.	Director & Chairman of Audit Committee
	Asia Healthcare Development Ltd.	Director
	Vam Holdings Limited	Director
	Geo-Enpro Petroleum Limited	Director
	Jubilant Foodworks Limited	Director and Member of Remuneration Committee, Compensation Committee & Regulatory & Finance Committee
	Jubilant Innovation (India) Ltd.	Director
	Television Eighteen India Limited	Director & Member of Audit Committee, Investor Grievance Committee & Remuneration/Compensation Committee
	Shriram Pistons & Rings Limited	Director
Mr. Ravi Chandra Adusumalli	Asian Health & Nutri Foods Limited	Director
	Fatpipe Networks India Limited	Director

Board Meetings

During the financial year 2009 - 2010, Six Board Meetings were held on June 3, 2009, June 30, 2009, July 16, 2009, October 16, 2009, January 12, 2010 and January 21, 2010. Maximum time gap between any two Board Meetings was not more than 4 months. The Agenda and other relevant papers were circulated well in time.

The 14th Annual General Meeting was held on August 28, 2009. The details of attendance of Directors at the meetings of the Board and at the last Annual General Meeting are as under-

Name of the Directors	Attendance Particulars		
	Number of Board Meetings		Last AGM
	Held	Attended	
Mr. Raghav Bahl	6	6	Yes
Mr. Manoj Mohanka	6	5	Yes
Mr. Sanjay Ray Chaudhuri	6	6	Yes
Mr. G.K. Arora*	4	4	No
Ms. Vandana Malik	6	5	No
Ms. Subhash Bahl	6	6	No
Mr. Ravi Chandra Adusumalli	NIL	NIL	N/A

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

BOARD COMMITTEES

AUDIT COMMITTEE

The Primary objective of the audit committee of Network18 Media & Investments Limited (the Company) is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

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

(a) Terms of reference

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

(b) Composition and Attendance

All the members of the Committee are financially literate and the Chairman of the Committee Mr. Manoj Mohanka is a financial expert. The Company Secretary acts as the Secretary to the Committee.

During the year, the Committee met five times and the maximum time gap between any two audit committee meetings during the year was less than four months.

The composition and Directors' attendance at the committee meetings is presented below:

Name	Executive / Non-executive / Independent	Position	No. of Meetings held	No of Meetings attended
Mr. Manoj Mohanka	Non – Executive, Independent	Chairman	5	5
Mr. G.K. Arora*	Non – Executive, Independent	Member	4	4
Mr. Sanjay Ray Chaudhuri	Non-Executive	Member	5	5

- Mr. G.K. Arora ceased to be a member w.e.f. November 5, 2009.
- Mr. Sanjay Ray Chaudhuri resigned from the membership of the Company w.e.f. April 23, 2010.
- Mr. Hari S Bhartia, Independent Director and Ms. Vandana Malik, Non Executive Director are appointed as a members of Audit Committee w.e.f. April 23, 2010.

(c) Review of information by the Audit Committee

1. Management discussion and analysis of financial condition and results of operations
2. Management letters/letters of internal control weaknesses issued by the Statutory Auditors
3. Internal audit reports relating to internal control weaknesses
4. The appointment, removal and terms of remuneration of the Internal Auditor
5. Reviewing, with the management, the financial statements before submission to the board for approval
6. Statement of significant related party transactions (as defined by the Audit Committee) submitted by management

REMUNERATION COMMITTEE

(a) Composition and Attendance

Mr. Manoj Mohanka acts as the Chairman of Remuneration Committee. Three Remuneration committee meetings were held during the year ended March 31, 2010.

The composition and Directors' attendance at the committee meetings is presented below:

Name	Executive / Non-executive / Independent	Position	No. of Meetings held	No of Meetings attended
Mr. Manoj Mohanka	Non-Executive, Independent	Chairman	3	3
Mr. G.K. Arora*	Non-Executive, Independent	Member	2	1
Mr. Sanjay Ray Chaudhuri	Non-Executive	Member	3	3

- Mr. G.K. Arora ceased to be a member w.e.f. November 5, 2009.
- Mr. Sanjay Ray Chaudhuri resigned from the membership w.e.f. April 23, 2010.
- Mr. Hari S Bhartia, Independent Director and Ms. Subhash Bahl, Non Executive Director are appointed as members of Remuneration Committee w.e.f. April 23, 2010.

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

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

Remuneration Policy, details of remuneration paid to directors

The remuneration Policy of the Company is directed towards rewarding and motivating its employees for high levels of individual performance that would have a direct bearing on the Company's performance in a competitive landscape. .

Remuneration paid to Managing Director during the FY 2009-10

Name	Business Relationship with Company, if any	Relationship with other Directors	Salary (Rs.)	Allowances (Rs.)	PF (Rs.)	Total (Rs.)
Mr. Raghav Bahl	-	Son of Ms. Subhash Bahl and brother of Ms. Vandana Malik	72,00,000	28,80,000	8,64,000	1,09,44,000

Remuneration of Non Executive Directors

During the financial year 2009-2010, no remuneration was paid to the Non-Executive Directors except the sitting fees for attending the meetings of Board/ Committee thereof.

The Non-Executive Directors are paid sitting fee at the rate of Rs.10,000/- for attending each meeting of the Board of Directors and Rs. 5,000/- for attending each meeting of Audit Committee, Remuneration Committee, Sub - Committee and Investor Grievance Committee of the Board. Further, the Company has no policy of advancing any loans to Directors. It has not paid, so far, any commission on profits to any Director of the Company.

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

Number of shares held by the Non Executive Directors as on March 31, 2010 and No. of options granted during the year 2009-10 are as detailed below-

S.No.	Name of Director	No. of shares held on March 31, 2010	No. of options granted during the FY 2009-10
1.	Mr. Sanjay Ray Chaudhuri	549322	NIL
2.	Ms. Subhash Bahl	42648	NIL
3.	Mr. Manoj Mohanka	300000	NIL
4.	Ms. Vandana Malik	91251	NIL
5.	Mr. Ravi Chandra Adusumalli	—	NIL

SHAREHOLDERS/INVESTORS' GRIEVANCE COMMITTEE
(a) Composition and Attendance

The Shareholders/Investors' Grievance Committee is constituted in accordance with the provisions of Clause 49 of the Listing Agreement. Four investor grievance committee meetings were held during the year under review.

Name	Executive / Non-Executive / Independent	Position	No. of Meetings held	No. of Meetings Attended
Mr. Manoj Mohanka	Non-Executive, Independent	Chairman	4	4
Mr. G.K. Arora*	Non-Executive, Independent	Member	3	3
Mr. Sanjay Ray Chaudhuri**	Non-Executive	Member	4	4

* Mr. G.K. Arora ceased to be a member of this committee w.e.f. November 5, 2009.

** Mr. Sanjay Ray Chaudhuri resigned from membership w.e.f April 23, 2010.

***Ms. Vandana Malik is appointed as a member of Investors' Grievance Committee w.e.f April 23, 2010.

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

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

(c) Name and Designation of Compliance Officer

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

(d) Investor Grievance Committee report for the year ended March 31, 2010

The Committee expresses satisfaction with the Company's performance in dealing investor grievances. The Company received 22 correspondences from the shareholders during the year, out of which 20 requests were for change of address, dematerialization, re-materialization etc. The rest of the 2 correspondence were in the nature of complaints which were redressed / attended to the satisfaction of the shareholders.

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

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

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

GENERAL BODY MEETINGS
Forthcoming Annual General Meeting

Time	10.30 A.M.
Venue	MPCU Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2, Raj Nivas Marg, Shree Gujarati Samaj Marg, Delhi-110 054.
Day and date	Friday, 27 th day of August, 2010.

Details of last three Annual General Meetings

Year	Venue	Date	Time	Any special resolution
2007	Kamani Auditorium, 1, Copernicus Marg, New Delhi-110 001	September 7, 2007	2.30 P.M.	NO
2008	M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054	September 15, 2008	12:00 Noon	NO
2009	M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054	August 28, 2009	11.30 A.M.	NO

The Company during the year 2009-2010 had conducted an Extra – ordinary General Meeting on July 2, 2009.

Details of Postal Ballot conducted

During the year, the company conducted one Postal Ballot in accordance with the provisions of section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001.

Date of Completion of Postal Ballot	Name of the Scrutinizer	Brief of Resolution(s)	Percentage of votes cast in favour of resolution
December 31, 2009	Mr. Anil K. Bhayana, Practicing Company Secretary	Special Resolution for waiver of recovery of excess remuneration paid to Mr. Raghav Bahl, Managing Director.	99.91%
		Special Resolution for the re-appointment of Mr. Raghav Bahl as the Managing Director of the Company.	99.93%
		Special Resolution under Section 372A of the Companies Act, 1956 for making Inter-Corporate Loans/Investments/ Guarantees.	99.94%
		Special Resolution for amendment of Objects Clause of the Memorandum of Association of the Company.	99.94%
		Special Resolution for amendment of Clause 17 and 79A of the Articles of Association of the Company	99.93%

DISCLOSURE
I. Related Party Transactions

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosures of transactions with the related parties set out in Note No. 19 of Notes on Accounts, forming part of the Annual Report.

II. No penalty or strictures

The Company has complied with all requirements, as applicable to the Company, to the best of its knowledge and understanding, of the listing agreements with the Stock Exchange(s), the regulations and guidelines of the Securities and Exchange Board of India (SEBI). SEBI, Stock Exchange(s) or any other statutory authorities have imposed no penalties or strictures on matters relating to capital markets.

COMPLIANCE WITH OTHER MANDATORY REQUIREMENTS
Management Discussion and Analysis Report

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

Disclosure of Accounting Treatment

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

Code of Conduct

The Board has laid down a code of conduct for all Directors and Senior Management Executives of the company as required under Clause 49(d) of the Listing Agreement. This code is also posted on the website of the company www.network18online.com. All the Board Members and Senior Management Personnel's to whom this code of conduct is applicable have affirmed compliance with the code and a declaration of the affirmation from the Managing Director of the Company has been annexed to this report.

Code of Conduct for Prohibition of Insider Trading

The Company has also adopted the Code of Conduct for Prohibition of Insider Trading of shares of the Company as provided under 'The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 as amended from time to time. This Code has also been posted on the website of the Company www.network18online.com

MEANS OF COMMUNICATION

The Company sends Annual Reports, notices and other communications through post or courier modes.

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

The quarterly and annual results along with additional information are posted on the website of the Company www.network18online.com Official News Releases and Presentations made to Institutional Investors or to the analysts are also posted on the website of the Company.

Shareholders Information
1. Financial Calendar: [tentative]

Quarter/ Year ending	Tentative calendar for declaration of results for the Financial Year 2010-2011
Quarter ending June 30, 2010	By Second week of August 2010
Quarter ending September 30, 2010	By Second week of November 2010
Quarter ending December 31, 2010	By Second week of February 2011
Year ending March 31, 2011	Last week of May 2011

- **Dates of Book Closure:** As given in the Notice of 15th Annual General Meeting of the Company
- **Dividend Payment date:** No Dividend is proposed/ declared during the year.
- **Listing on Stock Exchanges & Stock Code**

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

Stock Exchange	Equity Shares	Preference Shares
Bombay Stock Exchange Ltd	532798	700132
National Stock Exchange of India Limited	Network18 (EQ)	Network18 (P2)
ISIN Code	INE870H01013	INE870H03019

The Company has paid the listing fees to the concerned Stock Exchanges for the financial year 2010-11 within the stipulated time period.

• Outstanding GDRs/ADRs/Warrants/Convertible Instruments

1,000,000 Secured Optional Fully Convertible Debentures (SOFCDs) were outstanding as on March 31, 2010 and were converted on April 5, 2010.

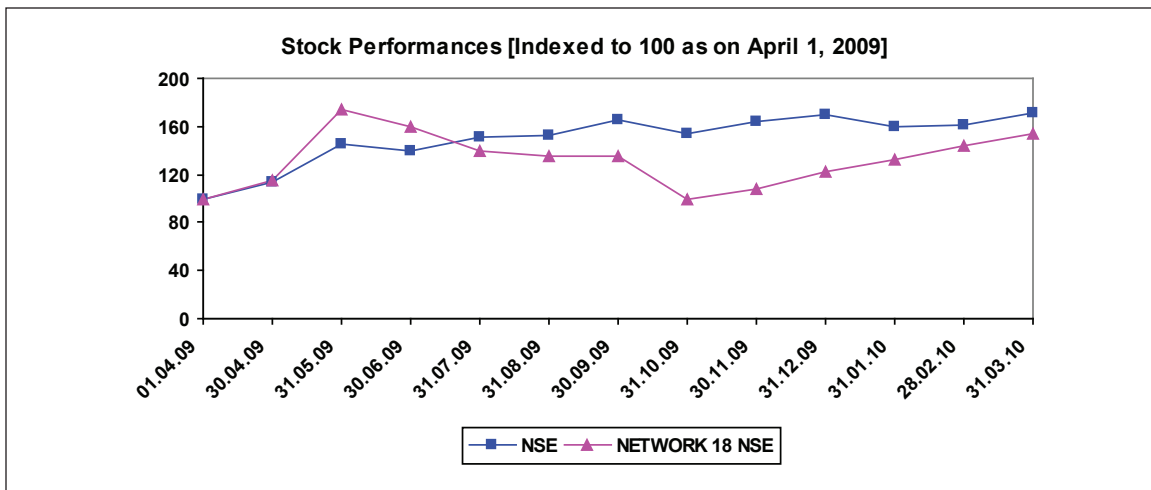
• Corporate Identity Number ('CIN')

"L65910DL1996PLC076419"

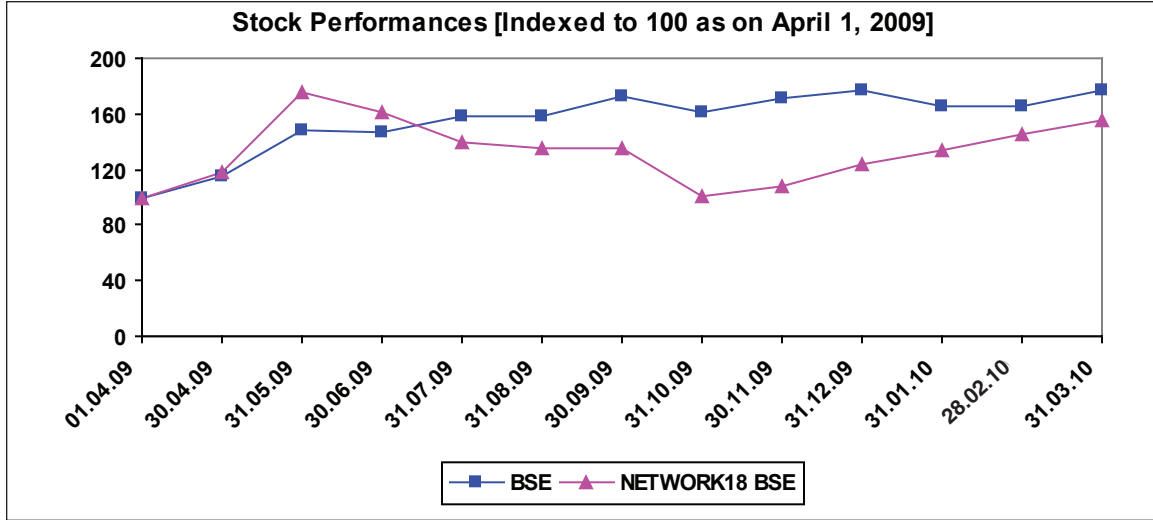
• Market Price Date: High Low Rates of Equity Shares during each month in the last financial year are as follows:

Month	High		Low	
	NSE	BSE	NSE	BSE
APRIL'2009	111.90	111.80	69.00	66.50
MAY' 2009	141.00	141.00	85.25	85.30
JUNE' 2009	166.70	166.85	111.20	114.00
JULY' 2009	119.65	117.10	91.00	90.00
AUGUST' 2009	110.70	110.20	92.00	92.00
SEPTEMBER'2009	108.45	108.70	96.35	96.00
OCTOBER'2009	99.80	99.90	72.50	72.35
NOVEMBER'2009	89.25	89.55	65.00	64.90
DECEMBER'2009	104.00	103.30	78.30	78.10
JANUARY'2010	106.00	107.00	89.25	89.10
FEBRUARY'2010	108.80	108.80	95.00	96.00
MARCH'2010	114.65	114.60	96.65	95.70

Comparison of the stock performances with NSE NIFTY



Comparison of the stock performances with BSE SENSEX



Address of the Registrar & Share Transfer Agent

Alankit Assignments Limited
Alankit House
2E/21, Jhandewalan Extn.
New Delhi- 110 055
Telephone: + 91 11 42541234
Fax: + 91 11 4254 1967
Email: mj@alankitonline.com

Share Transfer System

Share transfers in physical form are registered and returned within the stipulated time, if documents are clear in all respects. The shares of the Company are freely tradable on BSE and NSE.

Other details are as under:

- Approximate time taken for share transfer if the Documents are clear in all respects : 21days
 - Total No. of shares dematerialized as on 31.03.2010 : 114261709*
 - Total No. of shares transferred in physical form during 2009 – 2010 : 997
 - Number of Shares pending / Rejection for Transfer as on 31.03.2010 : NIL
- (*includes 1558 Equity shares which were rejected in corporate action due to mismatch of demat account.)

Dematerialization of shares

The Company's shares are admitted into both the depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).
Status as on March 31, 2010

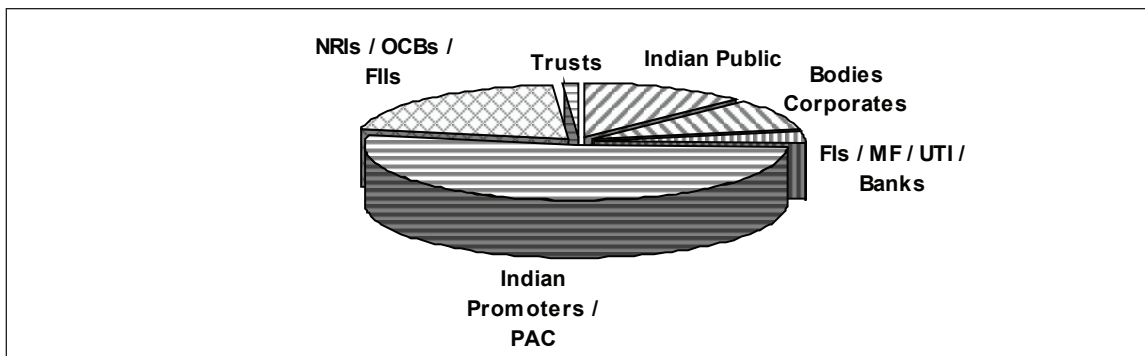
Electronic/ Physical	No. of shares	%age
Held in dematerialized form in NSDL	88372161	77.29%
Held in dematerialized form in CDSL	25887990	22.64%
Physical	79108*	0.06%
Total	114340817	100.00%

* 1558 equity shares were rejected in Corporate Action due to mismatch of Demat Account. These shares are included in total no. of shares in physical form mentioned above.

Distribution of shareholding as on March 31, 2010

S.No.	Category	No. of shareholders	No. of shares	%age
1.	Indian Public	29435	14636117	12.81
2.	Bodies Corporate	1070	10498276	9.18
3.	FIs/ Mutual Funds/ UTI/ Banks	9	3811894	3.33
4.	Indian Promoters	14	60386545	52.81
5.	NRIs/ OCBs/ FIIs/ Foreign Body Corporate	297	23622855	20.66
6.	Trusts	9	1385130	1.21
	TOTAL	30834	114340817	100

Graphic presentation of the Shareholding Pattern as on 31.03.2010



Distribution Schedule as on 31.03.2010

S. No.	No. of Shares	No. of Holders	% of Holders	Shares held	% of Shareholding
1.	1 – 5000	30460	98.787	6363679	5.565
2.	5001 – 10000	178	0.578	1236448	1.081
3.	10001 – 20000	82	0.266	1114272	0.975
4.	20001 – 30000	20	0.065	479405	0.419
5.	30001 – 40000	9	0.029	318525	0.279
6.	40001 – 50000	8	0.026	360354	0.315
7.	50001 – 100000	24	0.078	1697993	1.485
8.	1,00,001 & Above	53	0.171	102770141	89.881
	TOTAL	30834	100.00	114,340,817	100.00

Corporate Social Responsibility

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

- a. **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 Class 12 are covered as part of this program. Currently, we are supporting 200 such children.
- b. **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.
- c. **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.
- d. **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

Network 18 Media & Investments Limited

503, 504 and 507, 5th floor,
Mercantile House, 15, K G Marg,
New Delhi - 110001
E-mail : shilpa.aggarwal@network18online.com

Address for Correspondence/Corporate Office

Network 18 Media & Investments Limited

Express Trade Tower,
Plot No. 15-16,
Sector-16A, Noida, U. P.
Phone Nos. : (0120) 434 1818
Fax No. : (0120) 432 4110
E-mail : shilpa.aggarwal@network18online.com

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

To the Members
Network18 Media & Investments Limited
503, 504 & 507, 5th Floor, Mercantile House,
15, Kasturba Gandhi Marg,
New Delhi-110001

1. We have reviewed the implementation of the corporate governance procedures by Network18 Media & Investments Limited (the company) during the year ended March 31st 2010, with the relevant records and documents maintained by the company, furnished to us for our review and report on Corporate governance, as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the company.
3. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.
4. On the basis of our review and according to the best of our information and according to the explanations given to us, the company has been complying with the conditions of Corporate Governance, as stipulated in the clause 49 of the Listing Agreement with the Stock Exchanges, as in force.

Place: New Delhi
Date: May 28, 2010

For N.K.J. & Associates
Company Secretaries
Sd/-
Neelesh Kr. Jain
Proprietor
Membership No. FCS 5593
Certificate of Practice No. 5233

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

Dear Members,
Network18 Media & Investments 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 – www.network18online.com. The Code lays down the standards of ethical and moral conduct to be followed by the members in the course of proper discharge of their official duties and commitments. All the members are duly bound to follow and confirm to the Code. It is hereby certified that all the members of the Board and senior management personnel have confirmed to and complied with the "Code of Conduct" during the financial year 2009-10 and there has been no instances of violation of the Code.

For Network18 Media & Investments Limited

Place: Noida
Date : May 25, 2010

Sd/-
RAGHAV BAHL
Managing Director

MD AND CFO CERTIFICATION

Dear Members,
Network18 Media & Investments Limited

We, Raghav Bahl, Managing Director and Raman Deep Singh Bawa, Chief Financial Officer, responsible for the finance function and the compliance of the Code of Conduct of the Company certify that :

1. We have reviewed financial statements and the cash flow statement for the year and to the best of our knowledge and belief :
 - i) These statements do not contain any material untrue statement or omit any material fact or contains statements that might be misleading.
 - ii) These statements together represent a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or volatile of the Company's Code of Conduct.
3. We accept the responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we were aware and the steps we have taken or propose to take to rectify these deficiencies.
4. During the year there were no –
 - (i) Changes in internal control.
 - (ii) Changes in accounting policies; and
 - (iii) Instances of fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

For Network18 Media & Investments Ltd.
Sd/-
Raghav Bahl
Managing Director

For Netowkr18 Media & Investments Ltd.
Sd/-
Raman Deep Singh Bawa
Chief Financial Officer

Place : Noida
Date: May 25, 2010

AUDITORS' REPORT

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

1. We have audited the attached Balance Sheet of Network18 Media & Investments Limited ('the company') as at March 31, 2010 and the Profit & Loss Account for the year ended on that date and the Cash Flow Statement for the year ended on that date both annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test check, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, issued by the Company Law Board in terms of Section 227(4A) of the Companies Act, 1956, we annex hereto a statement on the matters specified in paragraph 4 of the said Order, to the extent applicable to the company.
4. *The company has paid a remuneration of Rs. 10,944,000/- to its Managing Director which is in excess of that allowed under Schedule XIII to the Companies Act, 1956. The company's application for approval of the remuneration paid in the year ended March 31, 2010 and the previous year is pending before the Central Government. We are unable to comment on the adjustments and impact, if any, on the financial statements in respect of the above non compliance.*
5. Further to our comments in the annexure referred to in Paragraph 4 above, we report that
 - a. we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for our audit.
 - b. in our opinion, proper books of account have been kept as required by law, so far as appears from our examination of the books.
 - c. the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d. in our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in sub section 3(c) of Section 211 of the Companies Act, 1956.
 - e. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the significant accounting policies and notes thereon, *subject to our comments in Para 4 above*, give the information as required by The Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010, and
 - ii) in the case of the Profit and Loss account, of the loss for the year ended on that date, and
 - iii) in the case of the Cash Flow statement, of the cash flows of the Company for the year ended on that date.
6. On the basis of written representations received from the Directors, as on March 31, 2010 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on that date from being appointed as a Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

G S Ahuja
Proprietor

Membership No. 87732

Noida
May 28, 2010

ANNEXURE

Annexure referred to in Para 3 of our Report of even date, to the members of **Network18 Media & Investments Limited**
As required by the Companies (Auditor's Report) Order, 2003 on the basis of such checks as we considered appropriate, and, according to the information and explanations given to us, we report that :-

1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
2. The fixed assets have been physically verified by the management during the period and no material discrepancies were noticed.
3. A substantial part of fixed assets have not been disposed off during the year.

4. All inventories have been physically verified by the management at reasonable intervals.
5. The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and its business.
6. The company has maintained proper records of inventory and no material discrepancies were noticed on physical verification.
7. The company has granted an unsecured loan of Rs. 1450 million to a company covered in the Register maintained under Section 301 of the Act. The rate of interest and other terms and conditions are *prima facie* not prejudicial to the interest of the company. The loan repayment and interest thereon are repaid as per mutual agreement.
8. The company has not taken any loans, from a company listed in the Register maintained under Section 301 of the Act.
9. There is an internal control procedure commensurate with the size of the company and the nature of its business for the purchase of Fixed Assets and inventory and for the sale of services. During the course of our audit, we have not observed any continuing failure to correct weaknesses in the internal control system.
10. The particulars of all contract or arrangements referred to in Section 301 of the Act, have been entered in the Register required to be maintained under that section. Transactions made in pursuance of such arrangements have been made at prices which are, *prima facie*, reasonable having regard to the prevailing market prices at the relevant time.
11. In respect of deposits accepted during the year from the public, the directives issued by the Reserve Bank of India and the provisions of Section 58A and 58AA, other relevant provisions of the Companies Act, 1956 and the rules framed thereunder, where applicable, have been complied with. According to the information and explanations given to us, no order has been passed by the Company Law Board, or the National Company Law Tribunal or the Reserve Bank of India or any other tribunal.
12. The company has an internal audit system commensurate with its size and the nature of its business.
13. Maintenance of cost records has not been prescribed by the Central Government under Section 209(1) (d) of the Companies Act, 1956, for any of the products of the Company.
14. The company has been generally been regular in depositing undisputed statutory dues on account of Income tax, Provident Fund, Service Tax and Employees State Insurance dues. The company's current operations do not require it to deposit any amounts towards Investor Education and Protection Fund, Sales Taxes, Customs Duty, Excise and such cess(s). There are no undisputed sums payable towards Income tax, Wealth tax, Provident Fund, Service Tax and Employees State Insurance dues, which were outstanding at the year end for a period of more than six months from the date they became payable.
15. The company's losses as at March 31, 2010 do not exceed 50% of its Net Worth. The company has incurred cash losses in the year under review and in the immediately preceding financial year.
16. The company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
17. No loans/ advances have been granted on the basis of security of pledge of shares, debentures and other securities.
18. The company's activities do not require compliance with any special statute applicable to chit fund companies.
19. In respect of dealings or trading in shares and securities the company has maintained proper records of the transactions and contracts and timely entries have been made. All shares / securities have been held by the company in its own name.
20. The company has given guarantees for loans taken by others from Financial Institutions / Banks, the terms of which are *prima facie*, not prejudicial to the company's interest.
21. Term Loans were applied for the purpose they were obtained.
22. Short term loans have not been used for or Long term investments.
23. The company has made a preferential allotment Equity Shares to a party listed in the Register maintained u/s 301 of the Companies Act, 1956 and the terms of the same are not prejudicial to the interests of the company.
24. The company has not created security in respect of debentures issued.
25. The management has disclosed the end use of money raised through rights issue and the same has been verified.
26. No fraud on or by the company has been noticed or reported during the year.

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

G S Ahuja
Proprietor

Membership No. 87732

Noida
May 28, 2010

BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	2,114,360,935	1,902,940,920
Share application money		—	598,473
Stock Options Outstanding	2	218,191,605	206,137,246
Reserves and Surplus	3	9,044,489,426	4,233,535,733
Loan Funds			
Secured Loans	4	2,213,617,778	1,274,689,145
Unsecured Loans	5	2,868,754,700	1,143,750,000
Total		<u>16,459,414,444</u>	<u>8,761,651,517</u>
Application of Funds			
Fixed Assets			
Gross Block	6	53,815,749	74,883,669
Less: Depreciation		<u>31,744,712</u>	<u>28,639,084</u>
Net Block		22,071,037	46,244,585
Capital Work In Progress		<u>3,075,506</u>	—
		25,146,543	46,244,585
Investments	7	10,978,008,611	7,025,910,315
Current Assets , Loans and Advances	8		
Inventory		1,755,260	—
Sundry Debtors		60,299,847	56,706,158
Cash and Bank balances		965,376,851	264,615,209
Loans and Advances		<u>4,256,534,014</u>	<u>1,677,679,863</u>
		5,283,965,972	1,999,001,230
Less: Current Liabilities and Provisions	9		
Current Liabilities		250,598,293	372,470,176
Provisions		<u>74,316,537</u>	<u>77,577,098</u>
		324,914,830	450,047,274
Net Current Assets		4,959,051,142	1,548,953,956
Profit & Loss Account		<u>497,208,148</u>	<u>140,542,661</u>
		<u>16,459,414,444</u>	<u>8,761,651,517</u>
Notes forming part of accounts	15		

The above schedules form an integral part of accounts

As per our report of even date attached

For G S Ahuja & Associates

Chartered Accountants
Firm Registration no. N 8999

For and on behalf of the Board

G S Ahuja
Proprietor
Membership No. 87732

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

May 28, 2010
Noida

R D S Bawa
Chief Financial Officer

Shilpa Verma
Manager - Corporate Affairs &
Company Secretary

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

	Schedule	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
INCOME			
Income from Operations	10	329,619,508	238,356,399
Other Income	11	232,127,678	733,675,204
		561,747,186	972,031,603
Expenditure			
Production, administrative and other costs	12	367,900,723	473,269,298
Personnel costs	13	64,616,918	67,789,204
Stock option charge out		53,247,151	60,288,006
Interest and financial charges	14	524,941,726	509,174,440
Depreciation	6	5,097,677	27,577,915
		1,015,804,195	1,138,098,863
Profit/(Loss) before tax		(454,057,009)	(166,067,260)
Provision for MAT		—	12,500,000
Provision for Wealth tax (including for previous year)		75,000	—
Fringe Benefit Tax		—	3,426,681
Profit/(Loss) for the year		(454,132,009)	(181,993,941)
Profit/ (Loss) brought forward		(140,542,661)	53,542,134
Prior Period adjustments (Note 32)		8,695,992	(12,090,854)
Transfer from Special Reserve u/s 45 IC (Note 6)		88,770,530	—
Carried to Balance Sheet		(497,208,148)	(140,542,661)
Earning per equity share (Note 10)			
(Face Value of Rs. 5 per share, previous year Rs. 5 per share)			
Basic and Diluted		(4.50)	(3.14)
Notes forming part of accounts	15		

The above schedules form an integral part of accounts

As per our report of even date attached

For G S Ahuja & Associates

Chartered Accountants

Firm Registration no. N 8999

G S Ahuja

Proprietor

Membership No. 87732

May 28, 2010

Noida

For and on behalf of the Board

Raghav Bahl

Managing Director

R D S Bawa
Chief Financial Officer

Sanjay Ray Chaudhuri

Alternate Director

Shilpa Verma
Manager - Corporate Affairs &
Company Secretary

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2010

Particulars	Schedule	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
A CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		(454,057,009)	(166,067,260)
Adjustment for:			
Depreciation		5,097,677	27,577,915
Stock option chargeout		53,247,151	60,288,006
Interest and other financial Expenses		524,941,726	509,174,440
Profit/(Loss) on sale of fixed assets (Net)		(1,963,229)	220,901
Debts written off / Provision for doubtful debts		6,331,468	—
Foreign exchange loss/(gain)		—	76,329
Prior period adjustment (Net)		8,695,992	(12,090,854)
Operating profit before working capital changes		142,293,776	419,179,477
Adjustment for:			
Decrease /(Increase) in Current Assets		(1,988,317,138)	(1,012,963,650)
Increase/(Decrease) in Current Liabilities		(166,325,236)	253,562,185
Net cash flow/ (Used in) operating activities		(2,012,348,598)	(340,221,988)
Tax on operational Income (including FBT)		(75,000)	(15,926,681)
Net cash flow from operating activities		(2,012,423,598)	(356,148,669)
B Cash flow from Investment activities			
Purchase of fixed assets net (including capital advances)		(7,886,326)	(38,952,139)
Sales of fixed assets		25,849,920	105,999
Share application money paid to subsidiaries		(602,815,903)	1,206,000,000
Investments			
- In subsidiaries		(2,525,867,232)	(993,729,557)
- In Mutual funds (Net)		(1,426,231,064)	(170,406,610)
Sales of other investments		—	100,250,005
Proceeds from debentures redemption		—	4,827,823
Net cash from/(Used in) investing activities		(4,536,950,605)	108,095,521
C Cash flow from Financing activities			
Share application money received		—	598,473
Share premium received		4,984,652,542	917,508,340
Interest and financial expenses		(524,941,726)	(509,174,440)
Proceeds from Preference shares		—	1,543,262,850
Fixed deposits accepted		1,800,004,700	—
PCCPs forfeited		1,207,200	—
Proceeds from issue of Equity shares		211,420,015	102,266,795
Expenses on QIP and Preferential Allotment		(86,135,519)	(20,501,522)
Increase / (Decrease) in loans (Net of repayments)		863,928,633	(1,643,925,697)
Net cash flow from/(Used in) financing activities		7,250,135,845	390,034,799
Net increase/ (decrease) in cash and cash equivalents		700,761,642	141,981,651
Cash and cash equivalents as at the beginning of the year		264,615,209	122,633,558
Cash and cash equivalents as at the end of the year		965,376,851	264,615,209

Notes forming part of accounts

15

The above schedules form an integral part of accounts

As per our report of even date attached

For G S Ahuja & Associates

Chartered Accountants

Firm Registration no. N 8999

For and on behalf of the Board

G S Ahuja

Proprietor

Membership No. 87732

Raghav Bahl

Managing Director

Sanjay Ray Chaudhuri

Alternate Director

May 28, 2010

Noida

R D S Bawa

Chief Financial Officer

Shilpa Verma

Manager - Corporate Affairs &
Company Secretary

Schedules forming part of accounts as at March 31, 2010

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
--	------------------------------	------------------------------

SCHEDULE 1 : SHARE CAPITAL
AUTHORISED

170,000,000 (Previous year 170,000,000) Equity Shares of Rs. 5/- each	850,000,000	850,000,000
1,100,000 (Previous year 1,100,000) Preference Shares of Rs. 100/- eac	110,000,000	110,000,000
10,500,000 (Previous year 10,500,000) Preference Shares of Rs. 200/- each	2,100,000,000	2,100,000,000
	3,060,000,000	3,060,000,000

ISSUED, SUBSCRIBED AND PAID UP

114,340,817 (Previous year 71,935,614) Equity shares of Rs. 5/- each fully paid up (Note 4 a)	571,704,085	359,678,070
10,284,379 (Previous Year 10,272,355) Non Convertible Cumulative Redeemable Preference shares of Rs. 150/- each fully paid up	1,542,656,850	1,540,853,250
Nil (Previous Year 24,096) Non Convertible Cumulative Redeemable Preference Shares of Rs. 150/- each (Rs 100 paid up)	—	2,409,600
	2,114,360,935	1,902,940,920

SCHEDULE 2 : STOCK OPTIONS OUTSTANDING

Opening Balance	206,137,246	148,360,858
Stock Options Outstanding	66,841,511	162,910,691
Less: Deferred Compensation	(54,787,152)	(105,134,303)
Carried to Balance Sheet	218,191,605	206,137,246

SCHEDULE 3: RESERVES AND SUPRPLUS
Securities Premium

Balance brought forward	4,099,765,203	3,299,525,483
Add :Premium on issue of Equity Shares	4,984,652,542	917,508,340
Less: Expenses on Issue of equity shares (Note 5)	86,135,519	117,268,620
	8,998,282,226	4,099,765,203

General Reserve

Opening Balance	45,000,000	45,000,000
Reserve u/s 45IC of the RBI Act		
Balance brought forward	88,770,530	88,770,530
Less: Transferred to Profit and Loss account (Note 6)	(88,770,530)	—
	—	88,770,530
Shares Forfeited (Note 4 b)	1,207,200	—
	9,044,489,426	4,233,535,733

SCHEDULE 4 : SECURED LOANS

Secured Optionally Fully Convertible Debentures (Note 7a)	110,000,000	—
Loans from Banks (Note 7 b,e)	1,500,000,000	—
Vehicle Loans (Note 7 c)	3,617,778	4,689,145
Other Loans (Note 7 d,e)	600,000,000	1,270,000,000
	2,213,617,778	1,274,689,145

SCHEDULE 5 : UNSECURED LOANS

Fixed Deposits (Note 7 g)	1,800,004,700	—
Loan from a Bank (Note 7 e,f)	1,068,750,000	1,143,750,000
	2,868,754,700	1,143,750,000

SCHEDULE 6 : FIXED ASSETS

Amount (Rs.)

Particulars	Gross Block			Depreciation				Net Block		
	As at 1.4.2009	Additions	Deletions	As at 31.03.2010	As at 1.4.2009	For the year	Adjustments	As at 31.03.2010	As at 31.03.2010	As at 31.03.09
Intangibles										
Computer Software	8,291,364	165,450	-	8,456,814	6,903,808	319,244	-	7,223,052	1,233,762	1,387,556
Tangibles										
Vehicles	9,414,316	3,011,023	-	12,425,339	1,045,380	1,049,710	-	2,095,090	10,330,249	8,368,936
Plant & Machinery	4,458,677	196,190	28,790	4,626,077	538,386	479,427	19,665	998,148	3,627,929	3,920,291
Computer Hardware	4,517,426	1,323,632	40,982	5,800,076	840,238	807,926	9,155	1,639,009	4,161,067	3,677,188
Furniture	1,223,150	114,525	-	1,337,675	84,259	84,675	-	168,934	1,168,741	1,138,891
Leasehold Improvements	46,368,756	-	25,808,968	20,559,788	19,227,013	2,356,696	1,963,229	19,620,480	939,308	27,141,743
Free Hold Land	609,980	-	-	609,980	-	-	-	-	609,980	609,980
TOTAL	74,883,669	4,810,820	25,878,740	53,815,749	28,639,084	5,097,678	1,992,049	31,744,713	22,071,036	46,244,585
Capital work in progress	-	3,075,506	-	3,075,506	-	-	-	-	3,075,506	-
Total	74,883,669	7,886,326	25,878,740	56,891,255	28,639,084	5,097,678	1,992,049	31,744,713	25,146,542	46,244,585
Previous year	36,230,530	55,956,535	17,303,396	74,883,669	1,033,269	27,630,757	24,942	28,639,084	46,244,585	35,197,261

Schedules forming part of the Accounts

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 7: INVESTMENTS (AT COST)		
Quoted: Non Trade : Long Term		
In subsidiary companies		
84,028,954 (Previous year 53,959,106) Equity Shares of Rs. 5/- each in Television Eighteen India Limited (Note 8 a,b)	5,499,264,087	2,973,396,855
47,724,140 (Previous year 47,724,140) Equity Shares of Rs. 2/- each in ibn18 Broadcast Limited	213,932,170	213,932,170
In other companies		
10,000,000 (Previous year 10,000,000) Ordinary Shares of no Par value in The Indian Film Company Limited, Guernsey. (Note 8c)	807,810,000	807,810,000
Quoted : Non trade : Current: in Mutual funds		
8,142,621 (Previous year 3,680,178) units in Birla Sunlife Mutual Fund	116,467,448	50,520,290
Nil (Previous year 15,579,818) units in LIC Mutual Fund	—	250,000,000
15,747,115 (Previous year Nil) units in IDFC Mutual Fund	173,294,931	—
1,297,647 (Previous year Nil) units in ICICI Prudential Mutual Fund	175,668,585	—
19,055,604 (Previous year Nil) units in Baroda Pioneer Mutual Fund	200,000,000	—
4,217,058 (Previous year Nil) units in Religare Mutual Fund	51,814,052	—
521,538 (Previous year Nil) units in Deutsche Mutual Fund	6,028,355	—
1,740,021 (Previous year Nil) units in Deutsche Mutual Fund	25,075,441	—
81,251 (Previous year Nil) units in DSP Blackrock Mutual Fund	106,555,478	—
619,785 (Previous year Nil) units in SBI Mutual Fund	12,243,587	—
6,865,020 (Previous year Nil) units in SBI Mutual Fund	100,000,000	—
4,554,162 (Previous year Nil) units in J M Mutual Fund	57,012,649	—
6,971,119 (Previous year Nil) units in J M Mutual Fund	100,000,000	—
5,771,766 (Previous year Nil) units in Principal Mutual Fund	85,000,000	—
7,005,156 (Previous year Nil) units in Principal Mutual Fund	100,000,000	—
179,465 (Previous year Nil) units in Franklin Templeton Mutual Fund	242,330,133	—
1,984,961 (Previous year Nil) units in Fidelity Mutual Fund	24,073,781	—
13,682,354 (Previous year Nil) units in Canara Robeco Mutual Fund	151,186,914	—
	8,247,757,611	4,295,659,315
[Market value of quoted investments Rs. 10,514,902,941 (Rs. 7,766,317,609)]		
Unquoted : Non Trade : Long term		
In subsidiary companies		
1,500,000 (Previous year 1,500,000) Equity Shares of USD 1 each fully paid up in Network 18 Holdings Limited, Cayman Islands (Note 8 d)	67,890,000	67,890,000
33,000 (Previous year 33,000) Equity Shares of Rs 10/- each fully paid up in Setpro18 Distribution Limited	50,000,000	50,000,000
10,000 (Previous year 10,000) Equity shares of Rs 10/- each in Network 18 India Holdings Pvt. Ltd.	100,000	100,000
2,827,000 (Previous year 2,827,000) 0.01% Redeemable Non Cumulative Non Convertible Preference Shares of Rs 10/- each in Network 18 India Holdings Private Limited (Note 8 e)	1,696,200,000	1,696,200,000
6,644,000 (Previous year 6,644,000) 0.01% Redeemable Non Cumulative Non Convertible Preference Shares of Rs. 10/- each in Network 18 India Holdings Private Limited (Note 8 f)	666,061,000	666,061,000
In other companies		
2,500,000, (Previous year 2,500,000) 8% Cumulative Redeemable Non Convertible Preference Shares of Rs. 100/- each in BK Media Private Limited (Note 8 g)	250,000,000	250,000,000
	2,730,251,000	2,730,251,000
	10,978,008,611	7,025,910,315

Schedules forming part of the Accounts

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES		
Inventory (Note 2c)	1,755,260	—
Sundry debtors (Unsecured)		
Debts outstanding for more than 6 months	9,449,959	3,987,360
Other debts	55,023,959	52,718,798
	64,473,918	56,706,158
Less: Provision for Doubtful Debts	4,174,071	-
	60,299,847	56,706,158
Cash and bank balances		
Cash on hand (Includes foreign exchange Rs. 29,564)	147,600	70,479
Balance with scheduled banks :		
- in current accounts	105,229,251	39,544,730
- in Fixed Deposits	860,000,000	225,000,000
	965,376,851	264,615,209
Loans & advances		
(Unsecured, considered good)		
Share application Money Paid (Note 9)	1,808,815,903	1,206,000,000
Due from Subsidiaries*	565,333,761	129,204,021
Service tax input credit	13,224,608	18,054,296
Security and other deposits	5,269,173	13,413,004
Advances recoverable in cash or in kind or for value to be received		
- Prepaid income tax (net of provision for tax Nil, previous year Nil)	161,357,846	114,249,983
- MAT credit entitlement	40,000,000	40,000,000
- Advances to Vendors [Capital advances Rs. Nil (Nil)]	38,040,427	50,979,302
- Interest Accrued but not due	22,054,375	2,279,933
- Other advances	1,602,437,921	103,499,324
	4,256,534,014	1,677,679,863
* includes amounts due from Companies under the same management u/s 370(1B) of the Companies Act, 1956		
ibn18 Broadcast Limited	472,931,359	59,529,365
Television Eighteen India Limited	5,522,546	—
*maximum amount outstanding during the year from Companies under the same management u/s 370(1B) of the Companies Act, 1956		
ibn18 Broadcast Limited	1,094,110,328	62,173,573
Television Eighteen India Limited	5,522,546	—
SCHEDULE 9: CURRENT LIABILITIES AND PROVISIONS		
Current liabilities		
Sundry creditors	122,985,740	41,665,575
Expenses payable	73,444,291	64,399,382
Interest accrued but not due	28,066,139	3,946
Other liabilities	24,852,398	15,005,463
Unclaimed Dividend	188,364	206,438
Advances from customers	876,647	22,018,020
Due to Subsidiaries	184,714	229,171,352
	250,598,293	372,470,176
Provisions		
Provision for retirement benefits	11,246,074	14,581,635
Provision for taxes	63,070,463	62,995,463
	74,316,537	77,577,098
	324,914,830	450,047,274
SCHEDULE 10: INCOME FROM OPERATIONS		
Income from Event / Sports Business	321,119,488	234,400,144
Income from Business Advisory Services	8,500,020	3,956,255
	329,619,508	238,356,399

Schedules forming part of the Accounts

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 11: OTHER INCOME		
Profit on sale of current investments	115,636,986	25,181,843
Profit on sale of Long term investments	—	561,098,785
Dividend received on current investments	—	19,782,995
Dividend received from Subsidiary	—	40,881,830
Interest [TDS Rs. 170,727,665 (Previous year Rs. 12,853,554)]	108,760,412	59,732,854
Excess provision written back	4,467,431	26,981,797
Profit on sale of fixed assets	1,963,229	-
Miscellaneous Income	1,299,620	15,100
	232,127,678	733,675,204
SCHEDULE 12: PRODUCTION , ADMINISTRATIVE AND OTHER COSTS		
Equipment Hire	20,879,245	16,903,944
Content franchise fee	8,291,356	19,068,125
Media professional fees	17,837,675	17,777,055
Consumables and spares	15,708	—
Other production expenses	28,107,101	12,584,740
Rent	19,459,377	32,608,216
Electricity expenses	1,036,566	2,309,275
Insurance	1,738,076	1,259,890
Travelling and conveyance	22,661,887	25,964,584
Vehicle running and maintenance	10,244,193	6,756,099
Communication expenses	4,385,483	4,865,972
Advertising Expenses	80,013,303	36,712,448
Event Expenses	102,577,917	77,679,661
Brand Building Expenses	—	82,595,945
Membership and subscription	377,611	1,004,889
Repairs and maintenance		
- Plant & machinery	1,058,189	859,741
- Others	640,965	3,889,392
Legal and professional expenses	27,904,321	96,055,119
Directors sitting fees	440,500	536,000
Loss on sale / disposal of assets	—	220,901
Goodwill written off	—	15,193,730
Provision for Doubtful debts/debts written off	6,331,468	—
Miscellaneous expenses	13,899,782	18,347,243
Exchange fluctuation	—	76,329
	367,900,723	473,269,298
SCHEDULE 13: PERSONNEL COSTS		
Salaries and bonus	50,221,965	43,932,175
Contribution to provident fund and other funds	8,342,007	7,620,475
Staff welfare expenses	6,636,518	6,932,855
Retirement benefits	(583,572)	9,303,699
	64,616,918	67,789,204
SCHEDULE 14: INTEREST AND FINANCIAL CHARGES		
Interest on loan	384,985,329	489,645,170
Interest on Public deposits	28,789,254	—
Others financial charges	111,167,143	19,529,270
	524,941,726	509,174,440

SCHEDULE 15 : NOTES FORMING PART OF ACCOUNTS

1. Background / Business

- a. The company was incorporated as SGA Finance and Management Services Private Limited in 1996. The name was changed to Network 18 Fincap Private Limited in April 2006. The company was converted into a Public Company on October 20, 2006. The name was further changed to Network18 Media & Investments Limited on December 1, 2007.
- b. The company, as at March 31, 2010, (i) jointly with Network 18 India Holdings Private Limited holds 49.68% of the issued capital of TV 18 and (ii) jointly with RVT Investments Private Ltd. and Network 18 India Holdings Private Limited holds 50.47% of the issued capital of ibn18 Broadcast Limited (ibn18).
The company also controls the composition of the Board of Directors of both TV 18 and ibn18.
- c. During the year under review, the company was engaged in Events / Sports Management and Investment / Management advisory services.
- d. The company, by virtue of its Asset size and income pattern was classified as a Systemically Important Non Banking Financial Company, but was never engaged in the business of Non Banking Financial Institution. Due to Ministry of Information and Broadcasting guidelines the company was in non compliance with Reserve Bank of India's (RBI) guidelines relating to Capital adequacy and Concentration of Investments. The Reserve Bank of India, on December 1, 2009, has accepted the company's request and cancelled the Certificate of Registration to carry on the business of Non Banking Financial Institution. As the company is no longer an NBFC, the business of Investments no longer forms an independent segment.

2. Significant Accounting Policies

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

The significant accounting policies adopted in presentation of accounts are:

a. Revenue Recognition

- (i) Dividends on investments are accounted for when the right to receive dividend is established.
- (ii) Revenue from sponsorships / management contracts is recognised on accrual basis in accordance with contractual arrangements. Revenue from sale of entry tickets to events is recognised on receipt basis.
- (iii) Profit / Loss on sale of investments are computed on the basis of weighted average cost on date of disposal of investments.

b. Fixed Assets

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

c. Inventory

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

d. Depreciation

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

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

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

e. Impairment of Assets

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

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

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

f. Investments

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

g. Leases (where the Company is the lessee)

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

h. Use of Estimates

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

i. Employee benefits

- i. The Company's Employees Provident Fund scheme is a defined contribution plan. The Company's contribution to the Employees' Provident Fund is charged to the profit and loss account during the period in which the employee renders the related service.
- ii. Short term employee benefits (Medical, Leave Travel allowance, etc.) expected to be paid in exchange for the services rendered is recognised on undiscounted basis.

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

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

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

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

j. Transactions in foreign exchange

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transactions settled during the 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 ruling on that date.

k. Income Tax

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

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

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

l. Earnings per Share

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

m. Accounting for Employee Share based payments

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

n. Provisions and contingencies

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

3. Contingent Liabilities and encumbrances on assets

- a. Corporate guarantees given in connection with borrowings of subsidiaries

(Rs. in million)

Name of borrowing entity	Current year	Previous Year
ibn18 Broadcast Limited	2,719	880
TV 18 Home Shopping Network Limited	100	250
Newswire 18 Limited	220	220
Television Eighteen India Limited	3,800	4,800
Capital 18 Limited, Mauritius [(INR equivalent to USD 25 million)(USD 50 million)]	1,129	2,547
Infomedia18 Limited	1,200	—

- b. Shortfall undertaking given in favour of a lender in connection with loans extended to B K Holdings Ltd., Mauritius – USD 85 million (USD 80 million).
- c. Fixed Deposits of Rs 250 million (Rs. 180 million) are pledged in connection with loans to a subsidiary.
- d. Investments of the market value of Rs. 1271 million (Rs. 902.58 million) are pledged in connection with loans availed by subsidiaries.
- e. The Company has guaranteed the investment of USD 40 Million in Viacom 18 Media Private Limited by BK Holdings Limited, Mauritius (a subsidiary of Television Eighteen India Limited). As at the year end an amount of USD 10 million is yet to be invested.

4. Share Capital

- a. During the year under review

- i) 232,645 (120,198) Equity shares were issued pursuant to Stock Option plans.
- ii) 15,762,889 (Nil) Equity Shares were issued pursuant to a QIB placement at a price of Rs. 130/- per share

- iii) 17,181,818 (Nil) Equity shares were issued consequent to conversion of SOFCDs which were issued at a rate of Rs. 110/- per SOFCD share (Note 6 a) ,
- iv) 9,202,650 (Nil) Equity shares were issued pursuant to a Preferential Allotment at a rate of Rs. 130/- per share
- v) 12,024 (10,272,355) Equity shares were issued consequent to conversion of PCCPs.
- vi) 13,177 (10,060,806) Equity shares were issued pursuant to conversion of warrants.
- b. During the year 12,072 PCCPs on which the call money was unpaid were forfeited.
- 5 Expenses on QIP /Preferential placements have been adjusted against Securities Premium.
6. Consequent to cancellation of the certificate of registration granted to the company to act as a Non Banking Financial Institution, the company has decided to transfer the balance in the Special reserve created u/s 45IC of the Reserve Bank of India to the Profit and Loss account.
7. **Loans**
- a. As approved by the members, 18,181,818 Secured Optionally Fully Convertible Debentures of the Par value of Rs. 110/- per SOFCD were issued to a Promoter entity during the year. The SOFCDs were issued for a tenor of 18 months. Each SOFCD was convertible into 1 equity share of Rs. 5/- each of the company at anytime within the said tenor.
- b. Loan from a Bank is secured by a pari passu charge on fixed assets and current assets. The loan is additionally guaranteed by the Managing Director.
- c. Vehicle loans are secured by the hypothecation of vehicles financed.
- d. Other loan is secured by pledge of a part of the company's investments.
- e. Amounts repayable within one year Rs. 1670.81 million (Rs. 1797.21 million)
- f. Unsecured loans are guaranteed by the Managing Director.
- g. Fixed Deposits repayable within one year – Rs. 996.29 million (Nil)
8. **Investments**
- a. 16,744,118 (12,894,000) Equity Shares in Television Eighteen India Limited are pledged in connection with loans to subsidiaries.
- b. 17,639,000 (25,639,000) Equity shares in Television Eighteen India Limited are pledged in connection with loans availed by the Company.
- c. The Indian Film Company (TIFC) was incorporated in Guernsey as a wholly owned subsidiary of the company in April 2007 and the company invested GBP 10 million as Equity in TIFC. Consequent to dilution upon listing of TIFC, on the Alternative Investment Market of the London Stock Exchange in June 2007, it had ceased to be a subsidiary of the company. However consequent to the acquisition, in an open offer , of 58.74 % shares of TIFC, Guernsey by Network18 Holdings, Cayman Island (a subsidiary of the company),and in addition to the 18.18% held directly by the company, TIFC became subsidiary of the company on September 7, 2009.
- The equity shares of TIFC were quoted, as at March 31, 2010 at substantially less than the initial issue price. However in view of TIFC's positive Net Worth and the long term strategic interest of the Company no provision for diminution in value of the investment is considered necessary in the accounts.
- d. Network 18 Holdings Limited, the company's wholly owned subsidiary in Cayman Islands has incurred losses but has a positive Net Worth as at March 31, 2010. However, in view of the company's long term strategic interest in the subsidiary, no provision for diminution in the value of the investment is considered necessary in the accounts. Network18 Holdings Limited acquired majority stake in TIFC, a listed company on September 7, 2009. (Note 7 c)
- e. 2,827,000, .01% Redeemable Non Cumulative Non Convertible Preference Shares of Rs. 10/- each, in Network 18 India Holdings Private Limited are redeemable at issue price of Rs. 600/- per share at any time within 10 years from the date of allotment.
- f. 6,644,000, .01% Redeemable Non Cumulative Non Convertible Preference Shares of Rs. 10/- each in Network 18 India Holdings Private Limited are redeemable at an effective annualised return of 10% on the issue price of Rs. 100/- per share. These are redeemable at such time as determined by the holder or upon the expiry of the maximum period prescribed under the Companies Act, 1956. In view of losses incurred by the issuer and the consequent uncertainty, the company has not recognized the effective annualised return in its books.
- g. The 8% Cumulative Redeemable Non Convertible Preference Shares of Rs. 100 each in BK Media Pvt. Ltd., an entity owned and controlled by the Managing Director of Network 18 Media and Investments Limited are (a) redeemable at the end of 5 years from the date of issue, unless otherwise agreed by the Company and the issuer company and (b) proposed to be secured either by a personal guarantee of the promoters or by way of a first charge on all assets created or acquired by the issuer company.
9. Share application money includes (a) Rs. 1,276 million paid in the financial year ended March 31,2009 to Network 18 India Holdings Private Limited, a wholly owned subsidiary towards a proposed issue of securities and (b) amounts paid as application money for the rights issue of Equity shares of IBN18 Broadcast Limited. These were allotted on April 1, 2010.
10. **Earnings per Share**
- Basic and diluted earnings per equity share have been computed by dividing the net profit (loss) after tax by the number of equity shares outstanding for the year, as below.

Particulars	Units	Current year	Previous year
Net Profit (Loss) after tax	Rs. (a)	(445,436,017)	(181,993,941)
Weighted Average number of Equity Shares used in computing basic earnings per share	Nos (b)	98,952,556	57,870,810
Basic Earning per share	Rs. (a/b)	(4.50)	(3.14)
Shares to be issued under Stock Options (Net of forfeitures)	(c)	5,942,421	2,054,525
Adjustment for number of shares that would have been issued at the fair value	(d)	(3,816,740)	(1,215,363)
Weighted average number of Equity shares used for computing Diluted Earning Per Share	(e)	101,078,237	58,709,972
Diluted Earning per share	Rs. (a/e)	(4.41)	(3.10)

11. **Leases**

- a) The Company has taken various office premises under operating lease agreements. These are generally non cancelable and are renewable by mutual consent on mutually agreed terms.
- b) Lease payments for the year: Rs. 29.53 million (Rs. 49.88 million)

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

(Rs. in million)	Current year	Previous Year
Not later than one year	25.14	22.16
Later than one year but not later than five years	29.25	41.70
Later than five years	—	—

12. Amount Due from Director or Officer

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

13. Payment to Auditors' (net of service tax)

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Audit Fee (including limited reviews and for previous year)	2,500,000	2,700,000
For Special Purpose accounts	700,000	—
For other reports/certification	212,650	68,000
Reimbursement of Expenses	20,453	—
Total	3,433,103	2,768,000

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

Particulars	Current Year (Rs.)	Previous year (Rs.)
a. Remuneration paid to Directors		
Salary	7,200,000	7,200,000
HRA	2,880,000	2,880,000
LTA	—	516,400
Contribution to Provident Fund	864,000	864,000
Total	10,944,000	11,460,400
b. Expenditure in Foreign Exchange		
Traveling	904,886	840,693
Business Promotion	—	4,259,271
Other Expenses	135,178	36,170
Artist Fees	640,404	15,780,098
Professional Charges	1,251,147	3,280,652
Membership Fees	24,311	—
Event Expenses	2,190,149	—

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

Particulars	Purchases		Sales	
	No.	Rs.	No.	Rs.
Equity Shares				
Television Eighteen India Limited	30,069,848	2,525,867,232	—	—
Mutual Fund Units				
Deutsche Mutual Fund	26,485,943.35	320,000,000	24,224,384.33	295,999,999.99
Birla Sun Life Mutual Fund	51,965,785.27	740,000,000	47,503,880.83	686,500,000
Reliance Mutual Fund	77,305,617.88	1,042,000,000	77,305,617.88	1,053,482,490.21
Principal Mutual Fund	12,776,921.34	185,000,000	—	—
SBI Mutual Fund	29,644,559.55	550,000,000	22,159,754.56	443,300,000
Tata Mutual Fund	607,661.33	1,009,000,000	607,661.33	1,018,783,130.14
Franklin Templeton Mutual Fund	737,404.33	979,000,000	557,938.75	745,332,211.69
LIC Mutual Fund	—	—	15,579,818.53	252,943,687.16
Kotak Mutual Fund	45,813,222.55	835,000,000	45,813,222.55	848,671,308.42
UTI Mutual Fund	796,115.01	1,175,000,000	796,115.01	1,181,255,400.48
Fidelity Mutual Fund	37,103,957.56	450,000,000	35,118,996.38	435,400,000
JM Mutual Fund	26,941,083.83	350,000,000	15,415,802.74	200,000,000
DSP Mutual Fund	539,739.44	700,000,000	458,488.70	598,882,729.83
IDFC Mutual Fund	55,636,453.49	610,000,000	39,889,338.75	443,500,000
Religare Mutual Fund	24,213,019.25	297,500,000	19,995,961.61	252,500,000
Canara Mutual Fund	22,624,898.57	250,000,000	8,942,544.15	100,000,000
Prudential ICICI	2,326,875.27	315,000,000	1,029,228.02	140,000,000
Baroda Pioneer Mutual Fund	19,055,604.25	200,000,000	—	—
Axis Liquid Mutual Fund	98,522.24	100,000,000	98,522.24	100,354,965.32

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

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

17. The company has carried out its tax computation in accordance with the mandatory standard on accounting, AS 22 – Accounting for taxes on income, referred to in Companies (Accounting Standards) Rules, 2006. In view of accumulated losses, 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 realize such assets.

18. Figures for the previous year have been regrouped and rearranged wherever necessary to conform to the current years' presentation.

19. Related party disclosures

a. List of related parties

i. Direct Subsidiaries by virtue of shareholding

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

ii. Direct Subsidiaries by virtue of Control

- Television Eighteen India Limited
- ibn18 Broadcast Limited

iii. Subsidiary companies of Subsidiaries

- Television Eighteen Mauritius Limited
- TV 18 UK Limited, UK
- TV18 HSN Holdings Limited, Cyprus
- TV18 Home Shopping Network Limited
- Web 18 Holdings Limited, Cayman Islands
- E-18 Limited, Cyprus
- e - Eighteen.com Limited
- Money control Dot Com India Limited
- Television Eighteen Commoditiescontrol.com Limited
- Web 18 Software Services Limited
- RVT Investments Private Limited
- iNews.com Limited
- NewsWire18 Limited
- Big Tree Entertainment Private Limited
- BK Holdings Limited, Mauritius
- Capital 18 Limited, Mauritius
- Care Websites Private Limited
- RVT Media Private Limited
- Colosseum Media Private Limited
- Stargaze Entertainment Private Limited
- Namono Investments Limited
- Capital 18 Acquisition Corporation, Cayman Island
- Television Eighteen Media and Investment Limited
- Ibn18 (Mauritius) Limited.
- Infomedia 18 Limited
- Cepha Imaging Private limited
- The India Film Company (Cyprus) Limited. (w.e.f. September 7,2009)
- IFC Distribution Private Limited. (w.e.f. September 7,2009)
- Glyph International U K Limited (Formerly Keyword Group Limited)
- Glyph International Limited (Formerly Glyph International Private Limited)
- Glyph International US LLC (Formerly Software Services LC Limited)
- The Indian Film Company Limited (w.e.f. September 7, 2009)
- Ibn18 Media & Software Private Limited (Formerly known as Jagran TV Private Limited).
- I- ven Interactive Limited (upto August 25,2009)
- Keyword Typesetting Services Limited (upto September 22,2009)
- Keyword Publishing Services Limited (upto September 22,2009)

vi. Key Management Personnel

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

vii. Relatives of Key Management Personnel

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

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

- RB Investments Private Limited
- RRB Holdings Private Limited
- RVT Holdings Private Limited
- RVT Fincap Private Limited
- RRB Holdings Private Limited
- RB Software Private Limited
- RB Softech Private Limited
- BK Media Private Limited
- BK Media Mauritius Private Limited, Mauritius
- Digital 18 Media Limited
- VT Investments Private Limited
- SGA News Limited
- VT Holdings Private Limited
- RVT Softech Private Limited
- Greycells 18 Media Private Limited
- Keyman Financial Services Private Limited
- RRB Investments Private Limited
- Tangerine Digital Entertainment Private Limited
- RRB Finhold Private Limited
- VT Softech Private Limited

- Network 18 Publications Limited
- RB Finhold Private Limited
- RRB Fincap Private Limited
- RVT Finhold Private Limited
- Wespro Digital Private Limited
- Film Investment Managers (Mauritius)Limited
- Media Venture Capital Trust II
- BK Communications Limited
- BK Ventures Limited
- BK Capital Limited, Cayman Island
- BK Network Limited
- International Media Advisors Private Limited
- BRR Securities Private Limited (Earlier Kishore Securities Pvt. Ltd.)
- Ubona Technologies Private Limited
- Capital18 Advisors Limited, Mauritius.
- Juxt Consult Research and Consulting Private Limited
- Goosefish Media Venture Private Limited
- Blue Slate Media Private Limited
- RRK Finvest Private Limited
- Web18 Securities Private Limited
- BK Finhold Private Limited
- RRK Media Private Limited
- Mobile NXTonline Private Limited
- Webchutney Studio Private Limited
- Capital18 Limited, Cayman Island
- RB Holdings Private Limited
- The Network18 Trust
- Jagran18 Publications Limited
- Capital 18 Media Advisors Private Limited
- RRB Media Private Limited
- VT Media Private Limited
- IBN Lokmat News Private Limited
- Network 18 Group Senior Professionals Welfare Trust
- Network 18 Employee Welfare Trust

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

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

Particulars	Subsidiaries	Subsidiaries of subsidiaries	Entity Under Significant Influence	Key Management Personnel
Redemption of Debentures held in (including Premium)				
Television Eighteen India Limited	- (4,827,823)			
Service Income				
Television Eighteen India Limited	31,999,285 (14,194,787)			
ibn18 Broadcast Limited	24,683,536 (2,313,990)			
Bigtree Entertainment Private Limited		759,360 (-)		
TV18 Home Shopping Network Limited		394,910 (-)		
E-Eighteen.Com Limited		7,000,000 (-)		
Digital 18 Media Limited			917,000 (-)	
Web 18 Software Services Limited		480,000 (431,250)		
Dividend received from				
Television Eighteen India Limited	- (40,881,830)			
Assets Transferred				
ibn18 Broadcast Limited	25,808,968 (-)			
Interest paid to				
Television Eighteen India Limited	3,611,879 (1,901,984)			
Interest received from				
ibn18 Broadcast Limited	48,016,903 (150,727)			

Particulars	Subsidiaries	Subsidiaries of subsidiaries	Entity Under Significant Influence	Key Management Personnel
Television Eighteen India Limited	133,271 (-)			
E-Eighteen.Com Limited		614,806 (-)		
Colosseum Media Limited		3,347 (-)		
Infomedia 18 Limited		1,378,252 (-)		
IBN Lokmat News Private Limited		2,496 (-)		
Newswire 18 Limited		1,031,441 (-)		
Network18 Group Senior Proff. Welfare Trust			24,843,940 (-)	
RVT Investments Private Limited		1,630 (-)		
Setpro18 Distribution Limited	30,680 (-)			
Stargaze Entertainment Private Limited		1,630 (-)		
TV18 Commodities Control.com Limited		7,385 (-)		
Web 18 Software Services Limited		961,379 (-)		
Webchutney Studio Private Limited			8,557 (-)	
TV18 Home Shopping Network Limited		82,944 (9,391,438)		
Reimbursement of Expenses (Paid)				
Television Eighteen India Limited	23,100,376 (136,346,125)			
TV18 Home Shopping Network Limited		2,716,000 (1,245,777)		
Ibn18 Broadcast Limited	9,084,254 (21,826,889)			
Web 18 Software Services Limited		77,286 (-)		
Greycells 18 Media Private Limited			- (119,416)	
Network 18 Emp. Welfare Trust			- (11,617)	
E-Eighteen.Com Limited		11,291 (-)		
Reimbursement of Expenses (Received)				
Television Eighteen India Limited	65,862,053 (85,892,358)			
Capital18 Media Advisors Private Limited			- (63,000)	
Care Websites Private Limited		31,748 (25,764)		
E-Eighteen.Com Limited		21,578,416 (8,253,494)		
Money Control Dot Com India Limited		9,875 (38,735)		
IBN Lokmat News Private Limited		999,683 (79,380)		
RVT Investments Private Limited		128,519 (63,000)		
Ibn18 Broadcast Limited	46,939,931 (77,403,530)			
Setpro18 Distribution Limited	1,686,344 (5,099,260)			
Television Eighteen Commodities control.com Limited		726,057 (1,482,687)		

Newswire 18 Limited		3,610,886 (8,351,803)		
Web 18 Software services Limited		5,288,796 (11,281,721)		
Bigtree Entertainment Private Limited		- (8,190)		
Greycells 18 Media Private Limited			- (468,082)	
TV18 Home Shopping Network Limited		6,825,229 (13,808,591)		
Colosseum Media Private Limited		549,521 (617,946)		
Digital 18 Media Limited			1,927,475 (738,095)	
IFC Distribution Private Limited			854,061 (203,670)	
Infomedia 18 Limited		18,027,223 (10,168,442)		
SGA News Limited			- (407,742)	
Stargaze Entertainment Private Limited		128,519 (63,000)		
Expenditure for Services Received				
TV18 Home Shopping Network Limited		50,601 (13,728)		
Television Eighteen India Limited	23,603,625 (26,808,257)			
ibn 18 Broadcast Limited	5,033,047 (1,770,659)			
Digital 18 Media Limited			525,000 (-)	
Web 18 Software services Limited		2,085,300 (-)		

Investments purchased from				
Media Venture Capital Trust II			- (245,000,000)	
VT Holdings Limited			- (666,061,000)	
Investments made in				
VT Holdings Private Limited			- (245,612,500)	
VT Investments Private Limited			- (36,000)	
Television Eighteen India Limited (Equity shares)	2,525,867,232 (-)			
Loan Extended to				
TV18 Home Shopping Network Limited		- (251,700,000)		
ibn 18 Broadcast Limited	1,450,000,000 (300,000,000)			
Network18 Group Senior Professional Welfare Trust			1,475,800,000 (-)	
Loan Returned by				
TV18 Home Shopping Network Limited		- (251,700,000)		
Ibn 18 Broadcast Limited	1,030,000,000 (-)			
Balances at the end of the year				
Amounts due to				
Television Eighteen India Limited	- (223,081,741)			
BK Media Mauritius Private Limited			184,714 (163,559)	

RVT Holdings Private Limited			- (21,736)	
Amount due from				
ibn 18 Broadcast Limited (loan)	450,460,274 (30,000,000)			
ibn 18 Broadcast Limited (for expenses)	22,471,085 (29,529,368)			
Television Eighteen India Limited	5,522,546 (-)			
IBN18 Trust			9,870 (-)	
Network18 Group Senior Professional Welfare Trust			1,498,159,546 (-)	
Network18 Employee Welfare Trust			600,000 (-)	
IBN Lokmat News Private Limited		32,065 (-)		
Digital 18 Media Limited			1,611,504 (-)	
RVT Investments Private Limited		1,630 (-)		
E.Eighteen.com Limited		17,108,418 (5,438,917)		
Television Eighteen Commodities control.com Limited		214,453 (1,036,470)		
Newswire 18 Limited.		14,474,879 (9,460,631)		
Web 18 Software services Limited		2,391,694 (7,266,582)		
Tangerine Digital Entertainment Private Limited			197,055 (197,055)	
Webchutney Studio Private Limited		95,922 (98,528)		
Colosceum Media Private Limited.		133,350 (-)		
Capital 18 Media Advisors Private Limited		2,746,646 (-)		
Moneycontrol.com India Limited		- (24,208)		
Network 18 India Holding Private Limited	1,276,000,000 (1,206,000,000)			
TV18 Home Shopping Network Limited		953,525 (1,432,065)		
Studio 18 UK Limited			83,270 (89,182)	
Studio 18 USA Limited			518,306 (504,076)	
Setpro 18 Distributions Limited	493,972 (224,096)			
Stargaze Entertainment Private Limited		24,263 (-)		
Network18 Holdings Limited, Cayman Islands	451,328 (-)			
Care Websites Private Limited		- (25,615)		
Infomedia18 Limited		26,869,382 (10,102,809)		
Guarantees and Collaterals				
Capital 18 Limited, Mauritius (INR equivalent to USD 25 million) (USD 50 million)		1,129,000,000 (254,700,000)		

BK Holdings Limited (INR equivalent to USD 88 million) (USD 80 million)		3,972,320,000 (4,076,000,000)		
Ibn18 Broadcast Limited	2,719,600,000 (880,000,000)			
Newswire 18 Limited		220,000,000 (220,000,000)		
TV 18 Home Shopping Network Limited		100,000,000 (250,000,000)		
Television Eighteen India Limited	3,800,000,000 (4,800,000,000)			
Infomedia18 Limited		1,200,000,000 (-)		

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

a. The Company's Employee Stock Option Plans (ESOPs) framed in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the Shareholders are listed below. Schemes listed at serial (i) to (viii) were established as mirror schemes of the then existing ESOP schemes in Television Eighteen India Limited, in terms of the Scheme of Arrangement.

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

* Plans closed

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

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

Particulars	ESOP 2002	ESOP 2004	Senior ESOP 2004
g. Vesting date in respect of grants at 'c' above		50% on Feb 11, 2010 ; 50% on Feb 11, 2011	71,997 on Feb 11, 2010 71,997 on Feb 11, 2011
h. Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
i. Exercise period	During three years after the vesting date.	During two years after the vesting date.	During two years after the vesting date.
j. Un-granted options cancelled	-	-	24,024

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

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

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP (C) 2007	ESOP 2007
d) Vesting date	Options shall vest equally over average period of 4 years.	After a period of one year from the date of grant.	Equally over a period of six years from the date of grant.	After one year from the date of Grant. The vesting shall happen in one or more tranches as may be decided by the Board
e) Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
f) Exercise Period	During four year after vesting date.	During four years after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extended upto the expiry period of the option as may be decided by the Board.
g) Un-granted options cancelled	1,000,000	1,000,000	300,000	-

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

c. Details of options and weighted average prices

Particulars	ESOP 2002		ESOP 2004		SENIOR ESOP 2004	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the year	20,010 (20,010)	5.00 (5.00)	253,200 (327,000)	31.69 (69.90)	410,657 (450,656)	33.90 (65.31)
b) granted during the year	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
c) exercised during the year	- (-)	- (-)	83,700 (31,800)	20.00 (49.71)	61,995 (39,999)	10.00 (47.54)
d) forfeited during the year	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
e) Expired during the year	- (-)	- (-)	- (42,000)	- (69.59)	- (-)	- (-)
f) Additions pursuant to bonus issue	- (-)	- (-)	- (-)	- (-)	- (-)	- (-)
g) outstanding at the end of the year	20,010 (20,010)	5.00 (5.00)	169,500 (253,200)	37.46 (31.69)	348,662 (410,657)	38.15 (33.90)
h) Exercisable at the end of the year	20,010 (20,010)	5 (5)	63,000 (31,200)	66.98 (39.68)	184,661 (-)	- (-)

Particulars	ESOP 2002		ESOP 2004		SENIOR ESOP 2004	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
i) number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	20,010	5.00	169,500	37.46	348,662	38.15
	(20,010)	(5.00)	(253,200)	(31.69)	(410,657)	(33.90)
j) weighted average share price at the date of exercise	-	5.00	83,700	20.00	61,995	10.00
	(-)	(5.00)	(31,800)	(49.71)	(39,999)	(47.54)
k) weighted average remaining contractual life (years)	-	N.A.	0.63	N.A.	0.26	N.A.
	(-)	N.A.	(1.66)	N.A.	(1.12)	N.A.
l) Unvested Option outstanding at the end of the year	-	5.00	106,500	37.46	164,001	38.15
	(-)	(5.00)	(222,000)	(31.69)	(410,657)	(33.90)

Particulars	LONG TERM RETENTION ESOP 2005		ESOP 2005		ESOP 2007 (C)	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the year	300,000	348.35	51,200	20.00	700,000	5.00
	(300,000)	(348.35)	(80,800)	(97.31)	(700,000)	(5.00)
b) granted during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
c) exercised during the year	-	-	18,200	20.00	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
d) forfeited during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
e) Expired during the year	-	-	-	-	-	-
	(-)	(-)	(29,600)	(97.31)	(-)	(-)
f) Additions pursuant to bonus issue	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
g) outstanding at the end of the year	300,000	348.35	33,000	20.00	700,000	5.00
	(300,000)	(348.35)	(51,200)	(97.31)	(700,000)	(5.00)
h) Exercisable at the end of the year	-	-	7,400	20.00	233,333	5.00
	(-)	(-)	(-)	(-)	(116,666)	(5.00)
i) number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	300,000	348.35	33,000	20.00	700,000	5.00
	(300,000)	(348.35)	(51,200)	(97.31)	(700,000)	(5.00)
j) weighted average share price at the date of exercise	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
k) weighted average remaining contractual life (years)	1.62	N.A.	0.87	N.A.	2.99	N.A.
	(2.62)	N.A.	(1.87)	N.A.	(3.98)	N.A.
l) Unvested Option outstanding at the end of the year	300,000	348.35	25,600	20.00	466,667	5.00
	(300,000)	(348.35)	(51,200)	(97.31)	(583,334)	(5.00)

Particulars	ESOP 2007	
	Options	Weighted Average Price
a) Outstanding at the beginning of the year	295,000 (-)	30.00 (-)
b) granted during the year	3,145,000 (295,000)	89.91 (30.00)
c) exercised during the year	68,750 (-)	30 (-)
d) forfeited during the year	- (-)	- (-)
e) Expired during the year	- (-)	- (-)
f) Additions pursuant to bonus	- (-)	- (-)
g) outstanding at the end of the year	3,371,250 (295,000)	46.99 (30.00)
h) Exercisable at the end of the year	5,000 (-)	(30) (-)
i) number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	3,371,250 (295,000)	46.99 (30.00)
j) weighted average share price at the date of exercise	- (-)	- (-)
k) weighted average remaining contractual life (years)	2.80 (4)	N.A. N.A.
l) Unvested Option outstanding at the end of the year	3,366,250 (295,000)	46.99 (30.00)

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

a. **Pro forma Accounting for Stock Option Grants**

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

Particulars		31-03-2010 (Rs.)	31-03-2009 (Rs.)
a.	Net Profit as reported	(445,436,017)	(181,993,941)
i.	Add: Stock based employee compensation expense debited to Profit and Loss account	53,247,151	60,288,008
ii.	Less: Stock based employee compensation expense based on fair value	84,891,290	71,162,275
b.	Difference between (i) and (ii)	31,644,139	10,874,267
c.	Adjusted pro forma profit	(477,080,156)	(192,868,208)
d.	Difference between (a) and (c)	31,644,139	10,874,267
e.	Basic earnings per share as reported	(4.50)	(3.14)
f.	Pro forma basic earnings per share	(4.82)	(3.33)
g.	Diluted earnings per share as reported	(4.41)	(3.10)
h.	Pro forma diluted earnings per share	(4.72)	(3.26)

- b. The fair value of the options granted during the year ended March 31, 2010, calculated by an external valuer, was estimated on the date of grant using the Black-Scholes model with the following significant assumptions

Particulars		Year ended 31 March, 2010	Year ended 31 March, 2009
a.	Risk free interest rates (in %)	7.16	5.67
b.	Expected life (in years)	4.02	3.85
c.	Volatility (in %)	61.96	61.53
d.	Dividend yield (in %)	0.00	1.54

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

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

Particulars		Current Year	Previous year
a.	Total options granted	3,145,000	703,180
b.	Weighted average exercise price (in Rs.)	89.91	80.95
c.	Weighted average fair value (in Rs.)	57.20	60.75

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

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

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

24. Utilisation of Funds raised

- a) The Company has utilised an aggregate sum of Rs. 1,972.43 millions towards the stated purposes, from the proceeds of the Rights Issue of Partly Convertible Cumulative Preference Shares of Rs. 200/- each. The Unutilised funds of Rs. 66.56 millions are invested in Mutual Funds / Bank Fixed Deposits.
- b) The Company has utilised the proceeds from Preferential allotments for the purpose they were raised .
- c) The Company raised a sum of Rs. 2049.17 millions from a QIB Placement of equity shares and has utilised a sum of Rs. 1918.92 millions for the purpose it was raised. The unutilised funds of Rs. 67.26 millions are invested in Mutual Funds / Bank Fixed Deposits.

25. Contracts remaining to be executed on capital account: Rs. 0.06 million (net of advances) (Rs. 4.71 million)

26. Figures in (brackets) refer to the corresponding figures in the accounts for the year ended March 31, 2009.

27. Employee Benefits

a. Defined Benefit Plans:-

The present value of defined benefit obligation and the related current service cost are measured using the projected unit credit method with actuarial valuation being carried at each balance sheet date.

The reconciliation of opening and closing balances of the present value of the defined obligation for the continuing businesses as at :				
Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	Gratuity Benefits	Compensated Absences	Gratuity Benefits	Compensated Absences
Obligation at the year beginning (A)	54,26,510	91,55,125	22,91,476	27,59,690
Adjustment for increase in opening provision for retirement benefits (B)	-	-	-	-
Current service cost (C)	13,56,869	16,56,790	16,59,379	27,19,108
Interest cost (D)	4,34,121	7,32,410	1,61,945	1,93,732
Actuarial loss/(gain) (E)	(16,77,629)	(30,86,133)	13,13,710	35,34,721
Benefits paid (F)	-	(27,51,989)	-	(52,126)
Fair Value of Assets	-	-	-	-
Obligation at the year end (A+B+C+D+E-F)	55,39,871	57,06,203	54,26,510	91,55,125

b. Cost for the year

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	Gratuity Benefits	Compensated Absence	Gratuity Benefits	Compensated Absence
Current service cost (A)	13,56,869	16,56,790	16,59,379	27,19,108
Interest cost (B)	4,34,121	7,32,410	1,61,945	1,93,732
Actuarial loss/(gain) (C)	(16,77,629)	(30,86,133)	13,13,710	35,34,721
Net cost (A+B+C)	1,13,361	(6,96,933)	31,35,034	64,47,561

c. Actuarial assumptions used:-

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	Gratuity Benefits	Compensated Absence	Gratuity Benefits	Compensated Absence
Discount Rate	8%	8%	7%	7%
Expected Salary Escalation Rate	6%	6%	6%	6%
Mortality Table	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified
Retirement Age	60 Yrs	60 Yrs	60 Yrs	60 Yrs
Withdrawal Rates	Percentage	Age	Percentage	Age
	3	Upto 30 Year	3	Upto 30 Year
	2	Upto 44 Year	2	Upto 44 Year
	1	Above 44 year	1	Above 44 year

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

Income / Expenditure	Investment activities	Events Management	Sports Management	Others Services	Total (Rs.)
Revenues	- (706,678,307)	201,294,319 (174,323,843)	119,825,169 (60,076,301)	240,627,698 (3,956,255)	561,747,186 (945,034,706)
Expenses	- (179,957,264)	182,968,362 (177,172,725)	157,678,332 (71,614,161)	150,215,775 (5,745,030)	455,686,861 (434,489,180)
Segment result	- (526,721,043)	18,325,957 (-2,848,882)	-37,853,163 (-11,537,860)	90,411,923 (-1,788,775)	106,060,415 (510,545,526)
Less: Interest & Financial Charges					524,941,726 (509,174,440)
Less: Other unallocable expenses					35,175,698 (179,529,200)
Prior Period Adjustments					-8,695,992 (-)
Profit (Loss) before taxes					-445,361,017 (178,158,114)
Tax (Net of MAT Credit)					75,000 (15,926,681)
Profit (Loss) for the period					-445,436,017 (194,084,795)

Assets / Liabilities					
Segment Assets	- (8,231,910,315)	60,443,221 (40,344,361)	9,740,200 (65,338,452)	16,216,937,705 (733,563,002)	16,287,121,126 (9,071,156,130)
Segment Liabilities	- (2,418,439,145)	47,087,897 (51,661,882)	42,932,531 (73,176,011)	5,038,250,337 (391,402,439)	5,128,270,765 (2,934,679,477)
Capital expenditure	- (-)	227,299 (2,085,958)	314,486 (-)	4,269,035	4,810,820 (2,085,958)
Depreciation	- (-)	518,595 (630,585)	15,018 (-)		533,613 (630,585)
Other Non cash expenses*	- (-)	- (-)			4,564,064 (26,947,330)

* other than Stock Option Charge out

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

30. Income from Investments includes:

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Dividend from Subsidiary	-	40,881,830
Profit on sale of Long Term Investments	-	561,098,785
Profit on sale of Current investments	115,636,986	25,181,843

31. Foreign Currency Exposure and Derivative Contracts

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

Currency	Foreign currency amount	Rupee equivalent (Rs.)
USD	250,000	9,905,000
Euro	38,069	2,428,306

32. Prior period adjustments

The components of prior period adjustments are as follows:

Particulars	Year ended 31.03.2010 (Rs.)	Year ended 31.03.2009 (Rs.)
Provision for expenses written back	(8,695,992)	-
Interest short provided	-	5,972,630
Expenses short provided	-	6,118,224
Total	(8,695,992)	12,090,854

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

Sl. No.	Particulars	Year ended 31.3.2010 (Rs.)	Year ended 31.3.2009 (Rs.)
i.	Net profit/(loss) before tax from ordinary activities	(454,057,009)	(166,067,260)
Add:			
ii.	Whole-time Directors' remuneration	10,944,000	11,460,400
iii.	Directors' sitting fees	440,500	536,000
iv.	Provision for doubtful debts	4,174,071	0
v.	Depreciation as per books of account	5,097,677	27,577,915
vi.	Loss on sale of fixed assets	-	220,901
	Total (ii to vi)	20,656,248	39,795,616
Less:			
vii.	Depreciation as envisaged under Section 350 of the Companies Act, 1956*	10,091,934	5,393,494
viii.	Profit on sale / disposal of assets	1,963,229	-
ix.	Profit on sale of long term investment	-	561,098,785
x.	Profit on sale of current investments	115,636,986	25,181,843
	Net profit/(loss) for calculation on which remuneration is payable.	(561,092,910)	(717,945,366)

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

b. The company has paid a remuneration [as mentioned in Note 14(a)] to its Managing Director which is higher than that prescribed under Schedule XIII to the Companies Act, 1956. The Company's application for approval of such higher remuneration is pending before the Central Government.

34. The company has given interest free loans of Rs 35.10 millions to employees of subsidiary companies.

35. The company has extended a loan of Rs. 1490 million to a trust established for the benefit of employees at a rate of interest lower than the market rate.

For and on behalf of the Board

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

R D S Bawa
Chief Financial Officer

Shilpa Verma
Manager - Corporate Affairs &
Company Secretary

May 28, 2010
Noida

NETWORK18 MEDIA & INVESTMENTS LIMITED

(Currency : Indian Rupees in Thousand)

Additional Information pursuant to Part IV of Schedule VI to the Companies Act, 1956, of India**Balance Sheet Abstract & Company's General Business Profile :****I. Registration Details :**Registration No.

				0	7	6	4	1	9
--	--	--	--	---	---	---	---	---	---

State code

5	5								
---	---	--	--	--	--	--	--	--	--

Balance sheet Date :

3	1		0	3		2	0	1	0
---	---	--	---	---	--	---	---	---	---

II. Capital raised during the year

Public Issue

								7	2	7
--	--	--	--	--	--	--	--	---	---	---

Right Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Bonus Issue

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Private Placement

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Others

				2	1	1	9	0	0
--	--	--	--	---	---	---	---	---	---

III. Position of Mobilisation and Deployment of Funds

Total Liabilities (including Shareholders' Funds)

		1	6	4	5	9	4	1	4
--	--	---	---	---	---	---	---	---	---

Total Assets

		1	6	4	5	9	4	1	4
--	--	---	---	---	---	---	---	---	---

Sources of Funds

Paid up Capital

			2	1	1	4	3	6	1
--	--	--	---	---	---	---	---	---	---

Reserves & Surplus

			8	5	4	7	2	8	1
--	--	--	---	---	---	---	---	---	---

Secured Loan

			2	2	1	3	6	1	8
--	--	--	---	---	---	---	---	---	---

Unsecured Loan

			2	8	6	8	7	5	5
--	--	--	---	---	---	---	---	---	---

Deferred Tax Liability

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

Application of Funds

Net Fixed Assets

						2	5	1	4	7
--	--	--	--	--	--	---	---	---	---	---

Investment

			1	0	9	7	8	0	0	9
--	--	--	---	---	---	---	---	---	---	---

Net Current Assets

			4	9	5	9	0	5	1
--	--	--	---	---	---	---	---	---	---

Misc Expenditure

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

IV. Performance of Company

Turnover (including Other Income)

				5	6	1	7	4	7
--	--	--	--	---	---	---	---	---	---

Total Expenditure

				1	0	1	5	8	0	4
--	--	--	--	---	---	---	---	---	---	---

Profit/Loss Before Tax

								4	4	5	3	6	1
--	--	--	--	--	--	--	--	---	---	---	---	---	---

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

Earning per Share (in Rs.)-Annualised

								4	.	5	0
--	--	--	--	--	--	--	--	---	---	---	---

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

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

Profit/Loss After Tax

								4	4	5	4	3	6
--	--	--	--	--	--	--	--	---	---	---	---	---	---

Dividend Rate %

								N	I	L
--	--	--	--	--	--	--	--	---	---	---

V. Generic names of Principal Products/Services of Company

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

Note: 12,072 Partly Convertible Cumulative Preference Shares were forfeited on which Rs. 100/- were received.

For and on behalf of the board**Raghav Bahl**
Managing Director**Sanjay Ray Chaudhuri**
Alternate Director**R D S Bawa**
Chief Financial Officer**Shilpa Verma**
Manager Corporate Affairs &
Company SecretaryNoida
May 28,2010

AUDITORS' REPORT

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

1. We have examined the attached Consolidated Balance Sheet of **Network18 Media & Investments Limited** ('the company'), its Subsidiaries, and jointly controlled entities (the Company, its Subsidiaries and jointly controlled entities constitute 'the Group') as at March 31, 2010, the Consolidated Profit & Loss Account and the Consolidated Cash Flow Statement for the year ended on that date, both annexed hereto. The Consolidated Financial Statements include financials of jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
2. These financial statements, are the responsibility of the management of Network18 Media & Investments Limited, and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit and representations made by the management during the audit.
3. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes examining, on a test check, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
4. We did not audit /compile the financial statements of subsidiaries and a joint venture(s), whose financial statements reflect total assets of Rs. 40,546.72 millions as at March 31, 2010 and total revenues of Rs. 14,574.38 millions and Net cash inflows of Rs. 42,018.66 million for the year ended on that date as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of these entities, is based solely on the report of the other auditors.
5. (i) *The group has not consolidated two subsidiaries of a 50% Joint Venture of ibn18 Broadcast Limited. The Group's share*

of total assets and total revenues in these subsidiaries of its Joint Venture is Rs 6.65 million and Rs 12.94 million respectively for the year ended on March 31, 2010. This is not in accordance with the requirements of Accounting Standard 21 (Consolidated financial statements) and Accounting Standard 27 (Financial reporting of interests in Joint Ventures).

- (ii) *In the case of the Network 18 Media & Investments Limited, the company has paid remuneration to its Managing Director in excess of limits prescribed under Schedule XIII of the Companies Act, 1956 which is subject to approval of the Central Government under section 269(2) of the Companies Act, 1956.*
6. *Subject to our comments in Paragraph 5 above*, we report that the Consolidated Financial Statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21(Consolidated Financial Statements) , Accounting Standard 23 (Accounting for investments in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
7. Based on our audit and on consideration of separate audit reports on the individual financial statements of the Company, and the aforesaid subsidiaries and joint ventures and associates, and to the best of our information and according to the explanations given to us, *subject to the adjustments that may arise pursuant to our comments in paragraph 5 above*, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India, in the case of :
 - i) the Consolidated Balance Sheet of the state of affairs of the Group as at March 31, 2010.
 - ii) the Consolidated Profit and Loss account, of the loss of the Group for the year ended on that date.
 - iii) the consolidated Cash Flow statement, of the cash flows of the Group for the year ended on that date.

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

Noida
May 28, 2010

G S Ahuja
Proprietor
Membership No. 87732

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	2,114,360,935	1,902,940,920
Share Application Money		797,775,654	598,473
Stock Options Outstanding	2	374,625,544	384,112,906
Reserves and surplus	3	11,978,628,410	4,246,878,178
Loan Funds			
Secured loans	4	8,162,676,968	5,705,108,387
Unsecured loans	5	12,948,118,047	8,142,533,965
Deferred Tax Liability		9,996,100	36,552,673
Minority Interest		7,162,097,128	3,608,607,576
		43,548,278,786	24,027,333,078
Application of Funds			
Fixed Assets			
Gross block	6	11,356,855,053	5,695,548,035
Less: Depreciation		6,844,532,160	2,694,680,119
Net Block		4,512,322,893	3,000,867,916
Capital work in progress		1,085,807,358	6,875,435
		5,598,130,251	3,007,743,351
Goodwill (On Consolidation)		12,517,162,974	7,205,668,500
Investments	7	8,377,935,212	7,669,842,841
Deferred Tax Assets	8	89,201,598	142,918,341
Current Assets, Loans & Advances			
Inventories		441,454,397	87,221,075
Sundry debtors		4,401,284,329	2,470,525,990
Unbilled Revenue		386,650,977	42,591,800
Cash & bank balances		8,098,079,616	2,707,887,306
Loans & advances		6,373,021,280	3,296,756,829
		19,700,490,599	8,604,983,000
Less: Current Liabilities and Provisions			
Current Liabilities	9	5,766,195,697	4,332,301,549
Provisions		296,942,089	315,311,249
Net Current Assets		13,637,352,813	3,957,370,202
Miscellaneous Expenditure	10	113,606,312	121,616,929
Profit & Loss Account	11	3,214,889,626	1,922,172,914
		43,548,278,786	24,027,333,078
Notes forming part of the accounts	17		
The above schedules form an integral part of accounts			

As per our report of even date attached

For **G S Ahuja & Associates**

Chartered Accountants
(Firm registration no. N 8999)

G S Ahuja
Proprietor
Membership No. 87732

Noida
May 28, 2010

Raghav Bahl
Managing Director

R D S Bawa
Chief Financial Officer

For and on behalf of the Board

Sanjay Ray Chaudhuri
Alternate Director

Shilpa Verma
Manager Corporate Affairs &
Company Secretary

CONSOLIDATED PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2010

	Schedule	Year ended March 31, 2010 (Rs.)	Year ended March 31, 2009 (Rs.)
INCOME			
Income from operations	12	12,650,659,234	7,602,000,425
Other income	13	1,607,930,985	1,358,993,599
		14,258,590,219	8,960,994,024
EXPENDITURE			
Production, administrative and other costs	14	9,775,360,916	6,588,363,321
Personnel expenses	15	3,159,526,089	3,022,877,732
Interest and financial charges	16	2,126,297,521	1,852,088,524
Interest for acquisition of long term investment		—	98,659,085
Depreciation	6	1,308,196,794	715,452,076
Option premium paid		658,113,750	-
		17,027,495,070	12,277,440,738
Profit(Loss) before tax		(2,768,904,851)	(3,316,446,714)
Less: Prior period adjustments		(3,494,106)	29,068,408
Profit(Loss) before tax after prior period adjustment		(2,765,410,745)	(3,345,515,122)
Provision for taxes		96,024,099	(32,242,535)
Profit(Loss) after tax		(2,861,434,844)	(3,313,272,587)
Minority Interest in Current Profits		(1,517,073,076)	(1,648,714,081)
Share in profits / losses of associate		—	(154,228,772)
Profit(Loss) after tax after minority interest		(1,344,361,768)	(1,818,787,278)
Appropriations			
Short provision of earlier year's proposed dividend and tax thereon		3,783,342	64,050
Carried Forward		(1,348,145,110)	(1,818,851,328)
Earning per equity share (Note 12)			
(Face Value of Rs. 5 per share)			
Basic and Diluted		(13.59)	(31.43)
Notes forming part of the accounts	17		

The above schedules form an integral part of accounts

For **G S Ahuja & Associates**

Chartered Accountants
(Firm registration no. N 8999)

G S Ahuja
Proprietor
Membership No. 87732

Raghav Bahl
Managing Director

Noida
May 28, 2010

R D S Bawa
Chief Financial Officer

For and on behalf of the Board

Sanjay Ray Chaudhuri
Alternate Director

Shilpa Verma
Manager Corporate Affairs &
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 March, 2010

PARTICULARS	Year Ended 31.03.2010 (Rs.)	Year Ended 31.03.2009 (Rs.)
A Cash Flow Statement Operating Activities		
Profit before tax	(2,768,904,851)	(3,345,515,122)
Adjustment for:		
Depreciation	1,308,196,794	715,452,076
Employee stock compensation expenses	110,451,161	141,148,540
Dividend Paid	3,783,342	—
Written off in the value of Investments	—	2,055,000
Interest and other financial Expenses	2,126,297,521	1,852,088,524
Interest for acquisition of long term investment	—	98,659,085
Bad debts written off/ provision for doubtful debts	178,230,695	703,659,264
Other Non-cash items	(346,678,251)	—
Loss on sale of fixed assets	21,367,163	660,604
Option Premium Paid	658,113,750	—
Interest income	(195,415,079)	(161,313,846)
Dividend on current investments	(11,426,450)	(116,383,799)
Share in surplus of venture capital trust	(217,400,000)	(578,000,000)
Profit on sale of current investments	(669,403,596)	(85,006,243)
Loss on exchange rate fluctuation (net)	78,747,349	278,287,326
Dividend from units in venture capital trust	—	(95,000,000)
Excess provisions written back	(241,751,615)	(72,500,716)
Prior period adjustments	(3,494,106)	(29,068,408)
Operating profit before working capital changes	30,713,827	(690,777,715)
Adjustment for:		
Decrease/(Increase) in current assets	(5,945,460,681)	(884,298,491)
Increase/(Decrease) in current liabilities	7,731,944,821	1,088,611,448
Net cash flow/ (Used in) operating activities	1,817,197,967	(486,464,758)
Tax on operational income (including fringe benefit tax)	96,024,099	32,242,535
Prior period adjustments	3,494,106	29,068,408
Net cash flow from operating activities	1,916,716,172	(425,153,815)
B Cash flow from Investing activities		
Share application money paid	(122,500,000)	(519,644,321)
Share application money units	—	(50,000)
Purchase of fixed assets including capital work in progress	(4,121,387,453)	(1,444,391,881)
Sale of assets/claim received	201,436,596	66,803,806
Sale of long term investments	—	8,500,000
Investments purchased		
- in affiliate/ joint venture	2,424,836,160	(1,960,173,586)
- Venture capital trust	(239,400,000)	(1,877,800,000)
- Mutual funds and others (net)	(3,031,934,935)	4,906,973,069
Acquisition of minority interest in subsidiary	(4,503,684,474)	(2,736,587,340)
Foreign exchange translation adjustment (on consolidation)	155,728,165	81,141,652
Interest received	195,415,079	161,313,846
Dividend received on current investments	11,426,450	116,383,799
Share in surplus of venture capital trust	217,400,000	578,000,000
Dividend from units in venture capital trust (Long Term Investment)	—	95,000,000
Net cash from(used in) investing activities	(8,812,664,412)	(2,524,530,956)
C Cash flow from financing activities		
Interest paid	(2,126,297,521)	(1,852,088,524)
Proceeds from issue of equity shares	212,026,015	102,266,795
Proceeds from issue of Preference shares	601,200	1,543,262,850
Proceeds from Security premium on Equity	6,132,677,595	891,982,675
Share Application Money received	797,177,181	598,473
Issue of Bonds/Debentures	976,688,000	—
Interest for acquisition of long term investment	—	(98,659,085)
Preference share application money forfeited	(1,207,200)	—
Increase(Decrease) in loans	6,286,464,663	3,011,050,212
Increase in Miscellaneous Expenditure	8,010,617	5,240,095
Net cash flow from (used in) financing activities	12,286,140,550	3,603,653,490
Net increase (decrease) in cash and cash equivalents	5,390,192,310	653,968,719
Cash and cash equivalents as at the beginning of the year	2,707,887,306	2,053,918,586
Cash and cash equivalents as at the end of the year	8,098,079,616	2,707,887,305

Notes forming part of the accounts

17

The above schedules form an integral part of accounts

For **G S Ahuja & Associates**

Chartered Accountants
(Firm registration no. N 8999)

G S Ahuja
Proprietor
Membership No. 87732

Noida
May 28,2010

For and on behalf of the Board

Raghav Bahl
Managing Director

R D S Bawa
Chief Financial Officer

Sanjay Ray Chaudhuri
Alternate Director

Shilpa Verma
Manager Corporate Affairs &
Company Secretary

Schedules to Consolidated Balance Sheet

	As at March 31, 2010 (Rs.)	As at March 31, 2009 (Rs.)
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
170,000,000 (170,000,000) Equity Shares of Rs 5/- each	850,000,000	850,000,000
1,100,000 (1,100,000) 5% Preference Shares of Rs 100/- each	110,000,000	110,000,000
10,500,000 (10,500,000) Preference Shares of Rs 200/- each	2,100,000,000	2,100,000,000
	3,060,000,000	3,060,000,000
Issued, Subscribed and Paid Up		
114,340,817 (71,935,614) Equity shares of Rs. 5/- each fully paid up	571,704,085	359,678,070
10,284,379 (10,272,355) Non Cumulative Redeemable Preference shares of Rs. 150/- each fully paid up	1,542,656,850	1,540,853,250
Nil (24,096) Non Cumulative Redeemable Preference Shares of Rs. 100/- each	—	2,409,600
	2,114,360,935	1,902,940,920
SCHEDULE 2: STOCK OPTIONS OUTSTANDING		
Stock options outstanding	440,006,642	586,814,373
Less: Deferred employee compensation	65,381,098	202,701,467
Closing Balance	374,625,544	384,112,906
SCHEDULE 3 : RESERVES AND SURPLUS		
Securities Premium		
Opening balance	3,672,963,074	3,299,525,483
Add: Share Premium on conversion of Preference shares	789,619,391	188,004,617
Add: Adjustment on account of change in minority	—	122,791,241
Add: Amounts received pursuant to issue of equity shares	6,132,677,595	1,475,249,701
Less: Expenses on issue of securities	177,300,638	1,394,209,208
Less: Adjustment on account of merger	59,931,973	18,398,760
Closing balance	10,358,027,449	3,672,963,074
General reserve		
Opening balance	56,182,738	69,167,058
Add: Transfer from profit & loss Account	16,938,499	—
Add: Change in Minority	4,882,019	—
Add: Transfer from Debenture redemption reserve	—	(12,984,320)
Closing balance	78,003,256	56,182,738
Debenture redemption reserve		
Opening balance	—	(12,984,320)
Add: Transfer from profit and loss account	—	—
Less: Transfer to General reserve	—	(12,984,320)
Closing balance	—	—
Capital Reserve, on Consolidation	1,211,984,465	358,702,869
Capital Reserve	346,678,251	—
Reserve u/s 451C of RBI act [Note 5A(iv)]	—	88,770,530
Exchange translation reserve	(16,065,011)	70,258,967
	11,978,628,410	4,246,878,178
SCHEDULE 4 : SECURED LOANS		
Secured Optionally Fully Convertible Debentures	110,000,000	—
Cash credit	1,085,575,562	1,320,934,101
Term loans	4,249,740,267	3,297,981,751
Vehicle Loans	16,480,846	15,298,004
Interest accrued but not due	4,659,193	2,902,636
Working Capital Loan	596,221,100	82,891,944
Other Loans	2,100,000,000	985,099,951
	8,162,676,968	5,705,108,387
SCHEDULE 5 : UNSECURED LOANS		
Zero coupon convertible bonds (Note 21)	640,988,000	—
Optionally Convertible Debentures (Note 21)	225,700,000	—
Term Loans	1,332,568,051	4,344,259,500
Other Loans	3,976,631,188	597,943,772
Public deposits	3,570,738,257	950,330,693
Commercial paper loan	1,700,000,000	2,250,000,000
Bank Overdraft	1,501,492,551	—
	12,948,118,047	8,142,533,965

SCHEDULE - 6 FIXED ASSETS As on 31.03.2010

SCHEDULE - 6 FIXED ASSETS AS ON 31.03.2010														
Particulars	G R O S S B L O C K				D E P R E C I A T I O N B L O C K				N E T B L O C K			(in Rs)		
	As At 1-Apr-09	Addition on A/c of Acquisition / Merger	Viacom18 Op. Additions	Sales / Adjustments	Total Gross Block	Depreciation As At 1/4/2009	Addition on A/c of Acquisition / Merger	Depreciation Up to 31/03/10	Viacom18 Op. Additions	Adjustments	Impairment		Total Depreciation	As at 31-Mar-10
Tangible Assets:														
Leasehold Land	1,873,125	-	-	-	1,873,125	749,253	-	31,219	-	-	-	780,472	1,092,653	1,123,872
Freehold land	1,246,180	-	-	380,000	1,356,244	-	-	-	-	-	-	-	1,356,244	1,246,180
Leasehold														
Improvements	533,559,054	-	31,006,480	29,098,158	586,575,046	199,522,380	-	104,759,277	17,369,139	2,148,400	-	319,502,396	247,072,550	334,036,674
Furniture & Plant & Machinery	254,594,401	-	17,645,113	4,590,096	237,252,441	116,925,741	-	23,058,184	1,573,371	15,072,124	5,935,763	120,549,409	116,703,032	137,668,660
Electric	3,785,054,208	41,195	98,128,102	119,743,734	3,951,317,304	1,823,941,207	-	402,020,942	86,323,437	34,038,704	4,467,995	2,273,778,887	1,677,538,417	1,961,113,001
Installation	20,028,422	-	564,700	-	18,705,306	3,941,796	-	1,316,547	-	179,413	-	5,078,930	13,626,376	16,084,626
Vehicles	92,307,691	-	20,476,543	761,216	95,844,095	32,660,676	-	9,476,334	761,214	10,258,290	-	32,639,934	63,204,161	59,647,015
Building	75,003,436	-	1,315,518	-	72,546,741	35,812,818	-	4,338,560	-	1,723,243	2,048,970	36,379,165	36,167,576	39,190,618
Ownership Flats	23,741,895	-	-	-	23,741,895	5,172,289	-	387,052	-	-	-	5,559,341	18,182,554	18,569,606
Computers	111,951,351	-	11,106,549	43,904,156	164,036,672	48,530,444	-	28,624,694	21,785,702	1,961,486	-	96,979,354	67,057,318	63,420,907
Intangible Assets:														
Brand	209,169,310	-	13,269,600	-	207,913,826	42,287,310	-	40,990,749	-	4,521,237	-	78,756,822	129,157,004	166,882,000
Goodwill	196,714,831	-	50,000	-	182,288,351	118,507,335	-	39,894,624	-	14,423,501	-	143,978,458	38,309,893	78,207,496
News Archives	20,498,422	5,097,712,028	340,462,774	-	5,431,322,460	11,275,554	2,798,727,586	597,466,053	-	-	-	3,407,469,193	2,023,853,267	9,222,868
Software	369,807,709	-	13,906,198	18,471,389	402,081,547	255,353,317	-	60,694,510	7,031,972	-	-	323,079,799	79,001,748	114,454,392
Total	5,695,548,035	5,097,753,223	548,421,641	216,568,749	11,356,855,053	2,694,680,120	2,798,727,586	1,313,058,745	134,844,835	84,326,398	12,452,728	6,844,532,160	4,512,322,893	3,000,867,915
Capital Work in Progress														
Total	6,875,435	1,269,833,008	262,548,171	-(356,011,643)	1,085,807,358	-	-	-	-	-	-	-	1,085,807,358	6,875,435
Previous Year	5,702,423,470	6,367,586,231	810,969,812	216,568,749	12,442,662,411	2,694,680,120	2,798,727,586	1,313,058,745	134,844,835	84,326,398	12,452,728	6,844,532,160	5,598,130,251	3,007,743,350
	3,335,782,193	1,706,680,223	1,003,910,065	-	5,702,423,470	989,514,237	1,049,860,085	700,712,287	-	65,417,430	20,010,941	2,694,680,120	3,007,743,350	2,346,267,956

Note:

- Includes Rs. 3,500 (Previous year Rs. 3,500) being the face value of shares in co-operative housing societies.
- Additions to fixed assets include foreign exchange translation difference of Rs. 46,425,000 (Previous year Rs. 78,916,180).
- Depreciation for the year includes adjustments of Rs. 4,861,951 (Previous year Rs. 5,271,152) pertaining to transfer to pre-operative expenses.
- Adjustments related to accumulated depreciation include foreign exchange translation difference of Rs. 26,263,716 (Previous year Rs. 28,866,263).

Schedules forming part of the Accounts

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 7: INVESTMENTS, AT COST		
Quoted - Long Term		
592,885 (592,885) equity shares Rs. 4 each fully paid up of KSL and Industries Limited	149,999,905	149,999,905
500,000 (500,000) equity shares of Rs. 2 each fully paid up in Provogue (India) Limited	110,000,000	110,000,000
275,000 (275,000) equity shares of Rs. 10 each fully paid up in Refex Refrigerants Limited	55,000,000	55,000,000
Nil(10,000,000) Ordinary Shares of No par value each in The Indian film Co. Ltd., Guernsey	—	807,810,000
Aggregate of Quoted - Long Term Investments	314,999,905	1,122,809,905
Quoted - Current		
3,005,581 (Nil) units of Rs. 10 each in LIC Mutual Fund	30,055,814	—
8,142,620.88 (3,680,178) units of Rs. 10 each in Birla Sunlife Mutual Fund	116,467,448	50,520,290
7,166,121 (NIL) units of Rs. 10 each in Birla Sun Life Mutual Fund	—	250,000,000
7,166,121 (NIL) units of Rs. 10 each in Birla Sun Life Mutual Fund	104,694,395	—
3,386,717 (Nil) units of Rs. 10 each in Deutch Mutual Fund	48,959,397	—
55,935 (3,364) units of Rs. 1,000 each in Tata Mutual Fund	94,829,499	5,335,790
36,142 (528,104) units of Rs. 10 each in DSP Merrill Lynch Mutual Fund	—	5,297,519
165,479 (Previous year 67,228) units of Rs. 1,000 each in 'DSP Merrill Lynch Mutual Fund	217,288,392	75,122,515
16,127,556 (NIL) units of Rs. 10 each in Fidelity Mutual Fund	190,074,531	—
3,180,461 (15,265,939) units of Rs. 10 each in DWS Mutual Fund	45,697,750	—
1,173,557.650 (53223.418) units of Rs. 9.648 each in DWS Mutual Fund	11,322,691	855,814
10,388,243 (2,870,896) units of Rs. 10 each in SBI Mutual Fund	150,000,000	55,962,692
265,048 (Nil) units of Rs. 1,000 each in UTI Mutual Fund	400,000,000	—
9,625,239 (Nil) units of Rs. 10 each in IDFC Mutual Fund	107,051,006	—
13,819,175 (NIL) units of Rs. 10 each in JM Financial Mutual Fund	176,071,861	—
Nil (1,487,608) Units of JM Money Manager Super Plus Plan - Growth	—	17,433,280
17,106,802 (NIL) units of Rs. 10 each in Kotak Mutual Fund	289,584,091	—
Nil (3,539,503) Units of Kotak Liquid (Institutional Premium) - Growth	—	60,879,808
10,561,084 (Nil) units of Rs. 10 each in HDFC Mutual Fund	170,252,787	—
Nil (Previous year 98,536) units of Rs. 10 each in Prudential ICICI Mutual Fund	—	1,591,105
15,747,114.74 (Nil) units in IDFC Mutual Fund (GCGC IDFC Cash fund-super inst. Plan C-Growth)	173,294,931	—
1,297,647.25 (Nil) ICICI Prudential Institutional Liquidity Plan - Super Institutional Growth	175,668,585	—
1,984,961.19 units (Nil) in Mutual Fund-Fidelity Cash Fund (Super Institutional-Growth)	24,073,781	—
4,217,057.64 units (Nil) in Religare Mutual Fund (Religare Liquid fund-Super institutional Growth)	51,814,052	—
13,121,952 (6,324,488) units of Rs. 1,000 each in Religare Mutual Fund	164,051,044	75,600,000
81,250.74 units (Nil) in Mutual Fund Dsp Merrill Lynch (Black Rock Liquidity Fund-Institutional plant growth)	106,555,478	—
NIL (5,107,369) units of Rs. 10 each in Sundaram BNP Paribas Mutual Fund	—	94,000,000
6,865,019.98 (Nil) in SBI Mutual Fund (L072G SBI Premier Liquid fund - Institutional Growth)	100,000,000	—
619,785.02 (Nil) in SBI Mutual Fund (L031 SBI Magnum insta cash fund-cash option)	12,243,587	—
4,554,162.43 (Nil) Mutual Fund in J M (JM-Money manager fund super plus plan - Growth 172)	57,012,649	—
6,971,118.66 (Nil) Mutual Fund in J M (JM-Money manager fund super plus plan - Growth 94)	100,000,000	—
19,055,604.25 (Nil) Baroda Pioneer Liquid Fund - Institutional Growth Plan	200,000,000	—
179,465.59 units (Nil) in Mutual Fund Templeton (Templeton Indian treasury management accountsuper institutional plan-Growth)	242,330,133	—
13,682,354.41 units (Nil) in Mutual Fund-Canara Robeco Liquid	151,186,914	—
5,771,765.55 units (Nil) in Mutual Fund Principal (Principal Floating Rate Fund-FMP iinstitutional plan - dividend reinvestment option)	85,000,000	—
7,005,155.80 units (Nil) in Mutual Fund Principal (Principal Cash Management Fund Liquid Option - Institutional plan growth)	100,000,000	—
10,305,121 (Nil) units of Rs. 10 each in Reliance Mutual Fund	150,217,155	—
4,334,823.85 (Nil) Units of Rs.10 each in L&T (Cholamandalam) Mutual Fund	78,864,456	—
521,538.17 units (Nil) units in Deutsche Mutual Fund(DWS Insta cash fund-Super Institutional plan growth)	6,028,355	—
1,740,020.86 (Nil) units in Deutsche Mutual Fund (DWS Insta cash fund - Institutional plan growth)	25,075,441	—
460 Units (Nil) of Rs. 1000 each in Axis Liquid Fund -Institutional Growth	462,230	—
187,270 (Nil) units of Rs. 10 each in Taurus Mutual Fund	199,500,020	14,500,000
2,490,966 units (Nil) of Rs 10 each in Birla Sun Life Cash Plus -Instl. Prem.-Growth	36,191,743	—
11,811 (Nil) units of Rs. 10 each in Templaton Mutual Fund	15,861,338	—
460 Units (Nil) of Rs. 1000 each in Axis Liquid Fund -Institutional Growth	655,790	—
Aggregate of Quoted - Short Term Investments	4,408,437,344	707,098,813
(Aggregate Market Value Rs. 4,404,973,472 (Previous year 990,501,502)		

Schedules forming part of the Accounts

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
Unquoted		
898,500 (898,500) equity shares of Rs. 10 each fully paid up in Delhi Stock Exchange Association Limited	62,895,000	62,895,000
5,000 equity shares (5,000) of USD 1 each fully paid up in BK Holdings Limited, Mauritius	225,700	254,750
1 equity share (1) of USD 1 fully paid up in Capital 18 Limited, Mauritius	45	51
437,459 (437,459) Series C Preference Shares of USD 0.0001 each fully paid up in Yatra Online Inc.	63,585,062	65,863,043
975,700 (975,700) Series B Preference shares of USD 0.0001 each fully paid up in Yatra Online Inc.	56,425,000	63,687,500
27,212 Units (24,818) of Rs. 100,000 each in Media Venture Capital Trust-II	2,721,200,000	2,481,800,000
1,500,015 (1,500,015) Series A Preference Shares of USD 0.0001 each fully paid up in Yatra Online Inc.	29,628,948	33,442,510
2,500,000 (2,500,000) 8% Cumulative Redeemable Non Convertible Preference Shares of Rs.100 each in BK Media Pvt Ltd	250,000,000	250,000,000
2,700,000 (2,700,000) ordinary shares of USD 0.0001 each of Yatra Online Inc.	100,526,780	113,465,650
Nil (15,511,361) equity share of Viacom18 Private Limited	—	2,350,605,119
50% share in 4,500,000 share warrants of Series "B" of Viacom18 Media Private Limited of Re. 1 each fully paid up	—	4,500,000
50% share in 3,000,000 share warrants of Series "C" of Viacom18 Media Private Limited of Re. 1 each fully paid up	1,500,000	3,000,000
1,475 (Previous year Nil) equity share of Viacom 18 Media (UK) Ltd of GBP 1 each fully paid up	117,964	—
50 (Nil) equity share of Viacom 18 Media US Inc of USD 0.01 each fully paid up	117,964	—
6 years National Savings Certificates	5,500	5,500
3,192 (3,192) equity shares of Rs. 10 each fully paid up in Skorydove Systems Private Limited	60,000,000	60,000,000
83,763 (83,763) equity shares of Rs. 10 each fully paid up in Ensemble Infrastructure India Limited	60,000,000	60,000,000
55 (57) Loan Bonds of USD 100,000 each	248,270,000	290,415,000
Aggregate of unquoted investments	3,654,497,963	5,839,934,123
Total	8,377,935,212	7,669,842,841

SCHEDULE 8 : CURRENT ASSETS, LOANS AND ADVANCES
Inventories (at cost)

Raw materials, stores and spare parts	15,278,710	66,429,528
Work in progress	6,048,479	12,818,954
Finished goods	48,440,234	709,047
Tapes	371,686,974	7,263,546
	441,454,397	87,221,075

Sundry debtors (Unsecured, considered good)

Debts outstanding for more than 6 months		
- considered good	966,037,795	345,419,729
- considered doubtful	315,857,970	303,991,654
Other Debts		
Other debts - considered good	3,435,246,535	2,126,086,301
Other debts - considered doubtful	9,157,263	—
	4,726,299,563	2,775,497,684
Less: Provision for doubtful debts	325,015,234	304,971,694
	4,401,284,329	2,470,525,990

Cash and bank balances

Cash on hand	8,174,213	3,612,305
Cheques in hand	231,424,232	1,354,067
Balance with scheduled banks :		
- in current accounts	3,178,279,623	822,056,824
- in deposit accounts	2,939,293,920	1,880,856,940
Balance with Other Banks		
- in current accounts	1,740,907,628	7,170
	8,098,079,616	2,707,887,306

Loans & advances

(Unsecured, considered good)		
Share application Money Paid for Shares	122,500,000	519,644,321
Share application Money Paid for Units	—	50,000
Amounts due from subsidiaries & Companies under same management	1,515,613,760	38,305,846
Advance to vendors	101,910,700	101,952,882
Security and other deposits	394,002,822	307,981,523
Service tax input credit	43,605,952	46,292,377
Interest accrued but not due	38,390,884	18,919,996
Advances recoverable in cash or in kind or for value to be received	2,570,247,231	1,370,592,252
- Income taxes paid	1,426,240,564	680,456,088
- MAT credit entitlement	48,124,661	40,000,000
- Fringe benefit tax paid	2,765,159	969,000
- Other advances	109,619,547	171,592,544
	6,373,021,280	3,296,756,829

SCHEDULES TO CONSOLIDATED BALANCE SHEET

	March 31, 2010 (Rs.)	March 31, 2009 (Rs.)
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SCHEDULE 9 : CURRENT LIABILITIES & PROVISIONS
Current liabilities

Book Overdraft	—	10,301,964
Sundry creditors - Micro enterprises	2,301,901	611,488
Sundry creditors - Others	3,973,806,947	3,187,152,996
Advances from customers	931,277,176	690,962,307
Excess Share Application Money refundable	52,553,515	—
Sundry Deposits	10,125,366	8,866,706
Interest accrued but not due	57,544,174	51,067,863
Other liabilities	645,557,911	313,337,138
Equity warrants refundable application money	—	23,700,000
Unclaimed dividend	3,541,831	3,775,910
Unclaimed interest and matured Public Deposits	88,883,915	41,731,199
Unclaimed debenture redemption money	602,961	793,978
	5,766,195,697	4,332,301,549

Provisions

For retirement benefits	180,285,803	212,753,641
For fringe benefit tax	8,713,002	4,470,996
For Income tax	89,275,463	91,874,802
For rebate, returns etc	10,886,086	5,697,817
For Wealth Tax	133,985	134,086
For Corporate Dividend tax	7,647,750	379,907
	296,942,089	315,311,249

SCHEDULE 10 : MISCELLANEOUS EXPENDITURE

(To the extent not Written off or adjusted)

Preliminary expenses	55,380,549	15,923
Debenture redemption premium	23,004,375	—
Rights Issue Expenses	—	91,393,168
Pre-operative expenses	35,221,388	30,207,838
	113,606,312	121,616,929

SCHEDULE 11 : PROFIT & LOSS ACCOUNT

Opening balance	(1,922,172,914)	(744,874,168)
Less: Profit on account of merger in subsidiary w.e.f. last year	—	46,343,440
Add : Profit & Loss balance of I-Ven Intereactive Limited transferred as per scheme of Arrangement	66,558,443	—
Less: Amount adjusted as per Scheme of Arrangement	51,582,294	—
Less: Transfer to General reserve	16,938,498	—
Less: Adjustment on account of change in minority interest	31,379,783	77,678,539
Add: transfer RBI Reserve	88,770,530	—
Add : Income trf from TV18 as per scheme	—	659,525,644
Add : Loss in subsidiary acquired by ibn18	—	65,167,087
Add : Dividend rec. from subsidiary	—	40,881,830
Profit/(Loss) brought forward from Profit and loss account	(1,348,145,110)	(1,818,851,328)
Closing balance	(3,214,889,626)	(1,922,172,914)

SCHEDULE 12: INCOME FROM OPERATIONS

Income from media operations	12,464,621,064	6,699,294,645
Equipment rentals and other receipts	186,038,170	24,603,846
Income from Investments	—	878,101,934
	12,650,659,234	7,602,000,425

Schedules forming part of the Accounts

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
SCHEDULE 13 : OTHER INCOME		
Interest on		
- Fixed deposits	111,889,928	91,974,152
- Others	83,525,151	69,339,694
Dividend on short term investments	11,426,450	116,383,799
Dividend from units in venture capital trust (Long Term Investment)	—	95,000,000
Dividend on Long term Investments	387,154	9,276,626
Profit / (Loss) on short term investments	669,403,596	85,006,243
Share in surplus of long term investment	217,400,000	578,000,000
Profit on sale of long term Investment	47,360,000	31,553,284
Loan Written off	5,737,220	—
Profit on Sale Of Assets	13,860,455	7,537,058
Exchange rate fluctuation	144,893,743	40,620,595
Excess provision written back	241,751,615	72,500,716
Exceptional Income	—	90,000,000
Net Income from Option Premium	1,963,229	46,480,000
Miscellaneous income	58,332,444	25,321,432
	1,607,930,985	1,358,993,599
SCHEDULE 14: PRODUCTION, ADMINISTRATIVE AND OTHER COSTS		
Cost of Shows	1,731,021,471	—
Cost of Film rights	279,777,102	—
Cost of Music rights	46,580,107	—
Film and production shoot expenses	91,025,006	—
Tapes consumed	15,292,953	10,805,842
Content and franchise expenses	493,974,822	478,419,801
Media professional fees	318,070,891	222,846,516
Consumables and spares	18,728,714	15,796,844
Other production expenses	168,740,006	117,650,478
Rent	457,564,661	466,185,623
Electricity expenses	138,939,849	140,623,867
Insurance	26,606,015	23,223,956
Traveling and conveyance	351,143,702	376,825,753
Vehicle running and maintenance	120,219,456	110,254,725
Communication expenses	165,475,205	232,007,032
Distribution, Advertising and Business Promotion	2,229,167,097	931,680,698
Event Expenses	67,111,092	77,679,661
Studio and equipment hire charges	138,788,763	109,967,306
Telecast and uplinking fees	147,212,322	99,406,903
Brand Building	—	82,595,945
Freight & Distribution Expenses	288,265,462	232,231,072
Membership and subscription	2,612,539	4,389,575
Repairs and maintenance		
- Plant & machinery	54,659,848	101,308,976
- Building	42,174,057	—
- Others	103,771,438	65,210,867
Legal and professional expenses	375,396,227	309,425,139
Directors sitting fees	4,832,327	1,232,000
Loss on sale / disposal of assets	21,367,163	660,604
Miscellaneous expenditure written off	3,269,075	787,875
Loss on exchange rate fluctuation	78,747,349	318,907,921
Bad debts written off/ Provisions	178,230,695	703,659,264
Material consumed	263,636,819	305,681,911
Miscellaneous expenses	274,236,679	148,745,478
Band Placement fee	803,978,884	509,840,135
Support costs	224,255,944	289,268,838
Airtime Purchased	12,325,572	36,387,252
Software expenses	2,518,656	8,126,151
Office expenses	35,642,948	38,762,357
Amortisation of Goodwill	—	15,193,730
Loss on sale of investments	—	518,226
Long term investments written off	—	2,055,000
	9,775,360,916	6,588,363,321

Schedules forming part of the Accounts

	As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
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SCHEDULE 15: PERSONNEL COSTS

Salaries and bonus	2,702,309,101	2,481,614,887
Contribution to provident and other funds	143,942,753	118,657,190
Staff welfare expenses	184,437,701	169,114,754
Retirement benefits	18,385,373	112,342,361
Employee stock compensation expenses	110,451,161	141,148,540
	3,159,526,089	3,022,877,732

SCHEDULE 16: INTEREST AND FINANCIAL CHARGES

Interest on:		
-Term loans	1,292,242,672	1,259,533,676
- Cash credit	173,264,746	188,087,656
- WCDL	23,096,509	—
- Fixed Deposit	163,462,369	54,299,284
- Commercial Paper	142,376,041	125,556,843
-Others	64,186,779	24,121,428
Other financial charges	267,668,405	200,489,637
	2,126,297,521	1,852,088,524

SCHEDULE 17: NOTES TO ACCOUNTS

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

S. No.	Name of Subsidiary	Country of Incorporation	Percentage of holding by the Company as at 31.03.2010
Direct Subsidiary			
1	Network18 Holdings Limited	Cayman Island	99.99
2	Network18 India Holdings Private Limited	India	100.00
3	Setpro18 Distribution Limited	India	66.00
Subsidiary by virtue of Control			
4	Television Eighteen India Limited *	India	49.68
5	ibn18 Broadcast Limited	India	50.47
Subsidiaries of Subsidiary Companies			
Subsidiaries of ibn18 Broadcast Limited			
6	RVT Media Private Limited	India	100.00
7	ibn18 Media & Software Limited (Formerly known as Jagran TV Private Limited)	India	100.00
8	Ibn18 Mauritius Limited	Mauritius	100.00
Subsidiaries of Television Eighteen India Limited			
9	iNews.com Limited	India	99.15
10	NewsWire18 Limited	India	77.50
11	RVT Investments Private Limited	India	100.00
12	Television Eighteen Mauritius Limited	Mauritius	100.00
13	Television Eighteen Media and Investments Limited	Mauritius	100.00
14	Infomedia18 Limited	India	48.11
Subsidiaries of Television Eighteen Mauritius Limited, Mauritius			
15	Web18 Holdings Limited (Note 1)	Cayman Island	57.30
16	Namono Investments Limited	Mauritius	100.00
17	TV18 UK Limited	U.K.	100.00
Subsidiaries of Web18 Holdings Limited , Cayman Islands (Note 1)			
18	E-18 Limited	Cyprus	100.00

S. No.	Name of Subsidiary	Country of Incorporation	Percentage of holding by the Company as at 31.03.2010
Subsidiaries of E-18 Limited, Cyprus			
19	e-Eighteen.com Limited	India	91.95
20	Television Eighteen Commoditiescontrol.com Limited	India	79.97
21	Web18 Software Services Limited	India	100.00
22	Big Tree Entertainment Private Limited	India	60.00
23	Care Websites Private Limited	India	90.00
Subsidiaries of e-Eighteen.com Limited, India			
24	Moneycontrol Dot Com India Limited	India	100.00
Subsidiaries of Infomedia18 Limited, India			
25	Cepha Imaging Private Limited	India	100.00
26	Glyph International UK Limited (Keyword group Limited)	U.K.	100.00
27	Keyword Publishing Services Limited (till Sep 22,2009)	U.K.	100.00
28	Glyph International US LLC (formerly Software Services LC)	U.S.A.	100.00
Subsidiaries of Glyph International UK Limited, U.K.			
29	Keyword Typesetting Services Limited	U.K.	100.00
30	Glyph International Limited (formerly Glyph International Pvt Ltd)	India	100.00
Subsidiaries of Network18 Holdings Limited, Cayman Island			
31	TV18 HSN Holdings Limited (Note 2)	Cyprus	54.32
32	The Indian Film Company Limited (w.e.f. September 7,2009) (Note 3)	Guernsey	76.92
Subsidiaries of The Indian Film Company, Guernsey			
33	The India Film Company (Cyprus) Limited	Cyprus	100.00
Subsidiary of The Indian Film Company (Cyprus), Limited			
34	IFC Distribution Private Limited	India	100.00
Subsidiaries of TV18 HSN Holdings Limited, Cyprus			
35	TV18 Home Shopping Network Limited	India	100.00
Joint ventures of ibn18 Broadcast Limited			
36	Ibn Lokmat News Private Limited	India	50.00
37	Viacom18 Media Private Limited	India	50.00
Joint venture of Television Eighteen India Limited			
38	Jagran 18 Publications Limited	India	50.00
Joint venture of E-18, Cyprus			
39	Jobstreet.com India Private Limited (till 30 March, 2010)	India	50.00
Joint Venture of Infomedia18 Limited			
40	Reed Infomedia India Private Limited	India	49.00
Associate of Network 18 Holdings Limited, Cayman Islands			
41	Film Investment Manager (Mauritius) Limited	Mauritius	50.00

Note 1. TV18 holds additional 26.97% of the capital in Web 18 Holding through its wholly owned subsidiary TEMIL. Shares of Web 18 comprise Class A and Class B equity shares. Holders of Class A ordinary shares are entitled to ten votes for every Class A ordinary shares held and the holders of Class B ordinary shares are entitled to one vote for every Class B ordinary shares held. TV18 holds Class A equity shares through its subsidiaries. Its voting power in Web 18 Holding is 88.20% which is different from the percentage of shareholding. (See also Note 2B below)

Note 2 : Percentage determined as per shareholders agreement between SAIF, GS Homeshopping and Network18 Holdings Limited and includes the stake proposed to be diluted for creation of Stock option plan.

Note 3 : Percentage holding includes 18.18% held directly by the parent , and 58.74% held by Network 18 Holdings Limited, Cayman Islands alongwith its nominee.

b. Investments held for Disposal

The following investments held by Television Eighteen Mauritius Limited for disposal, and their downstream subsidiaries have not been consolidated

Company	Country of incorporation	Percentage shareholding as at 31.03.2010
B K Holdings Limited (BKH) w.e.f 17 May, 2007-Subsidiary of TEML	Mauritius	100.00
Capital 18 Limited (Capital 18) w.e.f 6 June, 2007-Subsidiary of TEML	Mauritius	100.00

2. Background

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

- i. The company was incorporated as SGA Finance and Management Services Private Limited in 1996. The name was changed to Network 18 Fincap Private Limited in April 2006. The Company was converted into a Public Company on October 20, 2006. The name was further changed to Network18 Media & Investments Limited on December 1, 2007.
- ii. The company, by virtue of its Asset size and income pattern was classified as a Systemically Important Non Banking Financial company, but was never engaged in the business of Non Banking Financial Institution. Due to Ministry of Information and Broadcasting guidelines the company was in non compliance with Reserve Bank of India's (RBI) guidelines relating to Capital adequacy and Concentration of Investments. The Reserve Bank of India, on December 1, 2009, has accepted the company's request and cancelled the Certificate of Registration to carry on the business of Non Banking Financial Institution.

B. In relation to Television Eighteen India Limited (TV18/The Company)

- i. Television Eighteen India Limited was incorporated in 1993 and is primarily engaged in content production and broadcasting.
- ii. Television Eighteen Mauritius Limited (TEML) was incorporated in 1996 in the Republic of Mauritius under the Mauritius Offshore Business Activities Act, 1992 with production of television programmes as its principal business activity. The said Act has since been repealed and replaced by the Companies Act, 2001 under which TEML is a company holding Category 1 Global Business License and is regulated by the Financial Services Commission of Mauritius.
- iii. e-Eighteen.com Limited (E-18) was incorporated on 28 March, 2000 as a subsidiary of the Company with the primary objective of setting up of business and finance internet portal. E-18 acquired the business of an established personal finance portal Money-control Dot Com India Limited (MCD) on 21 May, 2000. Shares of E-18 were sold to E-18 Limited, Cyprus (E-18, Cyprus) on 15 June 2006 and subsequent to the sale E-18 became a subsidiary of E-18 Limited, Cyprus.
- iv. iNews.com Limited was incorporated on 28 August, 2000 as a subsidiary of TV18 and is yet to commence operations.
- v. RVT Investments Private Limited was incorporated on 9 July, 2006 as the subsidiary of TV18 with the primary objective of dealing or trading in shares, securities and debentures.
- vi. Newswire18 Limited (Newswire) (formerly News Wire 18 India Private Limited) was incorporated on 18 September, 2006 as Livewire Motion Pictures Private Limited. Newswire became a subsidiary of the Company consequent to the transfer of the entire share capital of the promoters of Livewire Motion Pictures Private Limited i.e. Raghav Bahl, Sanjay Ray Chaudhuri and Vandana Malik, to the Company on 15 November, 2006. The name change was effective from 1 December, 2006 pursuant to a resolution passed by the members for the same. During the year ended 31 March, 2007 Newswire acquired the staff and business of Crisil Market Wire Limited, India's first real-time financial news agency and market data platform Company.
- vii. Mobilenxt Teleservices Private Limited (Mobilenxt Tele) was incorporated in February 2006 with the primary objective of retailing of mobile handsets, accessories and related products and services. Mobilenxt Tele became an associate of the Company in March 2008 and it was subsequently sold on 29 September, 2008.
- viii. MobileNXT Online Private Limited (MobileNXT Online) was incorporated on 27 August, 2007 with the objective of engaging in the business of online marketing and selling of electronic products, mobile phones etc. MobileNXT Online was an associate w.e.f 7 September, 2007 upto 13 January, 2008 and became a subsidiary of TV18 w.e.f 14 January, 2008. MobileNXT Online had not commenced operations and the holding in this company was disposed off on 29 September, 2008.
- ix. Television Eighteen Media and Investment Limited (TEMIL) was incorporated in Mauritius under the Companies Act 2001, on 28 November, 2007 and is a wholly owned subsidiary of the Company. TEML has been incorporated with the primary objective of engaging in media business and investing in media undertakings.
- x. TV18 acquired a majority stake in I-Ven Interactive Limited during the year ended 31 March, 2009. Further, TV18 acquired control of the Board of Directors of Infomedia18 Limited (formerly Infomedia India Limited), a listed company which is a subsidiary of I-Ven, on 21 August, 2008. A scheme of arrangement to merge I-Ven into Infomedia had been filed with the Hon'ble High Court of Bombay on 18 February, 2009. The scheme became effective from 25 August, 2009. Infomedia, its subsidiaries and its joint venture company are engaged in print media operations including publishing of business directories and special interest magazines in India, printing, E-publishing services and agency services.
- xi. Jagran 18 Publications Limited was incorporated on 10 March, 2008 as a 50:50 Joint Venture between Television Eighteen India Limited and Jagran Prakashan Limited. TV18 had not yet commenced its business operations as at the year end.

C. In relation to ibn18 Broadcast Limited (ibn18)

- i. ibn18 Broadcast Limited was incorporated on 6 June, 2005 as Global Broadcast News Private Limited. It was converted into a public limited Company and a revised Certificate of Incorporation was issued to give effect to this change w.e.f. 12 December, 2005. Later, the name of the ibn18 was changed to ibn18 Broadcast Limited and a revised Certificate of Incorporation was issued to give effect to this change on 02 April, 2008. ibn18 is in the business of broadcasting, telecasting, relaying and transmitting general news programmes and operates the news channel "CNN IBN" (consequent to a licensing and content sharing agreement with Turner Broadcasting System Asia Pacific, Inc.). The commercial operations of the Company commenced on 17 December, 2005. Further, after merger of ibn7 undertaking of Jagran TV Private limited, ibn18 is broadcasting, telecasting, relaying and transmitting hindi general news programmes and operates the news channel "IBN7".
- ii. RVT Media Private Limited (RVT Media), a 100% subsidiary of ibn18, is engaged in the business of broadcasting, telecasting, transmitting or distributing in any manner, any audio, video or other programmes or software.
- iii. ibn18 Media & Software Limited (Jagran TV) has become 100% subsidiary of ibn18, pursuant to Scheme of Arrangement approved by the High Court Order dated 22 November, 2008 with effect from 1 October 2007.
- iv. 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.
- v. 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".
- vi. 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.

D. In relation to Setpro18 Distribution Limited (Setpro)

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

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

Network 18 Holdings Limited, Cayman Islands is the holding company of TV18 HSN Holdings Private Limited. In an open offer made during the year, the company, along with its nominee, has acquired a 58.74% stake in The Indian Film Company Limited, Guernsey (TIFC). Together with the 18.18% shares held by Network 18 Media & Investments Limited directly in TIFC, the groups' stake in TIFC aggregates to 76.92%.

F. In relation to The Indian Film Company, Guernsey

The Indian Film Company Limited (TIFC) operates an authorised closed-ended investment scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, domiciled in Guernsey and incorporated as a limited liability company under Guernsey law. TIFC's Ordinary Shares are traded on AIM, a market operated by the London Stock Exchange.

TIFC (The Indian Film Company Limited and its Subsidiaries) seeks to invest in films where TIFC retains full ownership of all Intellectual Property Rights ("IPR") relating to each film, although ownership may be shared with co-producers, directors and actors where necessary. The broad objective of TIFC is to build a film library of IPR. These acquired rights will be exploited worldwide and across various platforms, such as theatrical, music, home video, satellite and all other existing or yet to be created media including, but not limited to, websites, publishing, gaming and merchandising. TIFC may also sell rights for films prior to their release where it is in the commercial interest of the Group, although it is not TIFC's intention to trade in film rights. The Directors and the scheme under the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended, domiciled in Guernsey and incorporated as a limited liability company under Guernsey law. The Company's Ordinary Shares are traded on AIM, a market operated by the London Stock Exchange.

TIFC's subsidiaries in Cyprus and India are engaged in the Production, acquisition, sale and distribution of Indian films worldwide.

G. In relation to Film Investment Managers (Mauritius) Limited (FIML)

FIML is the investment manager for TIFC.

H. In relation to TV18 HSN Holdings Limited, Cyprus

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

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

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

TV18 HSN is primarily engaged in the business of distribution of consumer and other products and to provide services to customers at their doorstep pursuant to orders placed by the customers for listed vendor products on its television channel, website and on call centres operated specifically for this purpose.

3. Significant Accounting Policies

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

The significant accounting policies adopted in presentation of the financial statement

a. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the financial statements and the reporting amounts of income and expenses during the year. Examples of such estimates include provision for doubtful debts, future obligations under employee retirement benefit plans, income taxes, and useful life of fixed and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

b. Basis of consolidation

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

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

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

- i. The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. Inter-company balances and transactions and unrealised profits or losses have been fully eliminated.
- ii. Interest in jointly controlled entities is reported using proportionate consolidation.
- iii. The consolidated financial statements include the share of profit/loss of associate companies, which are accounted under the 'Equity method' as per which the share of profit/loss of the associate company has been added/adjusted to the cost of investment. An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture.

- iv. The excess of cost to the Company of its investments in subsidiary companies over its share of the equity of the subsidiary companies at the dates, on which the investments in the subsidiary companies are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment, is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- v. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments.

c. Revenue Recognition

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

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

Revenues from licensing of film rights are recognised, net of all indirect taxes, when it is probable that future economic benefits will be obtained by the Group, when these revenues can be reliably measured and once all of the following criteria are met:

- on delivery of the film;
- on the agreement for sale or licensing of the film;
- on commencement of the license to exploit;
- an on agreed consideration; and
- where collection of income is assured
- Theatrical - revenue is recognised in accordance with the licensing agreement as the films are screened and is stated at the minimum guarantee due, where applicable, plus the Group's share of box office receipts in excess of the minimum guarantee;
- Music and home video - in the case of the sale of rights, revenue is stated at the minimum guaranteed revenue due, plus the Group's share in any overflow. Home video product revenues, less a provision for estimated returns and rebates, are recognised upon shipment. In the case of the in-house distribution of DVDs/VCDs, revenue is recognised on delivery;
- Satellite/television broadcasting - revenue is recognised in accordance with the licensing arrangements when the Group has no remaining obligations to perform and all other conditions for sale have been met and is recognised on the first day of commencement of the license period for the exploitation of such right;
- Sale of film rights - where film rights are sold prior to film release, revenue is recognised on the execution of the agreement for the transfer of such rights.
 - Advertisement sales commission from acting as an advertising agent is recognised when the advertisement is transmitted and the necessary intimation is received from the principal.
 - Revenues from production and supervision commission are recognised on the basis of completion of milestone of the movies under production
- Licensing and Merchandising
 - Licensing and merchandising revenue is recognised as per the terms of the arrangement.
- Other Sales and Service Income
 - Brand Solutions and Marketing Partnership revenue is recognised as per the terms of the arrangement.
 - Revenues from distribution commission are recognized on the date of release of the movie.
- Licensing of Film Rights
 - Revenues from theatrical distribution of movies are recognised on the theatrical release of the movie

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

Setpro 18 Distribution Limited, the company has postponed recognition of Band Placement fees. The proportionate amounts of Band Placement fees upto the date when the contracts have been signed are recognized in the month of signing of the contract. The balance is spread equally over the remaining duration of the contract. Similar treatment has been applied to expense relating to carriage fee, which is directly variable to the Band placement income.

- ii. Interest income is recognised on time proportionate basis taking into account the amount outstanding and the rate applicable.
- iii. Equipment rental is accounted for on the accrual basis for the period of use of equipment by the customer. Other receipts are recognised on rendering of services or accrual basis in accordance with contracts with customers.
- iv. Dividends on investments are accounted for when the right to receive dividend is established.

d. Fixed Assets

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

e. Depreciation

Depreciation on all assets is charged on straight line basis over the estimated useful lives using rates (including double / triple shift depreciation rates wherever applicable) prescribed by Schedule XIV of the Companies Act, 1956, except in respect of:

- i. Cost of improvements to leasehold premises which is amortised over the remaining period of lease (including renewal options) of the premises.
- ii. Computer software which is depreciated over a period of 5 years in case of Television Eighteen India Limited (TV18) and News-wire18 Limited and 4 years in case of Infomedia and 3 years in case of Web 18 Holding and its subsidiaries (Web Group).
- iii. Furniture and fixtures which are depreciated over a period 10 years in case of TEML and 5 years in case of the Web Group.
- iv. Vehicles which are depreciated over a period of 4 years in case of Web Group.
- v. Vehicles of Infomedia and its subsidiaries, which are depreciated on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956
- vi. Plant & machinery - distribution equipment which is depreciated over a period of 8 years in case TV18.
- vii. Plant & machinery which is depreciated over a period of 5 years in case of TEML and 2-5 years in case of the Web Group.
- viii. Computer hardware which is depreciated over a period of 3 years in case of the Web Group.
- ix. Web site development costs that provide additional functions or features to the Web Group's website are capitalised and amortised over the estimated life of two years.
- x. Major reconditioning expenses on plant, machinery and equipment of Infomedia Group are depreciated over a period of three years or life of the assets, whichever is lower.
- xi. Cost of leasehold land is amortised over the period of lease.
- xii. News archives are depreciated on a straight line basis at the rate of 4.75% per annum. Useful life of news archives is estimated for a period longer than 10 years as the contents of the same are continuously used in day to day programming and hence the economic benefits from the same arise in a period longer than 10 years.
- xiii. Goodwill arising on acquisition of assets and acquired brands are amortised over a period of five years.
- xiv. Depreciation on additions is charged proportionately from the date of acquisition/ installation except in case of TEML where the assets are depreciated for the full year in the year of acquisition. Assets costing Rs. 5,000 or less individually are fully depreciated in the year of purchase.
- xv. Depreciation on assets disposed-off during the year is charged proportionately till the date of sale except in the case of TEML where no depreciation is charged in the year of disposal.
- xvi. Viacom18 is providing depreciation / amortisation of fixed assets on straight line method on a prorata basis at the following rates:

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

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

f. Goodwill on consolidation

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

g. Impairment of tangible assets

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

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

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

h. Intangible assets (in relation to TIFC)

Investment in films and associated rights, including acquired rights in respect of released films are stated at cost less accumulated amortisation and any provision for impairment. All intangible assets are deemed to have finite useful economic lives, which vary from film to film. Amounts are paid to producers for the acquisition of rights in film projects. TIFC Group also makes payments to hire key talent for the production of its own films, with such payments reflected as current or non-current assets as appropriate. Amounts due to these producers or key talents in accordance with their contracts, but that are not due for payment as at the financial reporting date, are disclosed as outstanding capital commitments.

Work in progress in relation to films under production is carried at cost including appropriate labour costs and other overheads. Where applicable, directly attributable financial costs are also included.

The TIFC Group amortises film costs using the individual-film-forecast method. Under the individual-film-forecast method, such costs are amortised for each film in the ratio that current period revenue for such films bears to management's estimate of remaining unrecognised ultimate revenue as at the beginning of the current fiscal year. Management regularly reviews and revises, where necessary, its total estimates on a film-by-film basis, which may result in a change in the rate of amortisation and/or a write down of the intangible asset to recoverable amount. The amortisation charge is included under cost of sales in the profit and loss account.

The assets are assessed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If any such indication of impairment exists, the Group makes an estimate of its recoverable amount. The impairment charge is included under cost of sales in the profit and Loss account.

i. Inventory valuation

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

Viacom 18 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 is 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.
 - iii. 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.
- Other inventories of raw materials like paper and binding material, work in progress and finished goods are valued at lower of cost or net realisable value. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and to make the sale.

j. Investments

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

k. Employee Benefits

- i. The employees' provident fund scheme is a defined contribution plan. 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 of the Group provides for a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

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

The liability with respect to the Gratuity Plans is determined based on actuarial valuations done by independent actuaries at the year end and any differential between the fund amount as per the insurer and the actuarial valuation is charged to revenue.

- vi. Benefits comprising long term compensated absences constitute other long term employee benefits. The liability for compensated absences is provided on the basis of an actuarial valuation done by an independent actuary at the year/period end. Actuarial gains and losses are recognised immediately in the profit and loss account.
- v. In case of Infomedia, voluntary retirement compensation is fully charged off in the year of severance of service of the employee

I. Miscellaneous Expenditure

- i. Preliminary expenses
Preliminary expenses of the parent incurred till 31 March, 2003 are amortised over a period of 10 years. For the subsidiaries, preliminary expenses are either written off when incurred or amortised over 2 to 10 years.
- ii. Premium on redemption of debentures
Premium on redemption of debentures is written off over the term of the debentures.

m. Foreign Currency Translation

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

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

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

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

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

n. Tax

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

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal, subject to consideration of prudence, in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. If there are carry forward of unabsorbed depreciation and tax losses, deferred tax assets are recognised only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits. Unrecognised deferred tax assets of earlier years are reassessed and recognised to the extent that it has become virtually/reasonably certain that future taxable income will be available against which such deferred tax assets can be realised.

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

The TIFC Group Company has been granted exemption from Guernsey taxation under The Income Tax (Exempt Bodies) (Guernsey) Ordinance 1989 and is charged an annual exemption fee of £600. The Directors intend to conduct the Company's affairs such that it continues to remain eligible for exemption from Guernsey tax. TIFC's Cypriot Subsidiary is charged tax on income at the rate of 10%. TIFC's Indian Subsidiary is charged tax on income at the rate of 33.99%. Revenue is recorded gross of applicable taxes but net of indirect taxes, such as Value Added Tax ("VAT"). Direct tax expense is recognised through the Profit and Loss account as incurred and indirect taxes are included in the Balance Sheet as payable to or due from the relevant fiscal authority

Under the current Mauritius Legislation, Television Eighteen Mauritius Limited is subject to income tax at the rate of 15% but is entitled to a tax credit for the foreign taxes equivalent to the greater of the actual foreign taxes paid and 80% of Mauritius tax payable on its foreign source income.

There are no taxes on income or gains in the Cayman Islands and Web18 Holdings Limited has received an undertaking from the Governor in Cabinet of the Cayman Islands exempting it from all local income, profits and capital taxes for a period of twenty years from 9 May 2006. Accordingly, no provision for income taxes has been made.

In accordance with the provisions of the Cyprus Income Tax Laws, E 18 Limited - Cyprus's chargeable profits, as adjusted for tax purposes, are liable to corporation tax at the rate 10%. Furthermore, E 18 Limited - Cyprus is subject to 10% special contribution levied on interest receivable other than that arising out of the ordinary course of business and closely related activities of E 18 Limited - Cyprus.

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

o. Website development costs

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

p. Accounting for Employee Share Based Payments

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

q. 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.

r. Leases

i. Operating Lease

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

ii. Finance Lease

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

s. Earnings per Share

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

t. Segment Information

Business segments

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

u. 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.

v. Derivative Instruments

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

w. Share capital

In the case of TIFC group, Funds received from the issue of Ordinary Shares are allocated to the distributable reserve in accordance with Guernsey company law.

5. Significant transactions / other disclosures

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

i. Issue of shares during the year under review

- a) 232,645 (120,198) Equity shares were issued pursuant to Stock Option plans,
- b) 15,762,889 (Nil) Equity Shares were issued pursuant to a QIB placement at a price of Rs. 130/- per share
- c) 17,181,818 (Nil) Equity shares were issued consequent to conversion of SOFCDs which were issued at a rate of Rs. 110/- per SOFCD share (Note 6 a),
- d) 9,202,650 (Nil) Equity shares were issued pursuant to a Preferential Allotment at a rate of Rs. 130/- per share
- e) 12,024 (10,272,355) Equity shares were issued consequent to conversion of PCCPs.
- f) 13,177 (10,060,806) Equity shares were issued pursuant to conversion of warrants.

ii. During the year 12,072 PCCPs on which the call money was unpaid were forfeited.

iii. Funds raised

- a) The Company has utilised an aggregate sum of Rs. 1,972.43 millions towards the stated purposes, from the proceeds of the Rights Issue of Partly Convertible Cumulative Preference Shares of Rs. 200/- each. The Unutilised funds of Rs. 66.56 millions are invested in Mutual Funds / Bank Fixed Deposits.
- b) The Company has utilised the proceeds from Preferential allotments for the purpose they were raised.
- c) The Company raised a sum of Rs. 2049.17 millions from a QIB Placement of equity shares and has utilised a sum of Rs. 1918.92 millions for the purpose it was raised . The unutilised funds of Rs. 67.26 millions are invested in Mutual Funds / Bank Fixed Deposits.

iv . Consequent to cancellation of the certificate of registration granted to the company to act as a Non Banking Financial Institution, the balance in the Special reserve created u/s 45IC of the Reserve Bank of India to the Profit and Loss account.

B. In relation to Film Investment Managers (Mauritius) Limited

- i. In consideration for its services under the Investment Management Agreement, the TIFC Group Company pays to Film Investment Managers (Mauritius) Limited (the "Investment Manager") a management fee of 2.00% per annum of the Group's opening net asset value ("NAV") for the relevant year, payable quarterly in advance in Sterling. On 30 March 2010, the Group agreed to a reduction in the management fee from 2% of the opening NAV to 1% of the opening NAV. In recognition of the lower fee in relation to the year ended 31 March 2010, the Investment Manager may have the opportunity to earn a fee in excess of 2% for the financial years ending 31 March 2011 and 31 March 2012.
- ii. N18 Media's share of each of the assets, liabilities, income and expenses, etc. related to its interest in joint ventures in respect of Film Investments Manager (Mauritius) Limited is as under:

	Particulars	As at 31.03.2010
A	Assets	
	Current assets	
	Cash and bank balances	15,958,040
	Prepaid expenses	2,537,816
	Advance Tax AY 10-11	205,297
	Accrued interest	49,035
B	Reserve and surplus	18,105,664
C	Liabilities	
	Current Liabilities & Provisions	412,173
D	Income	
	Management Services	2,678,990
	Other income	56,428
E	Expenses	
	Advisory fee	1,775,650
	Administrative expenses	142,454
	Foreign exchange loss	1,264,256
	Audit fee	4,732
	Finance charges	1,858
F	Profit for the Year Before Tax	(453,533)
G	Profit for the Year After Tax	(453,533)

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

i. Rights Issue

During the current year TV18 made a rights issue of 60,007,121 equity shares of Rs. 5 each at a premium of Rs. 79 per share aggregating to Rs. 50,405.98 lakhs to the existing shareholders of the Company. The rights issue opened on 29 September, 2009 and closed on 14 October, 2009.

Pursuant to the approval dated 26 October, 2009 of the Right Issue Committee, TV18 has allotted 60,007,121 equity shares of Rs. 5 each at a premium of Rs. 79 per share. The Company has called Rs. 21 per share on application, Rs. 29.40 per share on first call and Rs. 33.60 per share on final call on the allotted shares. The rights issue resulted in an increase in the equity share capital by Rs. 2,940.16 lakhs and securities premium by Rs. 46,454.50 lakhs. As on 31 March, 2010, there were 1,979,148 partly paid shares in respect of which calls were in arrears

TV18 has incurred expenses of Rs. 1,629.58 lakhs (Rs 406.53 lakhs upto 31 March, 2009) in connection with the rights issue of equity shares. This amount has been set off against the securities premium arising from the issue of shares on rights basis, as permitted under Section 78 of the Companies Act, 1956.

The proceeds from the rights issue of equity shares aggregated to Rs. 49,439.31 Lakhs. Of these, Rs. 17,129.58 Lakhs have been utilised for the purposes stated in the "Letter of Offer". The balance of Rs. 32,309.73 Lakhs has been deployed in mutual funds/banks and an amount of Rs. 44.66 Lakhs was refundable as at the year end.

ii. Equity Warrants

TV18 in its extra ordinary general meeting held on 6 October, 2007, approved the issue and allotment of 5,000,000 convertible warrants (the warrants) of Rs. 796 each in accordance with the provisions of Securities and Exchange Board of India (Disclosures and Investor Protection) Guidelines, 2000 to network18 India Holdings Private Limited (N-18 Holding), a fellow subsidiary of the Company. TV18 allotted the warrants on 10 October, 2007 pursuant to which the Company received Rs. 398 million being 10% of the total amount of Rs. 3,980 million in respect thereof.

As per the terms of allotment each warrant is convertible into one fully paid up equity share of face value of Rs. 5 each at a premium of Rs. 791 per share on exercise of the option to convert the warrant into an equity share and is to be further adjusted for corporate actions such as bonus issue, right issue etc.

Subsequent to the bonus issue of 1:1, declared in the AGM of TV18 held on 7 September, 2007 (record date 18 October, 2007), warrants held by N-18 Holding are convertible into two fully paid up equity shares of face value of Rs. 5 each at a premium of Rs. 393 per share on exercise of the option to convert the warrants into equity shares. N-18 Holding had exercised the option to convert 2,500,000 warrants and 50,000 warrants during the year ended 31 March 2008 and 31 March 2009 respectively and

TV18 had issued 5,100,000 fully paid up equity shares of Rs. 5 each at a premium of Rs. 393. Further, N-18 Holding indicated its unwillingness to exercise the option to convert the balance 2,450,000 warrants into equity shares due to adverse market conditions. Consequently Rs. 195.02 million representing 10% of the amount received pursuant to the allotment of such warrants was forfeited and transferred to capital reserve during the previous year.

iii. Operational outlook

During the year, the Infomedia has raised equity vide rights issue to augment its equity. The Infomedia Group is in the process of restructuring its businesses. Accordingly, new lines of business are being added, which along with consolidation of existing products and introduction of new products in the publishing segment are expected to improve the revenues of Infomedia Group. Further, the Infomedia Group is also in the process of introducing new technologies in its product offering, so as to cater to newer markets and de-risk the revenue streams. Infomedia has also entered into a Share Purchase Agreement ('SPA') with Knowledgeworks Global Private Limited, a Cenvco Inc. company, in May 2010 to sell its entire equity stake in its four subsidiaries carrying on the Publishing BPO business which would result in significant cash flows to Infomedia during the year to end 31 March, 2011. The SPA is subject to necessary approvals.

The Web Group is currently implementing a plan to increase turnover, improve profitability and the financial position of the Web Group. The Web Group has been in investment mode in last few years and has incurred substantial product development and promotional expenses. Further, there has been an infusion of equity during the current year.

Newswire has incurred operating losses during the year ended 31 March, 2010 and there has been erosion in its net worth. Management expects to achieve operational break even and to generate profits in due course.

iv. Investment in Infomedia 18 Limited

TV18, I-Ven Interactive Limited ('I-Ven'), Infomedia 18 Limited (Infomedia) (formerly Infomedia India Limited) ('Target Company') and India Advantage Fund – II ('IAF II'), a trust constituted under the provisions of the Indian Trust Act, 1882, had entered into a Share Purchase, Share Subscription and Warrant Subscription Agreement dated 11 December, 2007 ('agreement'). As at the date of the agreement, the Target Company was a subsidiary of I-Ven and is listed on the Bombay Stock Exchange Limited ('BSE') and the National Stock Exchange of India Limited ('NSE'). Further, as at the date of the agreement, I-Ven held 12,396,999 equity shares of the Target Company representing 62.73% of the outstanding equity shares of the Target Company. As per the terms of the agreement, subject to statutory and regulatory clearances:

- a. TV18 agreed to purchase from IAF II such number of fully paid up equity shares of I-Ven ('sale shares') which would transfer to the TV18 an economic interest of 40% of the issued and paid up equity shares of the Target Company. In addition, TV18 agreed to subscribe to and I-Ven agreed to issue and allots a stipulated number of fully paid up equity shares ('subscription shares') of I-Ven. As at the year ended 31 March, 2008, TV18 had not purchased/subscribed to the above mentioned shares and had a commitment of Rs. 1,779 million as at the year ended 31 March, 2008, in respect of the above. Pursuant to the agreement, the said consideration was to be placed in an escrow account pending which TV18 was to provide for interest, at the rate of 14 % per annum compounded monthly.
- b. It was envisaged that TV18 would make an offer ('offer') as per the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 1997 to the shareholders of the Target Company for acquiring up to 20% of the voting capital of the Target Company. In the event, TV18 is not able to acquire an economic interest of 53% of the issued and paid up equity shares of the Target Company after the offer and purchase of sale shares, IAF II agreed to sell additional equity shares ('subsequent sale shares') of I-Ven to TV18 to ensure that TV18 acquires an economic interest of 53% in the issued and paid up equity capital of the Target Company.
The offer closed on 28 April, 2008 and TV18 acquired 720,931 equity shares (face value Rs. 10 each) at an aggregate cost of Rs. 170.86 million representing 3.63% of the voting capital of the Target Company pursuant to such offer.
- c. The Target Company agreed to issue 5,000,000 warrants ('warrants') to TV18, in accordance with Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000 – Guidelines for Preferential Issues. The warrant consideration price was fixed at Rs. 237 per warrant. Each warrant was convertible into one fully paid up equity share of Rs. 10 each of the Target Company on exercise of options and on payment of the stipulated warrant exercise price. The option was exercisable during a period of 18 months from the date of allotment of warrants that is 7 February, 2008. During the year ended 31 March, 2008, TV18 had paid 10% of the consideration price i.e. Rs. 23.70 per warrant aggregating to Rs. 118.50 million to the Target Company and 5,000,000 warrants were allotted to TV18.
- d. Further on 21 August, 2008:
 - i. IAF II agreed to transfer 5,451,900 shares of I-Ven held by it to TV18.
 - ii. TV18 agreed to subscribe to and pay for 2,775,566 shares of I-Ven, being the subscription shares, at a fair value determined as Rs. 216.17 per share.
As at 31 March, 2009, TV18 had purchased/subscribed to 8,227,466 shares i.e 63.98% of the issued and paid up equity shares of I-Ven amounting to Rs. 1,778.55 million. Further TV18 had taken control of the Board of Directors of Infomedia on 21 August, 2008.
TV18 had also paid interest amounting to Rs. 98.66 million (Previous year Rs. 57.22 million) during the year ended 31 March, 2009 for acquisition of Infomedia.
- e. TV18 had decided to not subscribe to the warrants at the aforementioned consideration price subsequent to the year ended 31 March, 2009, in view of the market conditions, and had accordingly written off its investment in 5,000,000 partly paid convertible equity warrants amounting to Rs. 118.50 million as per the principles laid down under Accounting Standard Contingencies and Events Occurring After Balance Sheet Date during the year ended 31 March, 2009.
- f. A scheme of arrangement to merge I-Ven into Infomedia had been filed with the Hon'ble High Court of Bombay on 18 February, 2009. The scheme became effective from 25 August, 2009 and I Ven Interactive Limited merged with Infomedia 18 Limited on the effective date. TV18 had been allotted 7,894,052 equity shares of Rs. 10 each of Infomedia 18 Limited in exchange of 8,227,466 equity shares of Rs. 10 each held in I-Ven Interactive Limited. Consequently, TV18's direct holding in Infomedia 18 Limited increased to 43.32% of the equity share capital.
- g. Infomedia 18 Limited has made a rights issue of equity shares of Rs. 10 each at a premium of Rs. 23.50 per share aggregating to Rs. 9,989.89 lakhs to the existing shareholders of Infomedia 18 Limited. The rights issue opened on 29 December, 2009

and closed on 15 January, 2010. TV18 subscribed to 15,298,078 equity shares at Rs. 33.50 per share (face value of Rs 10 per share at a premium of Rs 23.50 per share) amounting to Rs. 5,124.86 lakhs in the right's issue and its direct holding in Infomedia further increased to 48.11% as at the year end.

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

The shareholders of TV18 vide postal ballot resolutions dated 12 September, 2006 and 16 July, 2007 permitted TV18 to take an indirect equity exposure in a venture capital trust structure post which TV18 executed a trust deed to form the Media Venture Capital Trust-II ('MVCT'). The objective of the Trust is to make strategic investments in businesses including in the media and entertainment industry through companies/special purpose vehicles (SPVs). TV18 also entered into a co-investment agreement with Mr. Raghav Bahl, the promoter, who has guaranteed a minimum stipulated rate of return on the investment over a specified period. The investment in MVCT as at 31 March, 2010 was Rs. 2,721.20 million (Previous year Rs. 2,481.80 million) as against the limit of Rs. 4,000 million approved by the shareholders. MVCT directly or through companies/SPVs has invested in various companies which are at different stages of start up/ operations. Management has reviewed the business plans/financial statements/valuations of these companies. Based on management's evaluation of these companies current operations and future business plans management is of the view that these investments will yield reasonable returns post the gestation period. Other income includes Rs. Nil (Previous year Rs. 95 million) pertaining to dividends from units of MVCT.

vi. Investment in ibn18 Broadcast Limited

TV18 through its subsidiary RVT Investments Private Limited (RVT) had acquired 15,000,000 convertible warrants of Rs. 102 each in ibn18 Broadcast Limited (IBN) on a preferential basis in accordance with Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. Each warrant was convertible into one fully paid equity share of Rs. 2 each.

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

During the current year, RVT exercised the option to convert the balance 2,500,000 warrants into equity shares of Rs. 2 each. This has resulted in an increase in the stake of RVT in the paid up share capital of IBN to 21.17% (Previous year 20.07%). Further, RVT has applied for issue of 11,536,848 equity shares of Rs. 2 each of ibn18 Broadcast Limited at a premium of Rs. 91.50 on rights basis. RVT has paid Rs. 357,626,788 towards application money at Rs. 31 per share.

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

vii. Acquisition of Big Tree Entertainment Private Limited

On 1 March, 2007, Web Group (part of TV18 group) had entered into a business purchase agreement with Big Tree Entertainment Private Limited (Big Tree) and the promoters of Big Tree to acquire 60% post issue equity share capital in Big Tree. The said share capital was acquired by way of subscription of 8,548 partly paid up equity shares issued by Big Tree and purchase of 2,581 fully paid up equity shares from the promoters for Rs. 145 million (USD 3.21 million). The agreement also provided for a further consideration of Rs. 50 million (USD 1.11 million) to be paid to Big Tree for the partly paid up shares if Big Tree's current account bank balance fell below Rs. 10 million (USD 0.22 million). Of this Rs. 36.5 million (USD 0.81 million) has been paid until 31 March, 2010.

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

- a. Additional 5% post issue equity shares on the expiry of 18 months from the completion date for a consideration amounting to Rs. 37.5 million (USD 0.83 million); and
- b. Additional 5% post issue equity shares on the expiry of 24 months from the completion date. for a consideration amounting to Rs. 37.5 million (USD 0.83 million).

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

viii. Acquisition of Care Websites Private Limited

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

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

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

The above put/ call options have not been exercised as at the year end.

ix) Acquisition of Cricketnext.com

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

x) Joint Ventures

Web Group had invested in 50% of the equity share capital of JobStreet.com India Private Limited on 15 November, 2006.

During the current year, the Group entered into an agreement dated 11 March, 2010 for sale of its investment in JobStreet.Com India Private Limited to the joint venture partner, Jobstreet.Com Pte Limited, Singapore. The sale consideration comprises of:

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

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

xi) Acquisition and Disposal of Ambit Capital Private Limited

On 24 July, 2007, the Web Group acquired 35% equity stake in Ambit Capital Private Limited for a consideration of USD 1,263,482 i.e. approximately Rs. 50.50 million. On 20 March 2008, the Group sold 34.5% of its stake in Ambit Capital Private Limited for a consideration of USD 1,019,944 i.e. approximately Rs. 40.77 million. On 5 January, 2009 the Group sold the remaining stake in Ambit Capital Private Limited for a consideration of USD 276,756 i.e. approximately Rs. 13.39 million. The investment in Ambit Capital Private Limited has been accounted for under the equity method from the date of allotment of shares i.e. 24 July 2007 to the date of divestment of equity shares below 20% i.e. 20 March, 2008.

xii) Business Transfer Agreement with Burrp! Software Private Limited

Infomedia entered into a Business Transfer Agreement with Burrp! Software Private Limited ("Burrp") for acquiring the specified business of Burrp as a going concern on a slump sale basis for a lump sum consideration of Rs. 42,550,000 from 15 March, 2009. The said consideration was allocated on an estimated basis as under:

Particulars	Amount (Rs.)
Intangible assets	40,422,500
Computers	2,127,500
Total	42,550,000

xiii Rights issue of Infomedia18

- a) During the year, Infomedia 18 Limited has made an issue of equity shares on rights basis in the ratio of three equity shares for every two equity shares held on the record date. The rights issue consisted of 29,827,655 equity shares issued at a premium of Rs.23.50 per equity share aggregating to Rs. 998,989,062. The issue opened on 29 December, 2009 and closed on 15 January, 2010 and was fully subscribed.
- b) Infomedia has utilised an aggregate sum of Rs. 778,989,062 towards the purposes as stated in the prospectus filed for the offer of shares on rights basis, from the proceeds of the rights issue of equity shares of Rs.33.50 each. The unutilised funds of approximately Rs. 220,000,000 are deployed in Liquid Mutual Funds disclosed as Current Investments in the Balance sheet.
- c) Infomedia has incurred expenses of Rs. 213.25 lakhs in connection with the rights issue of equity shares. This amount has been set off against the securities premium arising from the issue of shares on rights basis, as permitted under Section 78 of the Companies Act, 1956.

xiv. Zero Coupon Secured Partly Convertible Debentures (ZCSPCD)

TV18 had, during the year ended 31 March, 2003, issued 895,546 ZCSPCD of face value of Rs. 150 each for cash at par on right basis to the existing equity shareholders of TV18 in the ratio of 1 ZCSPCD for every 13 equity shares held. Rs. 20 of the ZCSPCD was to be converted into two equity shares of Rs. 10 each. Accordingly, TV18 had allotted 1,791,092 shares to the ZCSPCD holders. The balance of Rs. 130 was to be redeemed together with a premium of 25% of the value redeemed in four annual installments commencing from the end of the third year of the issue date. The premium on debentures is charged to the share premium account.

Year	Principal amount per ZCSPCD	Principal	Redemption premium	Premium amount per ZCSPCD	Total redemption amount per ZCSPCD
	(Rs.)	%	%	(Rs.)	(Rs.)
3	19.50	15	25	4.88	24.38
4	19.50	15	25	4.88	24.38
5	19.50	15	25	4.88	24.38
6	71.50	55	25	17.88	89.38
Total	130.00			32.52	162.52

The ZCSPCDs holder's interest in respect of redemption thereof, all costs, charges, expenses and other monies were secured by way of an exclusive charge on land and first pari passu charge on the other fixed assets of TV18.

The first, second and third installments of redemptions were paid in February 2006, March 2007 and February 2008 respectively. The fourth and final installment of Rs. 80.04 million (comprising principal Rs. 64.03 million and premium Rs. 16.01 million) was paid during the year. Further, Rs. 114.01 million was transferred out of the debenture redemption reserve on redemption of debentures during the previous year ended 31 March 2009.-

- xv. The net-worth of the joint venture company Reed Infomedia India Private Limited (JV) has been completely eroded as at 31 March, 2010. Reed Elsevier Overseas B.V (REOBV), the holding company of the JV has communicated it's intention not to provide any further financial support to the JV to meet the JV's obligations. REOBV and Infomedia are in the process of terminating the shareholders agreement dated 13 December, 2005 and to wind up and liquidate the JV. Consequently, the management of the JV has decided to discontinue the JV's operations and the employment of the personnel hired by the JV have been terminated. Thereafter, the JV does not have definite business plans. Accordingly, the financial statements of the

JV have been prepared assuming the JV will not continue as a going concern and accordingly, fixed assets of the JV have been stated at lower of the written down value and the net realisable value, and current assets and liabilities are stated at the values at which they are realisable / payable.

- xvi. Pursuant to scheme of Arrangement between the Company, SGA News Limited and Network18 Fincap Private Limited (now known as 'Network18 Media & Investments Limited') as approved by the Hon'ble High Court of Delhi in 2006, shares of Network 18 Media & Investments Limited (formerly Network 18 Fincap Private Limited) held by the promoter were transferred to the trust for the benefit of the Company. Other income for the year ended 31 March, 2010 includes Rs. 217.40 million (Previous year Rs. 578 million) relating to distribution of surplus from the trust.
- xvii. During the year ended 31 March 2010, a subsidiary issued 12,612,307 preferred shares having a face value of USD 0.00374 at a premium of USD 0.7891 aggregating to approximately USD 10 million (subscription price) to NGP II Mauritius Company Limited (investor) resulting in an increase in the preferred share capital by USD 47,170 and increase in securities premium by USD 9,952,830. The preferred share is convertible into same number of Class B Ordinary shares at the option of investor. The investor also has a right but not the obligation, at any time after five years from the date of the agreement, to require the subsidiary to purchase/ redeem along with the annual rate of interest of 15% on the subscription price. In view of the fact that the investor is a long term strategic partner, management is of the opinion that the investor is not likely to exercise the option of redemption. Accordingly, interest payable on the subscription price has not been accrued for in the books of account.
- xviii. Miscellaneous expenditure includes Pre-operative expenses aggregating to Rs. 35.93 million (Previous year Rs. 30.21 million) relating to iNews.com Limited as the Company had not commenced operations until 31 March, 2010
- xix. TV18's interests in jointly controlled entities are:

Name	Country of Incorporation	Percentage of ownership interest as at 31 March, 2010	Percentage of ownership interest as at 31 March, 2009
JobStreet.Com India Private Limited (Jobstreet)	India	Nil (50% upto 30 March, 2010)	50%
Jagran 18 Publications Limited (Jagran)	India	50%	50%
Reed Infomedia India Private Limited (Reed)*	India	49%	49%

TV18 group's share of each of the assets, liabilities, income and expenses, etc. related to its interest in joint ventures is:

(Amounts in Rupees)

	Particulars	Jobstreet	Reed	Jagran	Total
A.	Assets				
	Fixed assets	-	-	329,668	329,668
		490,241	929,236	403,973	1,823,450
	Current assets, loans and advances:				
	- Cash and bank balances	-	203,790	294	204,084
		17,621,058	953,666	43,697	18,618,421
	- Accounts receivable	-	1,470,000	900,000	2,370,000
		2,893,043	4,840,770	900,000	8,633,813
	- Loans and advances	-	-	10,214	10,214
		4,904,549	1,190,700	1,336,036	7,431,285
B.	Profit and loss account (debit balance)	-	-	17,286,928	17,286,928
		67,575,647	-	15,824,973	83,400,620
C.	Liabilities				
	Current liabilities and provisions	-	725,612	51,817	777,429
		4,807,795	15,664,257	39,472	20,511,524
	Unsecured loans	-	-	8,225,288	8,225,288
		-	-	8,219,207	8,219,207
D.	Income				
	Income from operations	5,372,850	89,577	-	5,462,427
		9,963,499	10,486,450	-	20,449,949
	Income from others	872,892	2,056,223	-	2,929,115
		1,681,925	1,033,683	-	2,715,608
E.	Expenditure				
	Production, administrative and other costs	3,265,993	1,505,784	-	4,771,777
		8,988,535	21,931,983	-	30,920,518
	Personnel costs	6,768,170	539,461	-	7,307,631
		10,676,549	10,292,864	-	20,969,413

	Particulars	Jobstreet	Reed	Jagran	Total
	Interest and finance charges	4,357	-	-	4,357
		12,224	-	-	12,224
	Depreciation	240,447	148,193	-	388,640
		236,304	364,498	-	600,802
	Pre-operative/ Preliminary expenses written off	-	-	1,461,955	1,461,955
		-	-	14,651,923	14,651,923

xx. The TV18 group disposed off its investment in an associate, during the year ended 31 March 2009. "Loss for the year" after minority interest and share in loss of associates for the year ended 31 March, 2009 and "Profit and loss account (Debit balance)" as at 31 March, 2009 includes share of loss of an associate amounting to Rs. 13.66 million and is net off profit on sale of long term investment of Rs. 26.88 million which is based on the unaudited financial statements of the associate.

xxi. Hon'ble High Court of Bombay had approved the Scheme of Arrangement ('the Scheme') between I-Ven Interactive Limited (I-Ven), Infomedia 18 Limited (Infomedia) and their respective shareholders vide its order dated 24 July 2009. The Scheme was effective from 25 August 2009 on filing the copies of the order of the Hon'ble High Court with the Registrar of Companies. Accordingly I-Ven Interactive Limited was merged with Infomedia 18 Limited on the effective date. Further pursuant to the Scheme, Infomedia has extinguished 12,338,112 equity shares held by I-Ven and equivalent number of shares have been issued by the Infomedia to the shareholders of I-Ven in the swap ratio of 96.076:100. Upon the scheme becoming effective, the Infomedia has recorded I-Ven undertaking vested in it pursuant to the Scheme, at the respective book values as appearing in the financial statements of I-Ven as on the effective date, in accordance with, "The Pooling of Interest" method as prescribed under Accounting Standard -14. Infomedia has credited to its Share Capital Account, the aggregate face value of the new equity shares issued on amalgamation to the shareholders of I-Ven. Infomedia has recorded the balances in the share premium and the general reserve of I-Ven in the same form and at the same values as they appeared in the financial statements of I-Ven immediately preceding the effective date. The aggregate of the excess/deficit of the value of assets over the value of liabilities of I-Ven vested in the Infomedia, and the differential between the value of the investment in the equity share capital of the Infomedia appearing in the books of accounts of I-Ven and the face value of the equity share capital of the Infomedia held by I-Ven, was debited by Infomedia to the following accounts in the under mentioned sequence: balance in security premium account, balance in general reserve account and balance in profit and loss account.

xxii. Provision for rebates, returns etc.

Disclosures as required by Accounting standard 29 (AS-29) Provisions, Contingent Liabilities and Contingent Assets as at 31 March, 2010 are as follows:

(Amounts in Rupees)

	Balance as at 1.04.2009	Additions during the year	Amounts utilised during the year	Unused amounts reversed during the year	Balance as at 31.03.2010
Provision for rebates, returns etc.	5,697,817	28,934,895	23,746,626	-	10,886,086
	-	40,964,912	35,267,095	-	5,697,817

*Previous year figures are given in italics

A provision is recognised for expected returns on products sold during the period based on past experience of level of returns. It is expected that most of this cost will be utilised in the next financial year. Assumptions used to calculate the provision for returns are based on current sales level and current information available about returns.

xxiii. Derivative instruments, foreign exchange forward contracts outstanding at the Balance sheet date.

Year	Particulars of derivatives	Purpose
2009-2010	Sell USD 5,200,000	Hedge of expected receivables against future sales.
2008-2009	Sell USD 10,000,000	Hedge of expected receivables against future sales.

The TV18 Group has entered into options contracts to the tune of USD 5,200,000 (Previous year USD 10,000,000) for hedging its US Dollar (USD/GBP revenues for a period up to ten months previous year : 1 year and 10 months) from the date of the balance sheet. Under the said options, the rate of USD-INR has been fixed for the entire period of the option. Under the option contract, Infomedia Group has the right to exchange a fixed sum at the strike price (the price fixed in the option contract) if the INR-USD rate is below the strike price on the fixing date (various specified dates on which the option contract will mature in part over a period of next ten months). Further, the Infomedia Group is also liable to exchange twice the fixed sum at the strike price if the INR-USD rate is above the strike price on the fixing date. The Mark to Market (MTM) valuation of these options computed as on 31 March, 2010 indicates a loss of Rs. 30,734,517 (Previous year loss of Rs.133,531,543). The resultant MTM reversal of loss of Rs. 102,797,026 (Previous year loss of Rs. 133,531,543) has been credited in the Profit and Loss account.

As mentioned in the above paragraph, the liability is based on the INR-USD exchange rate on the fixing date. Therefore, the liability is contingent on the future movement of INR-USD exchange rates.

The MTM valuation indicates the amount the Group will have to pay to the bankers if it wishes to rescind the option contract as on the date of the balance sheet. The MTM valuation also assumes that the Group has neither the USD inflows nor the GBP inflows that would arise to it during the tenure of the option contract and it therefore assumes that the Group would be meeting these obligations by acquiring the relevant foreign exchange from the open market.

Based on the past history of the Group's operations as well as the projected plans in the future, the Group will have robust inflows in dollar as well as in GBP during the tenure of the said options. The Group believes that the options would safeguard it from USD fluctuation in future. The Group also believes that it would be able to meet its obligations under the options out of its future inflows.

The TV18 groups has recognised losses of Rs. 71.87 million (Previous year Rs. 87.05 million) on derivative transactions for the year ended 31 March 2010.

D. in relation to ibn18 Broadcast Limited

i. Rights issue

During the year, ibn18 has made a rights issue of 54,495,443 equity shares of Rs. 2 each at a premium of Rs. 91.50 per share aggregating to Rs. 5,095.32 million to the existing shareholders of the Parent. The rights issue opened on 10 March, 2010 and closed on 25 March, 2010.

ibn18 received Rs. 1,740.77 million as against share application money from its equity shareholders under the Rights issue as on 31st March 2010. Equity shares in respect of this issue were allotted subsequent to the year end. As at 31st March 2010, ibn18 has not utilised any amount out of the proceeds received of the above said Rights issue and the amount is set aside in the bank accounts.

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

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

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

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

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

- a. News Business Undertaking of JTV comprising the business activities of running the 'IBN7' channel along with all related assets, liabilities and employees has been transferred on a going concern basis at book value to ibn18 from the appointed date of 1 October 2007. ibn18, without any further payment, has issued 24.23 fully paid up equity shares of face value of Rs. 10 each (121.15 fully paid up equity shares of face value of Rs. 2 each) to shareholders of Jagran TV Private Limited for every 100 Equity shares of face value of Rs. 10 each held in Jagran TV Private Limited.
- b. The scheme became effective on approval by the Honorable High Court of Delhi and its filing with the Registrar of Companies on 22 November, 2008. The following assets and liabilities of ibn 7 News Undertaking were transferred to ibn18 at book value as on the appointed date:

Particulars		Amount (Rs.)
1.	Fixed assets (Net)	334,249,738
2.	Current assets, loans and advances:	
	- Sundry Debtors	156,582,786
	- Cash and Bank Balances	30,739,299
	- Loan and advances	59,968,752
		247,290,837
3.	Less: Current liabilities and provisions:	
	- Current Liabilities	150,492,933
	- Provisions	10,045,176
		160,538,109
4.	Net current assets	86,752,728
5.	Total assets (1+4)	421,002,466
6.	Total liabilities	
	Secured Loan	322,215,806
	Unsecured Loan	719,371,726
		1,041,587,532
7.	Net value of assets transferred on demerger (5-6)	(620,585,066)
8.	Share application money paid cancelled (see note v. below)	20,000,000
9.	Share capital issued as part of purchase consideration	
	- to outside shareholders	3,262,377
	- to BK Fincap (squared off on amalgamation of BK Fincap with ibn 18) (See note 3 b.(vi))	29,349,932
		32,612,309
10.	Balance debited to securities premium (7-8-9)	673,197,375

- c. As per the scheme, during the intervening period, JTV shall be deemed to have been carrying on all business and activities relating to the merged undertaking on behalf of the ibn18 and all profits accruing to the Transferor Company, or losses arising or incurred by them relating to the merged undertaking shall be treated as the profits or losses of the ibn18.
- d. Debit balance of profit and loss account of Rs. 93,094,889 of IBN 7 News Undertaking for the period 1 October, 2007 to 31 March, 2008 was adjusted from the opening balance of the profit and loss account of the previous year.

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

iv. Merger of BK Fincap Limited

- a. BK Fincap Private Limited which is a holding company of JTV, along with all related assets, liabilities and employees has been merged on a going concern basis at book value to ibn18 from the appointed date of 2 October, 2007. In consonance to the abovementioned scheme, ibn18 has issued 1,662.76 fully paid up equity shares of face value of Rs. 10 each (8,313.80 fully paid up equity shares of face value of Rs. 2 each) to shareholders of BK Fincap Private Limited for every 100 Equity shares of face value of Rs. 10 each held in BK Fincap Private Limited.
- b. The scheme became effective on approval by the Honorable High Court of Delhi and its filing with the Registrar of Companies on 22 November, 2008. On the scheme becoming effective, the following assets and liabilities of BK Fincap Limited were transferred to ibn18 at book value:

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

- c. Share application money pending allotment inter-se between ibn18 and BK Fincap amounting to Rs. 115,000,000 appearing in the books of accounts of the respective Companies stands cancelled.
- d. Pursuant to the Scheme of Arrangement, the amount representing the difference between:
- Assets and liabilities transferred pursuant to the amalgamation of BK Fincap and consequent cancellation of New Equity shares on Demerger issued to BK Fincap, and
 - Aggregate value of New Equity Shares on Amalgamation and cancellation of investment by ibn18 in the equity shares of BK Fincap; was debited to the Securities Premium Account of ibn18.
- e. Debit balance of profit and loss account of Rs. 36,268 of BK Fincap for the period 2 October, 2007 to 31 March, 2008 was adjusted from the opening balance of the profit and loss account of the previous year.

v. Investments in Viacom18 Media Private Limited (Viacom18)

ibn18 (the parent) has subscribed to 12 million 'Investor Warrants' of USD 3.33 (Rs. 150.47 approximately) per warrant aggregating to USD 40 million (Rs. 1,805.60 million approximately) as follows:

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

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

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

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

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

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

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

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

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

ibn18 has invested Rs 340.25 million (including amount paid for share application money) in IBN Lokmat. As at 31 March 2010, IBN Lokmat has significant accumulated losses and its net worth has been substantially eroded. Having regard to the long term investment and strategic involvement with the Company, no provision is considered necessary for diminution in the value of investment and advance for share application paid.

vii. Investments in ibn18 Mauritius Limited (ibn18 Mauritius)

ibn18 has invested Rs. 658.94 million (including amount paid for Debentures) in ibn18 Mauritius. For the year ending 31 March, 2010 ibn18 Mauritius has significant accumulated losses and its networth has been completely eroded. A provision necessary for diminution in the value of total investment amounting to Rs. 658.94 million has been made in the books of account.

viii. ibn18's interest, as a venturer, in jointly controlled entity as at March 31, 2010 is:

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

The following amounts represent the ibn18's share of the assets and liabilities and revenue and expenses of the joint ventures and are included in the consolidated balance sheet and consolidated profit and loss account:

(a) IBN Lokmat

Particulars		As at 31.03.2010 (Rs.)	As at 31.03.2009 (Rs.)
A. Assets			
	Fixed assets	96,784,348	116,515,880
	Current assets, loans and advances:		
	- Cash and bank balances	16,238,732	4,805,609
	- Accounts receivable	23,282,902	9,965,367
	- Loans and advances	22,640,227	16,346,487
	- Inventory	19,714	61,928
B. Profit and loss account (debit balance)		294,473,588	189,033,311
C. Liabilities			
	Current liabilities and provisions	44,449,213	78,387,379
	Secured loans	91,240,297	115,591,202
D. Income			
	Income from operations	65,152,322	18,176,973
	Income from others	1,446,047	9,000
E. Expenditure			
	Production, administrative and other costs	98,754,340	98,230,191
	Personnel costs	37,923,323	40,786,372
	Interest and finance costs	15,605,121	13,645,055
	Depreciation	19,776,545	18,781,193
F. Profit/(Loss) before tax		(105,460,960)	(153,256,837)
G. Profit/(Loss) after tax		(105,440,277)	(154,194,799)
H. Other matters			
	Capital commitments	-	-

(b) Viacom18

Particulars		As at 31.03.2010 (Rs.)
A. Assets		
	Fixed assets	93,208,501
	Current assets, loans and advances:	
	- Cash and bank balances	517,072,008
	- Accounts receivable	1,508,740,209
	- Loans and advances	469,937,845
	- Inventory	369,058,061

Particulars		As at 31.03.2010 (Rs.)
B.	Profit and loss account (debit balance)	1,801,384,195
C.	Liabilities	
	Current liabilities and provisions	1,646,797,990
	Secured loans	223,377,756
D.	Income	
	Income from operations	3,876,243,036
	Income from others	10,992,508
E.	Expenditure	
	Production, administrative and other costs	3,608,247,692
	Personnel costs	384,911,334
	Interest and finance costs	26,174,194
	Depreciation	36,037,113
F.	Profit/(Loss) before tax	(168,134,789)
G.	Profit/(Loss) after tax	(168,831,772)
H.	Other matters	
	Capital commitments	4,435,000

E. In relation to TV18 Home Shopping Network Limited (TV18HSN)

Preference Shares were issued as under :

i. 5% Optionally Convertible Preference Shares

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

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

ii. 0.01% Compulsory Convertible Preference Shares

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

TV18HSN intends to use the balance in 'Security Premium Account' in providing for the premium payable on the redemption/conversion of preference shares and has hence, not appropriated any amount towards the same.

F. In relation to Network 18 Holdings Limited, Cayman Islands

Pursuant to an open offer to the shareholders of The Indian Film Company,Guernsey and acquired a 58.74% stake in TIFC.

6. Contingent Liabilities

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

Name of Guarantor	Current year	Previous Year	Borrower
lbn18 Broadcast Limited	272.50	272.50	IBN Lokmat
TV18/ Network 18 (USD 25 million and USD 50 million in the previous year)	1129.00	2,547.5	Capital 18 Limited, Mauritius
TV18/Network 18/ RVT (USD 85 million)(USD 85 million)	3,972.32	4330.75	BK Holdings Limited

B. Other Liabilities

i. in the case of Network 18

- Estimated amounts of contracts remaining to be executed on capital account (net of advances) Rs. 0.06 million (Rs. 4.71 million).
- Shortfall undertaking given in favour of a lender in connection with loans extended to B K Holdings Ltd., Mauritius – USD 85 million (USD 85 million).
- Fixed Deposits of Rs. 250 million (Rs. 180 million) are pledged in connection with loans to a subsidiary.
- Investments of the market value of Rs. 1271 million (Rs. 902.58 million) are pledged in connection with loans availed by subsidiaries.

- e. The company has guaranteed the investment of USD 40 Million in Viacom 18 Media Private Limited by BK Holdings Limited, Mauritius [a subsidiary of Television Eighteen India Limited (see note 1B)]. As at the year end an amount of USD 10 million is yet to be invested.

ii. In the case of TV18

- a. Estimated amounts of contracts remaining to be executed on capital account (net of advances) Rs. 24.82 million (Rs. 20.94 million).
- b. Claims against TV18, Infomedia and its subsidiaries (Infomedia Group) not acknowledged as debts include demands raised by Income Tax authorities Rs. 84.93 million (Rs. 82.47 million) and Rs. 40.46 million (Rs. 158.63 million) respectively. Amounts deposited by the TV18 against claims - Rs. 82.41 million (Rs. 69.38 million). No provision has been made in the accounts for these demands as the Group expects a favourable decision in appeal.
- c. Sales tax / Works contract tax matters disputed by the Infomedia Group relating to issues of applicability, allowability, etc. aggregate to Rs. 6.62 million (Rs. 4.84 million). No provision has been made in the accounts for these demands as in the opinion of management no material liability is likely to arise on account of such matters.
- d. Value Added Tax (VAT) matters disputed by the Infomedia Group with VAT authorities relating to issues of allowability aggregating to Rs. 1.78 million (Nil). The Infomedia Group has made an appeal on this issue with appellate authorities.
- e. In respect of Infomedia Group, third party claims relating to compensation before Monopolies and Restrictive Trade Practices Commission aggregate to Rs. 20 million (Rs. 20 million) net of tax Rs. 13.27 million (Rs. 13.27 million). The matter is pending for final hearing. No provision has been made in the accounts for these demands as in the opinion of management no material liability is likely to arise on account of such claims.
- f. In respect of the Infomedia Group a standby Letter of Credit has been issued for GBP Nil (GBP 0.02 million), in favour of Barclays Bank Plc, towards banking facilities used by Glyph International UK Limited (formerly Keyword Group Limited).
- g. Guarantees given by banks on behalf of TV18 outstanding at year end Rs. 37.77 million (Rs. 14.99 million). Bank guarantee given by Infomedia Group to Bombay Stock Exchange ('BSE') towards issue of Equity shares on rights basis amounting to Rs. 5 million (Nil). Share in corporate guarantees given by an associates amounts to Rs. 57.69 million (Rs 54.66 million).
- h. TV18 and its subsidiary iNews.com Limited have extended corporate guarantee amounting to Rs. 50.90 million (Rs. 50.90 million), in favour of ICICI Home Finance Company Limited in consideration of loan facility extended by ICICI Home Finance Company Limited to the employees of TV18. As at the year end, Rs. 47.92 million (Rs. 48.28 million) was outstanding in respect of such loans.
- i. TV18 has given corporate guarantee of Rs. 320 million (Rs. 320 million) towards fund based/non - fund based credit facility given by ICICI Bank Limited to ibn18 Broadcast Limited. As at the year end, Rs. 120 million (Rs. 200 million) was outstanding in respect of such loans.
- j. The Parent has extended corporate guarantees of USD 25 million i.e. approximately Rs. 1,128.50 million (USD 25 million i.e. approximately Rs. 1,273.75 million) to The Hongkong and Shanghai Banking Corporation Limited for loans taken from Kingfisher Capital CLO Limited, by Capital 18 Limited, a company incorporated in Mauritius and a step down subsidiary of the Company. As at the year end, USD 25 million, i.e., approximately Rs. 1,128.50 million (Rs. 1,273.75 million) was outstanding in respect of such loans.
- k. TV18 has extended corporate guarantee of USD 85 million, i.e., approximately Rs. 3,836.90 million (Rs. 4,330.75 million) to ICICI Bank Canada for BK Holdings Limited, a company incorporated in Mauritius and a step down subsidiary of the Company. As at the year end, USD 80 million, i.e., Rs. 3,611.20 million (Rs. 4,076 million) was outstanding in respect of such loans.
- l. TV18 has extended corporate guarantee of USD 40 million, i.e., approximately Rs. 1,805.60 million (USD 40 million, i.e., approximately Rs. 2,038 million) to Viacom 18 Media Private Limited (Viacom) (formerly MTV Networks India Private Limited) for and on behalf of BK Holdings Limited, Mauritius in respect of investments to be made by BK Holdings Limited. Further, as at the year end USD 10 million, i.e., approximately Rs. 451.40 million (USD 25 million, i.e., approximately Rs. 1,273.75 million) was outstanding in respect of such committed investments.
- m. TV18 and an associate have purchased fixed assets under the 'Export Promotion Capital Goods Scheme'. As per the terms of the license granted under the scheme, TV18/ associate have undertaken to achieve an export commitment of Rs. 398.34 million (Rs. 398.34 million) and Rs. 156.79 million (Rs. 148.57 million) respectively over a period of 8 years, which expire over the period 7 August, 2013 to 13 November, 2014. In the event TV18/associate are unable to execute the export obligations, the Company shall be liable to pay customs duty of Rs. 23.51 million (Rs. 26.47 million) and share in the customs duty liability of the associate would be Rs. 19.60 million (Rs. 18.57 million) along with interest on the same at the rate of 15 per cent compounded annually in the event of non fulfillment of the export obligations. TV18 has fulfilled its export obligations of Rs. 351.32 million and has made an application to the Director General of Foreign Trade for issuance of the export obligation discharge certificates (EODC). Subsequent to the year end, TV18 has received EODC aggregating to Rs. 233.77 million and approval for the balance was awaited. The associate is hopeful of meeting the export obligation of Rs. 24.41 million (Rs. 23.13 million).
- n. Mr. Victor Fernandes and other ("plaintiffs") had on 25 August, 2006 filed a suit as derivative action on behalf of e-Eighteen.com Limited before the High Court of Bombay against Mr. Raghav Bahl, Television Eighteen India Limited (TV18) and other TV18 group entities. The plaintiffs are minority shareholders of e-Eighteen.com Limited and have alleged that Mr. Raghav Bahl, TV18, ICICI Global Opportunities Fund and e-Eighteen.com Limited had entered into a subscription cum shareholders agreement dated 12 September, 2000 under which Mr. Raghav Bahl and TV18 had inter alia undertaken that any opportunity offered to them shall only be pursued or taken up through e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that Mr. Raghav Bahl and TV18 have promoted and developed various businesses through various entities which should have under the aforesaid agreement rightfully been undertaken by e-Eighteen.com Limited or its wholly owned subsidiaries. The plaintiffs have alleged that by not doing so Mr. Raghav Bahl and TV18 have caused monetary loss to e-Eighteen.com Limited as well as to the plaintiffs. The plaintiffs have valued their claim in the suit at Rs. 31,140.60 million and have inter alia prayed that Mr. Raghav Bahl, TV18 and other TV18 group entities be ordered to transfer to e-Eighteen.com Limited all their businesses, activities and ventures along with all assets and intellectual property. The plaintiffs had filed a notice of motion on 18 September, 2006 seeking ad interim relief. A reply had been filed with the Bombay High Court on 14 November, 2006. The said notice of motion was dismissed on 8 August, 2008 against which the plaintiffs have filed an appeal

before the division bench of the Bombay High Court. The said appeal is pending for hearing and final disposal.

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

- o. TV18 along with subsidiaries has received legal notices of claims, lawsuits and proceedings filed against it which arise in the ordinary course of the business and relating to monetary loss and defamation suits in relation to the news content broadcast by TV18 group entities (the aggregate claim in respect of the latter being Rs. 3,100 million) (Rs. 3,100 million). Further, the share in the contingent liability of an associate amounted to Rs. 5.10 million (Rs. 1,151.27 million). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits in relation to its financial position, or results of operations.
- p. TV18 along with subsidiaries's share in the contingent liability of a joint venture of an associate in respect of claims not acknowledged as debts amounted to Rs. 0.20 million and guarantees amounted to Rs. 0.11 million as at the year end.

iii . In the case of ibn18

- a. ibn18 has purchased capital equipment under the 'Export Promotion Capital Goods Scheme'. As per the terms of the licenses granted under the scheme, ibn18 has undertaken to achieve an export commitment of Rs. 740.64 million (Rs. 740.64 million) over a period of 8 years commencing from 10 August, 2005. In the event ibn18 is unable to execute its export obligations, the Parent shall be liable to pay customs duty of Rs. 92.58 million (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 (Rs. 115.30 million) on behalf of the Parent to the custom authorities for the same. TV18 is hopeful of meeting the required export obligation.
- b. ibn18 has given corporate guarantees of Rs. 272.50 million (Rs. 272.50 million) towards credit facility given by banks to IBN Lokmat.
- c. TV18 has received legal notices of claims / lawsuits filed against it relating to infringement of copyrights, objectionable contents and defamation suits in relation to the programmes produced by it, the aggregate claim being Rs. 3,124.11 million (Rs. 8,841.22 million). In the opinion of the management, no material liability is likely to arise on account of such claims/law suits.
- d. Viacom18 has following contingent liabilities:

(Rs. In million)

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

in relation to TV18 Home Shopping Network Limited

Estimated amounts of contracts remaining to be executed on capital account (net of advances) Rs. 10.75 million (Nil).

7. Secured Loans

A. In the case of N18 Media & Investments Ltd

- a. As approved by the members, 18,181,818 Secured Optionally Fully Convertible Debentures of the Par value of Rs. 110/- per SOFCD were issued to a Promoter entity during the year. The SOFCDs were issued for a tenor of 18 months. Each SOFCD was convertible into 1 equity share of Rs. 5/- each of the company at anytime within the said tenor.
- b. Loan from a Bank is secured by a pari passu charge on fixed assets and current assets. The loan is additionally guaranteed by the Managing Director.
- c. Vehicle loans are secured by the hypothecation of vehicles financed.
- d. Other loan is secured by pledge of a part of the company's investments.
- e. Amounts repayable within one year Rs. 1670.81 million (Rs. 1797.21 million)
- f. Unsecured loans are guaranteed by the Managing Director.

B. In the case of TV18

- a. Cash credit/Working capital demand loan (WC DL) with banks is secured by:
 - i. Out of the above, Rs. 498.58 million is secured by first charge on all current assets of TV18, on pari passu basis with others working capital lenders;
 - ii. Out of the above, Rs. 93.74 million is secured by pari passu first charge on all current assets and second pari passu charge on all Fixed assets of the Infomedia Group, further secured by corporate guarantee from Network18 Media & Investments Limited ('Network 18');
 - iii. Out of the above, Rs. 54.60 million is secured by first pari passu charge on all current assets (present and future) and on movable and immovable fixed assets of the Infomedia Group;
 - iv. Out of the above, Rs. 48.84 million is secured by first charge on all current assets of e-Eighteen.com Limited and by personal guarantee of Managing Director of the TV18;
- b. Term loans from banks as on 31 March, 2010 amounted to Rs. 1,530.78 million:
 - i. Out of the above, Rs. 12.14 million is secured by first charge on pari passu basis on TV18's movable fixed assets (except for the fixed assets specifically charged to other lenders);
 - ii. Out of the above, Rs. 500.00 million is secured by subservient charge on movable fixed assets and is also supported by a letter of comfort provided by Mr. Raghav Bahl;
 - iii. Out of the above, Rs. 576.91 million is secured by way of first charge on the assets financed out of the loan and is also supported by way of pledge of shares held by the promoters/ group entities and personal guarantee of Mr. Raghav Bahl;
 - iv. Out of the above, Rs. 131.25 million is secured by way of first charge on all fixed and current assets of TV18, both movable and immovable, present and future and is also secured by way of pledge of shares in subsidiary of Infomedia.
 - v. Out of the above, Rs. 119.05 million is secured by first exclusive charge/ mortgage on all immovable and moveable assets of TV18 and second charge on all existing fixed assets of the Company and is collaterally secured by corporate guarantee of

Network18 Media & Investments Limited;

- vi. Out of the above, Rs. 191.43 million is secured by way of first charge on all fixed assets and current assets of Newswire 18 limited and is additionally secured by a corporate guarantee from Network18 Media & Investments Limited.
- c. Other loans from banks amounting to Rs. 11.32 million are secured by hypothecation of vehicles financed by them.
- d. Term Loans from others as on 31 March, 2010 amounted to Rs. 776.62 million:
 - i. Out of the above, Rs. 766.60 million is to be secured by hypothecation of equipment purchased out of the loan and is collaterally secured by way of pledge of shares by the promoters/ group entities, personal guarantee of the Managing Director of the Company and corporate guarantee of Network18 Media & Investments Limited;
 - ii. Out of the above, Rs. 10.02 million is secured by way of a first charge on the buildings financed out of the loans.

C. In the case of ibn18

- a. Cash credit from banks of Rs. 792.35 million are secured as follows:
 - i. Cash credit of Rs. 434.33 million are secured as follows:
 - First pari passu charge on all the current assets of the ibn18.
 - Additionally secured by unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited.
 - Cash credit facility of Rs. 274.34 million is additionally secured by second charge on the ibn18's movable fixed assets.
 - ii. Cash credit facility of Rs. 134.14 million is secured by hypothecation of book debts of IBN7 (ibn18's division).
 - iii. Cash credit facility of Rs. 0.50 million is secured by only charge on the IBN Lokmat's machineries present and future, collateral security of all other fixed assets of the IBN Lokmat and corporate guarantee from ibn18 and Lokmat Newspapers Private Limited.
 - iv. Cash credit facility of Rs. 223.38 million is secured only by hypothecation on the Viacom18's Stock and book debts.
- b. The term loans of Rs. 1,742.34 million taken from banks are secured as follows:
 - i. Term loan of Rs. 120 million is secured by:
 - First charge on the Parent's movable assets, subject to the charges on current assets created/to be created in favour of the Parent's bankers for securing borrowings for working capital requirements.
 - Unconditional and irrevocable personal guarantee of a Director.
 - Letter of comfort from Television Eighteen India Limited (TV18) whereby TV18 undertakes to take all necessary steps to ensure that the Parent fulfils all necessary obligations under the agreement including arrangement of funds for payment to the bank in accordance with the terms and conditions of the loan agreement.
 - ii. Term loan of Rs. 123.76 million is secured by:
 - First charge over entire fixed assets pool of IBN7 (ibn18's division) amounting to Rs 320.40 million as on 31 March 2009.
 - Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited
 - iii. Term loan of Rs. 32.90 million is secured by:
 - First charge on all movable assets including plant and machinery and equipment acquired / to be acquired out of the proceeds of the term loan of IBN7 (ibn18's division).
 - Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited.
 - iv. Term loan of Rs. 375 million is secured by:
 - Subservient charge on the ibn18's movable fixed asset.
 - Unconditional and irrevocable corporate guarantee of Network18 Media & Investments Limited.
 - Letter of comfort from a Director
 - v. Term loan of Rs. 1,000 million is secured by:
 - Second pari passu charge on all current assets and fixed assets of the Parent
 - Unconditional and irrevocable corporate guarantee of Network18 Media & Investment Limited
 - Pledge of shares of listed / quoted shares of Network18 Media & Investment Limited, Television18 India Limited, Infomedia18 Limited and ibn18 Broadcast Limited worth Rs 50 crores (based on market value). As at 31 March 2010, Fixed Deposit of Network18 Media & Investment Limited worth Rs. 250 million is pledged, in lieu of pledge of aforesaid shares, with the bank.
 - vi. Term loan of Rs. 90.67 million is secured by:
 - Charge on the IBN Lokmat's machineries present and future.
 - Collateral Security of all other fixed assets of the IBN Lokmat.
 - Corporate Guarantee from ibn18 and Lokmat Newspapers Private Limited
- c. Other loans from banks are secured by hypothecation of vehicles.

D. In the case of TV18 Homeshopping Network Limited

- a. Cash Credit from the bank is secured by:
 - i. First exclusive charge on current assets and moveable fixed assets.
 - ii. Personal guarantee of a director.
 - iii. Corporate guarantee of Network18 Media & Investments Limited, the ultimate holding company.
- b. Vehicle loan is secured by hypothecation of the respective vehicle.

E. In the case of TIFC

The secured loan was availed by IFC Distribution Private Limited, the Indian Subsidiary, at a floating interest rate from ING Vysya Bank Limited against a primary security of first charge on all current assets of TIFC and also collateral security in the form of a Standby Letter of Credit from Bank of Singapore which has been issued against a term deposit of ₹2.35 million held by TIFC.

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

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

- a. The Company's Employee Stock Option Plans (ESOPs) framed in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the Shareholders are listed below. Schemes listed at serial (i) to (viii) were established as mirror schemes

of the then existing ESOP schemes in Television Eighteen India Limited, in terms of the Scheme of Arrangement.

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

* Plans closed

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

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

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

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

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP (C) 2007	ESOP 2007
d)Vesting date	Options shall vest equally over average period of 4 years.	After a period of one year from the date of grant.	Equally over a period of six years from the date of grant.	After one year from the date of Grant. The vesting shall happen in one or more tranches as may be decided by the Board
e)Vesting requirements	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed	Continuation of services and such other conditions as may be prescribed
f)Exercise Period	During four year after vesting date.	During four years after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extended upto the expiry period of the option as may be decided by the Board.
g)Un-granted options cancelled	1,000,000	1,000,000	300,000	-

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

c. Details of options and weighted average prices

Particulars	ESOP 2002		ESOP 2004		SENIOR ESOP 2004	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the year	20,010	5.00	253,200	31.69	410,657	33.90
	(20,010)	(5.00)	(327,000)	(69.90)	(450,656)	(65.31)
b) granted during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
d) forfeited during the year	-	-	83,700	20.00	61,995	10.00
	(-)	(-)	(31,800)	(49.71)	(39,999)	(47.54)
d) forfeited during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
e) Expired during the year	-	-	-	-	-	-
	(-)	(-)	(42,000)	(69.59)	(-)	(-)
f) Additions pursuant to bonus issue	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)

g) outstanding at the end of the year	20,010	5.00	169,500	37.46	348,662	38.15
	(20,010)	(5.00)	(253,200)	(31.69)	(410,657)	(33.90)
h) Exercisable at the end of the year	20,010	5	63,000	66.98	184,661	-
	(20,010)	(5)	(31,200)	(39.68)	(-)	(-)
i) number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	20,010	5.00	169,500	37.46	348,662	38.15
	(20,010)	(5.00)	(253,200)	(31.69)	(410,657)	(33.90)
j) weighted average share price at the date of exercise	-	5.00	83,700	20.00	61,995	10.00
	(-)	(5.00)	(31,800)	(49.71)	(39,999)	(47.54)
k) weighted average remaining contractual life (years)	-	N.A.	0.63	N.A.	0.26	N.A.
	(-)	N.A.	(1.66)	N.A.	(1.12)	N.A.
l) Unvested Option outstanding at the end of the year	-	5.00	106,500	37.46	164,001	38.15
	(-)	(5.00)	(222,000)	(31.69)	(410,657)	(33.90)

Particulars	LONG TERM RETENTION ESOP 2005		ESOP 2005		ESOP 2007 (C)	
	Options	Weighted Average Price	Options	Weighted Average Price	Options	Weighted Average Price
a) Outstanding at the beginning of the year	300,000	348.35	51,200	20.00	700,000	5.00
	(300,000)	(348.35)	(80,800)	(97.31)	(700,000)	(5.00)
b) granted during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
c) exercised during the year	-	-	18,200	20.00	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
d) forfeited during the year	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
e) Expired during the year	-	-	-	-	-	-
	(-)	(-)	(29,600)	(97.31)	(-)	(-)
f) Additions pursuant to bonus issue	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
g) outstanding at the end of the year	300,000	348.35	33,000	20.00	700,000	5.00
	(300,000)	(348.35)	(51,200)	(97.31)	(700,000)	(5.00)
h) Exercisable at the end of the year	-	-	7,400	20.00	233,333	5.00
	(-)	(-)	(-)	(-)	(116,666)	(5.00)
i) number of equity share of Rs. 5 each fully paid up to be issued on exercise of option	300,000	348.35	33,000	20.00	700,000	5.00
	(300,000)	(348.35)	(51,200)	(97.31)	(700,000)	(5.00)
j) weighted average share price at the date of exercise	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(-)	(-)
k) weighted average remaining contractual life (years)	1.62	N.A.	0.87	N.A.	2.99	N.A.
	(2.62)	N.A.	(1.87)	N.A.	(3.98)	N.A.
l) Unvested Option outstanding at the end of the year	300,000	348.35	25,600	20.00	466,667	5.00
	(300,000)	(348.35)	(51,200)	(97.31)	(583,334)	(5.00)

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

B. In the case of TV18

A. Television Eighteen India Limited Employee Stock Option Plans

TV18 has established several employee stock option plans (ESOPs) in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 which have been approved by the Board of Directors and the shareholders. The details are as given below:

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

A compensation committee comprising independent members of the Board of Directors administers the ESOPs. All options under the ESOPs are exercisable for equity shares. TV18 had declared a bonus issue of 1:1 in the AGM of the Company on 7 September, 2007 with record date of 18 October, 2007. Prior to the bonus issue, each option was exercisable for one Rs. 5 fully paid up equity share of TV18 on payment of the exercise price. Subsequent to the bonus issue each option is exercisable for two Rs.5 fully paid up equity shares of the Company on payment of the exercise price.

TV18 had given a postal ballot notice dated 19 December, 2008 to its shareholders pursuant to Section 192A of the Companies Act, 1956 for the approval of modifications relating to exercise price and vesting of options under the ESOP (A) 2007, ESOP 2005, ESOP 2004 and Senior ESOP 2004 plans. Further the number of options authorised to be granted under the ESOP 2007 were proposed to be increased from 2,542,438 to 10,000,000 options. The result of the postal ballot was announced on 2 February, 2009 whereby the aforesaid modifications were duly approved by the shareholders of TV18.

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

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

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

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

During 2005-2006 the Company had established the Stock Appreciation Right Plan 2005 (Senior Employee Stock Award Plan) ('SAR') for compensation to the employees whereby TV18 in its extraordinary general meeting held on 25 July, 2005 had approved a grant of upto 300,000 awards to eligible employees. During the earlier years, TV18 had granted 299,995 awards representing 140,998 options which had vested as on 31 March, 2007. Pursuant to the scheme, the employees have a right to receive such numbers of fully paid up equity shares of Rs. 5 of TV18 whose market value matches with the amount of increase due to appreciation in share price during the date of grant and date of exercise of the awards. Upto 31 March, 2008, of the 140,998 options TV18 issued 91,650 shares to employees on the exercising of the options. During the year ended 31 March, 2009 TV18 had issued 36,808 shares under this scheme, and the balance 12,540 options had lapsed during the previous year.

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

Particulars	ESOP 2002	ESOP 2003	ESOP 2004	Senior ESOP 2004
Year in which scheme was established	2002-03	2003-04	2004-05	2004-05
Number of options authorised to be granted	700,000 700,000	700,000 700,000	700,000 700,000	840,000 840,000
Exercise price* (See note 1)	Rs. 5 per option.	95% of market value on grant date.	The exercise price is to be decided by the compensation committee, such that the exercise price is not less than the par value of the shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. The relevant date will be the date of grant.	The exercise price is to be decided by the compensation committee, and is not to be less than the par value of the shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. The relevant date will be the date of grant
Vesting date* (See note 1)	After one year from the date of grant of options.	After one year from the date of grant of options.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the compensation committee.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the compensation committee.
Vesting requirements	One year's service from the date of grant of option.	One year's service from the date of grant of option.	Three years of service from the date of grant of option	Two to four years of service from the date of grant of option
Exercise period	During two years after vesting date.	During one year after vesting date.	During two years after vesting date.	During a period of two/three years from the vesting date
Un-granted options cancelled during the year	- -	- -	- -	- -

*Note 1: The details of exercise price and vesting period prior to modifications are given below:

Particulars	ESOP 2002	ESOP 2003	ESOP 2004	Senior ESOP 2004
Exercise price before modification	N.A.	N.A.	1.50% of options granted at 90% of market value on grant date; 2. Remaining 50% of the options granted at a discount of Rs. 125 on market value on grant date.	1.50% of options granted at 90% of market value on grant date; 2. Remaining 50% of the options granted at a discount of Rs. 100 on market value on grant date.
Vesting date before modification	N.A.	N.A.	After three years of service from the date of grant of options.	1. One third of options granted will vest after two years from the date of grant of option ; 2. Remaining two third of options granted will vest after four years from the date of grant of options.

Particulars	Long Term Retention ESOP 2005	ESOP 2005	Strategic Acquisition ESOP 2005	ESOP 2006
Year in which scheme was established	2005-06	2005-06	2005-06	2006-07
Number of options authorised to be granted	350,000 350,000	1,260,000 1,260,000	840,000 840,000	1,000,000 1,000,000
Exercise price* (See note 2)	Market value on grant date.	The exercise price is to be decided by the compensation committee, such that the exercise price is not less than the par value of the shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. The relevant date will be the date of grant.	Rs. 100 per option.	Rs. 5 per option.
Vesting date* (See note 2)	After four years from the date of grant of options.	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the compensation committee.	After one year from the date of grant of options.	After two years from the date of grant of options.
Vesting requirements	Four years of service from the date of grant of option.	Three years of service from the date of grant of option.	One year's service from the date of grant of option.	Two years of service from the date of grant of option.
Exercise period	During two years after vesting date.	During one year after vesting date.	During one year after vesting date.	During one year after vesting date.
Un-granted options cancelled during the year	- -	- -	- -	- -

*Note 2: The details of exercise price and vesting period prior to modifications are given below:

Particulars	Long Term Retention ESOP 2005	ESOP 2005	Strategic Acquisition ESOP 2005	ESOP 2006
Exercise price before modification	N.A.	90% of market value on grant date.	N.A.	N.A.
Vesting date before modification	N.A.	1. One third of options granted will vest after one year from the date of grant of options; 2. One third options granted will vest after two years from the date of grant of options; and 3. One third options granted will vest after three years from the date of grant of options.	N.A.	N.A.

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP 2007	SAR
Year in which scheme was established	2006-07	2006-07	2007-08	2005-06

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP 2007	SAR
Number of options/awards authorised to be granted	1,000,000 <i>1,000,000</i>	1,000,000 1,000,000	10,000,000 <i>10,000,000</i>	300,000 <i>300,000</i>
Exercise price* (see note 3)	The exercise price is to be decided by the compensation committee, such that the exercise price is not less than the par value of the shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000. The relevant date will be the date of grant.	Rs. 5 per option.	The exercise price will be decided by the compensation committee such that the exercise price is not less than the par value of the equity shares of the Company and not more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000.	Rs. 5
Vesting date* (See note 3)	Option to vest after one year from the date of grant within such period not exceeding ten years as may be determined by the compensation committee.	1.One sixth options granted will vest after one year from the date of grant of options; 2.One sixth options granted will vest after two years from the date of grant of options; 3.One sixth options granted will vest after three years from the date of grant of options; 4.One sixth options granted will vest after four years from the date of grant of options; 5.One sixth options granted will vest after five years from the date of grant of options; and 6.One sixth options granted will vest after six years from the date of grant of options.	After a minimum period of one year from the date of Grant. The vesting shall happen in one or more tranches as may be decided by the ESOP Compensation Committee.	Cliff vesting period of three years
Vesting requirements	One to four years of service from the date of grant of option.	One to six years of service from the date of grant of option.	Option to vest over such period, in such manner and subject to conditions as may be decided by the compensation committee provided the employee continues in service.	One to four years of service from the date of grant of SAR
Exercise period	During four years after vesting date.	During four years after vesting date.	Exercise period will commence from the vesting date and extend upto the expiry period of the option as may be decided by the compensation committee.	One year after vesting date
Un-granted options cancelled during the year	- -	- -	- -	- -
Un-granted options	- -	- -	- <i>8,330,000</i>	- -
*Note 3: The details of exercise price and vesting period prior to modifications are given below:				
Exercise price before modification	75% of market value on grant date.	N.A.	N.A.	N.A.

Particulars	ESOP (A) 2007	ESOP (B) 2007	ESOP 2007	SAR
Vesting date before modification	1. One fourth options granted will vest after one year from the date of grant of options; 2. One fourth options granted will vest after two years from the date of grant of options; 3. One fourth options granted will vest after three years from the date of grant of options; and 4. One fourth options granted will vest after four years from the date of grant of options.	N.A.	N.A.	N.A.

c. Television Eighteen India Limited Employee Stock Purchase Plans (ESPP)

i. Television Eighteen India Limited Stock Purchase Plan 2003 (ESPP 2003)

During 2003-2004 TV18 had established an Employee stock purchase plan (ESPP 2003) for compensation to employees whereby TV18's plan was to issue upto 700,000 shares to eligible employees. The offer price per share was 95% of the market value of the shares as at the date of the offer. TV18 had issued 667,016 shares under ESPP 2003 upto 31 March, 2007. During the year ended 31 March, 2008, pursuant to the approval of the shareholders it was decided to cancel the issue of the remaining balance of the proposed 32,984 equity shares.

ii. Television Eighteen Employee Stock Purchase Plan 2007 (ESPP 2007)

During 2007-2008 TV18 established an Employee stock purchase plan (ESPP 2007) for compensation to employees whereby TV18's plan was to issue upto 532,984 shares to eligible employees. The offer price shall be decided by the compensation committee provided that the offer price shall not be less than the par value of the equity shares of TV18 and shall not be more than the price prescribed under Chapter XIII of SEBI (Disclosure and Investor Protection) Guidelines, 2000.

d. Details of option numbers and weighted average exercise prices

The details of options and weighted average prices are as given below:

Particulars	ESOP 2002		ESOP 2004	
	Options (Numbers)	Weighted Average Price (Rs.)	Options (Numbers)	Weighted Average Price (Rs.)
a. outstanding at the beginning of the year	53,690	2.50	562,800	27.58
	53,690	2.50	749,000	48.89
b. granted during the year	-	-	-	-
	-	-	-	-
c. exercised during the year	-	-	206,500	20.00
	-	-	72,800	25.65
d. Forfeited during the year	-	-	8,400	20.00
	-	-	113,400	48.66
e. expired during the year	-	-	-	-
	-	-	-	-
f. Additions pursuant to bonus issue	-	-	-	-
	-	-	-	-
g. outstanding at the end of the year	53,690	2.50	347,900	32.26
	53,690	2.50	562,800	27.58
h. exercisable at the end of the year	53,690	2.50	113,400	57.61
	53,690	2.50	21,000	99.88
i. number of equity shares of Rs. 5 each fully paid up to be issued on exercise of option	See note 1	N.A.	347,900	N.A.
	See note 1	N.A.	562,800	N.A.
j. Weighted average share price at the date of exercise	-	N.A.	206,500	76.81
	-	N.A.	72,800	244.80
k. weighted average remaining contractual life (years)	-	N.A.	2.36	N.A.
	-	N.A.	3.55	N.A.

Particulars		Senior ESOP 2004		Long Term Retention ESOP 2005	
		Options	Weighted Average Price	Options	Weighted Average Price
		(Numbers)	(Rs.)	(Numbers)	(Rs.)
a.	outstanding at the beginning of year	998,226	49.24	700,000	75.61
		1,091,498	52.96	700,000	75.61
b.	granted during the year	-	-	-	-
		62	52.96	-	-
c.	exercised during the year	163,325	16.76	-	-
		93,330	33.24	-	-
d.	forfeited during the year	-	-	-	-
		-	-	-	-
e.	expired during the year	-	-	-	-
		-	-	-	-
f.	additions pursuant to bonus issue	-	-	-	-
		-	-	-	-
g.	outstanding at the end of the Year	834,901	55.60	700,000	75.61
		998,230	49.24	700,000	75.61
h.	exercisable at the end of the year	391,329	50.81	-	-
		-	-	-	-
i.	number of equity shares of Rs. 5 each fully paid up to be issued on	834,901	N.A.	700,000	N.A.
		998,230	N.A.	700,000	N.A.
j.	weighted average share price at the date of exercise	163,325	76.81	-	N.A.
		93,330	243.70	-	N.A.
k.	weighted average remaining contractual life (years)	2.51	N.A.	1.56	N.A.
		3.62	N.A.	2.56	N.A.

Particulars		ESOP 2005		Strategic Acquisition ESOP 2005	
		Options	Weighted Average Price	Options	Weighted Average Price
		(Numbers)	(Rs.)	(Numbers)	(Rs.)
a.	outstanding at the beginning of the year	492,864	20.00	10,000	22.15
		533,064	208.84	55,000	22.15
b.	granted during the year	-	-	-	-
		-	-	-	-
c.	exercised during the year	201,667	20.00	-	-
		-	-	45,000	22.15
d.	forfeited during the year	23,800	20.00	-	-
		40,200	141.72	-	-
e.	expired during the year	-	-	-	-
		-	-	-	-
f.	additions pursuant to bonus Issue	-	-	-	-
		-	-	-	-
g.	outstanding at the end of the year	267,397	20.00	10,000	22.15
		492,864	20.00	10,000	22.15
h.	exercisable at the end of the year	267,397	20.00	10,000	22.15
		-	N.A.	10,000	22.15
i.	number of equity shares of Rs. 5 each fully paid up to be issued on exercise of option	267,397	N.A.	10,000	N.A.
		492,864	N.A.	10,000	N.A.

	Particulars	ESOP 2005		Strategic Acquisition ESOP 2005	
		Options	Weighted Average Price	Options	Weighted Average Price
		(Numbers)	(Rs.)	(Numbers)	(Rs.)
j.	weighted average share price at the date of exercise	201,667	76.81	-	N.A.
		N.A.	N.A.	45,000	244.80
k.	weighted average remaining contractual life (years)	1.85	N.A.	-	N.A.
		2.85	N.A.	0.01	N.A.

Particulars		ESOP 2006		ESOP (A) 2007	
		Options (Numbers)	Weighted Average Price (Rs.)	Options (Numbers)	Weighted Average Price (Rs.)
a.	outstanding at the beginning of the year	361,480	2.50	1,287,400	5.00
		509,280	2.50	1,490,500	221.31
b.	granted during the year	-	-	-	-
		-	-	-	-
c.	exercised during the year	-	-	780,375	5.00
		100,000	2.50	-	-
d.	forfeited during the year	58,460	2.50	65,550	5.00
		47,800	2.50	203,100	221.31
e.	expired during the year	-	-	-	-
		-	-	-	-
f.	additions pursuant to bonus issue	-	-	-	-
		-	-	-	-
g.	outstanding at the end of the year	303,020	2.50	441,475	5.00
		361,480	2.50	1,287,400	5.00
h.	exercisable at the end of the year	303,020	2.50	136,012	5.00
		312,080	2.50	-	-
i.	number of equity shares of Rs. 5 each fully paid up to be issued on exercise of option	303,020	N.A.	441,475	N.A.
		361,480	N.A.	1,287,400	N.A.
j.	weighted average share price at the date of exercise	-	N.A.	780,375	76.81
		100,000	58.60	-	N.A.
k.	weighted average remaining contractual life (years)	0.00	N.A.	2.85	N.A.
		0.79	N.A.	3.85	N.A.

Particulars		ESOP 2007		SAR	
		Options	Weighted Average Price	Options	Weighted Average Price
		(Numbers)	(Rs.)	(Numbers)	(Rs.)
a.	outstanding at the beginning of the year	1,670,000	42.45	-	-
		-	-	49,348	5
b.	granted during the year	-	-	-	-
		1,670,000	42.45	-	-
c.	exercised during the year	-	-	-	-
		-	-	36,808	5
d.	forfeited during the year	-	-	-	-
		-	-	12,540	5
e.	expired during the year	-	-	-	-
		-	-	-	-
f.	additions pursuant to bonus issue	-	-	-	-
		-	-	-	-

Particulars		ESOP 2007		SAR	
		Options	Weighted Average Price	Options	Weighted Average Price
		(Numbers)	(Rs.)	(Numbers)	(Rs.)
g.	outstanding at the end of the year	1,670,000	42.45	-	-
		<i>1,670,000</i>	<i>42.45</i>	-	-
h.	exercisable at the end of the year	-	-	-	-
		-	-	-	-
i.	number of equity shares of Rs. 5 each fully paid up to be issued on exercise of option	1,670,000	42.45	-	N.A.
		<i>1,670,000</i>	<i>42.45</i>	-	N.A.
j.	weighted average share price at the date of exercise	-	N.A.	-	N.A.
		-	N.A.	36,808	56.10
k.	weighted average remaining contractual life (years)	5.63	N.A.	-	-
		<i>6.63</i>	<i>N.A.</i>	-	-

There were no reportable details in respect of ESOP 2003, ESOP (B) 2007 and ESPP 2007.

Previous year figures are in italics.

Note: The equity shares pursuant to options granted under this scheme were allotted in the past and were administered through the TV18 Employee Welfare Trust. Accordingly, there has been no further allotment of equity shares pursuant to the exercise of these options.

B. Web18 Holdings Limited Share Options Plan

The employees of the Web Group have been granted options, which have been fully vested under the ESOP Plan of Web 18 Holdings Limited. Each option entitles the grantee to one Class B ordinary share of USD 0.00374 each at an exercise price of USD 1 each. These options become exercisable by the grantee in four equal installments as follows:

- 25% of the vested options on 15 April 2009
- 25% of the vested options on 15 April 2010
- 25% of the vested options on 15 April 2011
- balance 25% of the vested options on 15 April 2012.

Details of Option numbers and weighted average prices are as given below.

Web18 Holdings Limited Share Options Plan (ESOP Plan)

Particulars	Year ended 31 March, 2010			Year ended 31 March, 2009		
	Shares arising out of options	Weighted average exercise price	Weighted average remaining contractual life	Shares arising out of options	Weighted average exercise price	Weighted average remaining contractual life
		(USD)	(Years)		(USD)	(Years)
Outstanding, at the beginning of the year	11,617,118	1.00	3.04	-	-	-
Granted	170,000	1.00	-	11,617,118	1.00	-
Forfeited	1,474,000	1.00	-	-	-	-
Exercised	-	-	-	-	-	-
Outstanding, at the end of the year	10,313,118	1.00	2.04	11,617,118	1.00	3.04
Exercisable at the end of the year	2,578,280	1.00	2.04	-	-	-

- Memorandum of Understanding with Rishi Khiani (MOU) employment with the Group for a period of 36 months. Of these share based payments, 420,000 (Previous year 280,000) equity shares have been vested upto 31 March, 2010. Further, 280,000 equity shares (Previous year 280,000) have issued upto 31 March, 2010.

C. Infomedia18 Limited ESOP Plan

Infomedia has provided share based payment schemes to its employees. During the year ended 31 March, 2010 the following schemes were in operation:

Particulars	Employee Stock Option Plan 2004		
Year in which scheme was established	2004		
Number of options authorised to be granted	494,000		
Exercise price	Grant 1 Grant 2 Grant 3 Grant 4 Grant 5 Grant 6	86.85 141.45 150.80 180.50 154.05 209.85	
Vesting date	Grant 1 Grant 2 Grant 3 Grant 4 Grant 5 Grant 6	24 October, 2005 (1 Year) 30 May, 2006 (1 Year & 217 days) 31 March 2006 (1 Year & 157 days) 31 March 2007 (2 Years & 157 days) 30 May, 2006 (1 Year & 21 days) 30 May, 2007 (2 Years & 21 days) 27 October, 2006 (1 Year) 27 October, 2007 (2 Years) 26 October, 2007 (1 Year) 26 June, 2008 (2 Years) 26 October, 2007 (1 Year) 26 October, 2008 (2 Years) 21 November, 2008 (1 Year) 21 November, 2009 (1 Year)	40,000 60,000 32,000 32,000 20,000 80,000 77,750 77,750 8,750 8,750 9,250 9,250 19,250 19,250
Vesting requirements	Should be in service at date of vesting		
Exercise period	Three Years		
Un-granted options cancelled during the previous year	Nil		
Un-granted options	Nil		

This scheme (ESOP 2004) is covered under the approval of the shareholders vide their Annual General Meeting held on July 28, 2004 as modified at Extra Ordinary General Meeting held on 20 January, 2005 and Annual General Meeting held on October 10, 2006. The details of activity under the plan are summarized below:

Particulars	Year ended 31 March, 2010		Year ended 31 March, 2009	
	No. of Shares	Weighted Average Exercise Price (Rs.)	No. of Shares	Weighted Average Exercise Price (Rs.)
a. outstanding at the beginning of the year	47,250	187.06	187,250	158.89
b. grant during the year	-	-	-	-
c. exercised during the year	-	-	111,250	142.80
d. no of options lapsed	10,500	186.66	28,750	174.88
e. outstanding at the end of the year	36,750	187.17	47,250	187.06
f. exercisable at the end of the year	36,750	-	27,750	-
g. weighted average remaining contractual life (in years)	1.46	-	2.29	-
h. weighted average fair value of the options granted (Rs.)	37.26	-	38.37	-

Details of exercise price for stock options outstanding at the end of the year are:

Year End	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
31 March, 2010	150.80 to 209.85	36,750	1.46	187.17
31 March, 2009	150.80 to 209.85	47,250	2.29	187.06

Employee Stock Option Plan 2007 (ESOP 2007)

Particulars	Employee Stock Option Plan 2007 (ESOP 2007)	
Date of Grant/Board Approval	2 April 2009	
No of Options Granted	967,500	
Exercise price	Rs. 10	
Method of Settlement	Equity	
Vesting Period	1 April, 2010 (1 year)	387,000
	1 April, 2011 (2 year)	290,250
	1 October, 2011 (2 years & 6 months)	290,250
Exercise Period	Three Years	
Un-granted options	Nil	

This scheme (ESOP 2007) is covered under the approval of the shareholders vide their Extra-Ordinary General Meeting held on January 10, 2008.

The details of activity under the plan are summarised below:

Particulars	Year ended 31 March, 2010		Year ended 31 March, 2009	
	No. of Shares	Weighted Average Exercise Price (Rs.)	No. of Shares	Weighted Average Exercise Price (Rs.)
a. outstanding at the beginning of the year	-	-	-	-
b. grant during the year	967,500	10.00	-	-
c. exercised during the year	-	-	-	-
d. no of options lapsed	56,500	10.00	-	-
e. outstanding at the end of the year	911,000	10.00	-	-
f. exercisable at the end of the year	-	-	-	-
g. weighted average remaining contractual life (in years)	2.38	-	-	-
h. weighted average fair value of the options granted (Rs.)	0.95	-	-	-

Details of exercise price for stock options outstanding at the end of the year are:

Year End	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
31 March, 2010	10.00	911,000	2.38	10.00
31 March, 2009	-	-	-	-

Details of exercise price for stock options outstanding at the end of the year are:

ESOP Scheme	Range of Exercise Price (Rs.)	No. of Options Outstanding	Weighted average remaining contractual life (in years)	Weighted average exercise price (Rs.)
ESOP 2004	150.80 to 209.85	36,750	1.46	187.17
ESOP 2007	10.00	911,000	2.38	10.00

D. ibn18 Stock option plans

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

- ibn18 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. ibn18 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. ibn18 plans to grant upto 1,700,000 (8,500,000 options pursuant to split of 1 share of face value of Rs.10 in 5 shares of face value of Rs.2 each) options to eligible employees of the Group and directors of the company and its subsidiaries and holding company of the Parent.
- Options which have been granted under ESOP 2007 shall vest with the grantee equally over a four years period from the date of grant. The exercise period of the options is a period of two years after the vesting of the options. Each option is exercisable for one equity share of Rs. 10 each (for one equity share of Rs 2 each after split) fully paid up on payment of exercise price (as determined by the remuneration/compensation committee) of share determined with respect to the date of grant. The Parent has granted 3,920,642 options (19,603,210 options after split) upto 31 March, 2010.

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

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

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

E. TV18 Home Shopping Limited Plans

The employees of the Company have been granted stock options under TV18 HSN Holdings Limited Share Option Plan 2008 of TV18 HSN Holdings Limited.

Particulars	TV18 HSN Holdings Limited Share Option Plan 2008
Year in which scheme was established	2008-09
Number of options authorised to be granted	2,587,316
Exercise price	The exercise price in respect of the options shall be decided by the Compensation Committee.
Vesting date	a) 25% of the options vest on 9 April 2009 b) 25% of the options vest on 9 April 2010 c) 25% of the options vest on 9 April 2011 d) Balance 25% of the options vest on 9 April 2012.
Vesting requirements	1 to 4 years of service.
Exercise period	Employees would be entitled to exercise 25% of the Vested Options at anytime during the 12 month period from the first anniversary of the date of grant and the balance of 75% of the Vested Options shall be exercised as to 25% at anytime during the 12 month period after at every subsequent anniversary of the date of the grant.
Un-granted options	738,316

Particulars	Options (Numbers)	Weighted average Price (USD)	Weighted average Price (Rs. approximately)
Outstanding at the beginning of the year	1,849,000	0.11	5.60
Granted during the year	-	-	-
Exercised during the year	18,49,000	0.11	5.60
Forfeited during the year	-	-	-
Outstanding at the end of the year	1,717,000	0.11	5.60
Exercisable at the end of the year	-	-	-
Weighted average remaining contractual life (years)	3.00	N.A.	N.A.
	4.00	N.A.	N.A.

F . Viacom18 Limited ESOP Plan

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.

9. Pro forma Accounting for Stock Option Grants

The N18's group applies the intrinsic value-based method of accounting for determining compensation cost for its stock-based compensation plans. Had the compensation cost been determined using the fair value approach, the group's net income and basic and diluted earnings per share as reported would have reduced to the pro forma amounts as indicated:

Particulars	Current Year	Previous Year
	Rs. in millions	
Net profit after tax	(1344.36)	(1818.79)
Add Stock based employee compensation expenses debited to profit and loss account	110.45	141.15
Less Stock based employee compensation expenses based on fair value	231.35	327.56
Difference between (i) and (ii)	120.90	186.41
Adjusted proforma profit / (loss)	(1465.26)	(2,005.20)
Difference between (a) and (c)	120.90	186.41
Basic earning per share	(13.59)	(31.43)
Pro forma basic earning per share	(14.81)	(33.98)
Diluted earning per shares	(13.30)	(30.82)
Pro forma diluted earning / (Loss) per share (Rs.)	(14.50)	(33.98)

10. Disclosures as required by Accounting Standard 15

The reconciliation of opening and closing balances of the present value of the defined obligation in Rs. million for the continuing businesses as at :

Particulars	Year ended 31-Mar-10		Year ended 31-Mar-09	
	Gratuity Benefits	Compensated Absences	Gratuity Benefits	Compensated Absences
Obligation at the year beginning (A)	143.71	121.47	41.96	48.37
Adjustment for increase in opening provision for retirement benefits (B)**	6.14	4.64	52.92	20.31
Disposal of JV Share	0.24	-	-	-
Current service cost (C)	28.92	18.96	29.22	35.85
Interest cost (D)	11.15	9.30	5.34	4.16
Actuarial loss/(gain) (E)	(30.50)	(14.70)	19.18	28.63
Benefits paid (F)	(8.77)	(53.06)	(4.91)	(15.86)
Fair Value of Assets	-	-	-	-
Obligation at the year end (A+B+C+D+E+F)	150.90	86.61	143.71	121.47
Change in plan assets:				
Fair value of plan assets at the year beginning	48.03	-	12.45	-
Fair value of plan assets from Acquisition of New Business	4.13	-	37.15	-
Expected return on plan assets	4.01	-	2.83	-
Employer's contributions	11.01	-	2.98	-
Benefits paid	(7.19)	-	(4.80)	-
Actuarial gain/ (loss)	(1.04)	-	(2.58)	-
Fair value of plan assets at the year end*	58.94	-	48.03	-
* compensated absences not funded				
Net liability:				
Present value of obligation at the year end	150.90	86.61	143.71	126.81
Fair value of plan assets at the year end	58.94	-	48.03	-
Unrecognised past service cost	-	-	-	-
Benefits paid by the group on behalf of the fund	-	-	4.40	-
Net liability	91.96	86.61	91.28	126.81
b. Cost for the year				
Current service cost (A)	28.92	18.96	29.22	35.85

The reconciliation of opening and closing balances of the present value of the defined obligation in Rs. million for the continuing businesses as at :

Particulars	Year ended 31-Mar-10		Year ended 31-Mar-09	
	Gratuity Benefits	Compensated Absences	Gratuity Benefits	Compensated Absences
Viacom 18's opening Liability		(3.30)		
Interest cost (B)	11.15	9.30	5.34	4.16
Actuarial loss/(gain) (C)	(29.46)	(14.70)	21.76	28.63
Expected Return on plan assets	(4.01)	-	(2.83)	-
Net cost (A+B+C+D)	6.61	10.26	53.49	68.65
c. Actuarial assumptions used:-				
Discount Rate	7.00	7.00	7.00	7.00
Expected Salary Escalation Rate	6.00	6.00	6.00	6.00
Mortality Table	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified	LIC(1994-96) duly Modified
Retirement Age	60 Yrs	60 Yrs	60 Yrs	60 Yrs
Withdrawal Rates	Age	Percentage	Age	Percentage
	Upto 30 Year	3.00	Upto 30 Year	3.00
	Upto 44 Year	2.00	Upto 44 Year	2.00
	Above 44 year	1.00	Above 44 year	1.00

11. Deferred tax

Deferred tax assets and liability are being offset as they relate to taxes on income levied by the same governing taxation laws. Break up of deferred tax assets/liabilities and reconciliation of current year deferred tax charge:

(All amounts in Rupees)				
	Opening Balance	Deferred tax on Companies acquired during the year	(Charged)/ Credited to P&L	Closing Balance
DEFERRED TAX LIABILITY				
Deferred Tax Liabilities				
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	(25,561,337)	-	9,128,007	(16,433,330)
	3,618,237	(33,157,776)	5,280,655	(24,258,884)
Fiscal allowance on investments	(20,121,414)	20,121,414	-	-
	-	(20,539,255)	417,841	(20,121,414)
Total (A)	(45,682,751)	20,121,414	9,128,007	(16,433,330)
	3,618,237	(53,697,031)	5,698,496	(44,380,298)
Deferred Tax Assets				
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under the provisions of income tax legislation	8,047,342	-	(2,213,579)	5,833,763
	-	9,999,745	(3,254,856)	6,744,889
Provision for doubtful debts	1,082,736	-	(479,269)	603,467
	-	18,301,898	(17,219,162)	1,082,736
Brought forward business losses to be set off in future years	-	-	-	-
	-	-	-	-
Total (B)	9,130,078	-	(2,692,848)	6,437,230
	-	28,301,643	(20,474,018)	7,827,625
Total (A-B)	(36,552,673)	20,121,414	6,435,159	(9,996,100)
	3,618,237	(25,395,388)	(14,775,522)	(36,552,673)
a) Break up of deferred tax assets and reconciliation of current year's deferred tax:				
DEFERRED TAX ASSETS				
Deferred Tax Liabilities				
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	(92,324,533)	-	25,037,921	(67,286,612)
	(108,594,493)	-	17,572,413	(91,022,080)

(All amounts in Rupees)				
	Opening Balance	Deferred tax on Companies acquired during the year	(Charged)/ Credited to P&L	Closing Balance
Total (C)	(92,324,533)	-	25,037,921	(67,286,612)
	(108,594,493)	-	17,572,413	(91,022,080)
Deferred Tax Assets				
Tax impact of expenses charged in the financial statements but allowable as deductions in future years under the provisions of income tax legislation	182,016,473	-	(71,983,421)	110,033,052
	57,006,596	-	124,536,652	181,543,248
Provision for doubtful debts	52,397,173	-	(5,942,015)	46,455,158
	36,730,067	-	15,667,106	52,397,173
Total (D)	234,413,646	-	(77,925,436)	156,488,210
	93,736,663	-	140,203,758	233,940,421
Total (C-D)	142,089,113	-	(52,887,515)	89,201,598
	(14,857,830)	-	157,776,171	142,918,341

12. Earnings per Share

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

Particulars	Units	Current year	Previous year
Net Profit (Loss) after tax	Rs. (a)	(1,344,361,768)	(1,818,787,278)
Weighted Average number of Equity Shares used in computing basic earnings per share	Nos (b)	98,952,556	57,870,810
Basic Earning per share	Rs. (a/b)	(13.59)	(31.43)
Shares to be issued under Stock Options (Net of forfeitures)	(c)	5,942,421	2,054,525
Adjustment for number of shares that would have been issued at the fair value	(d)	(3,816,740)	(1,215,363)
Weighted average number of Equity shares used for computing Diluted Earning Per Share	(e)	101,078,237	58,709,972
Diluted Earning per share	Rs. (a/e)	(13.30)*	(30.98)
Effect of potential equity shares	(c-g)	(0.29)	(0.45)

*Antidilutive EPS (13.59)

13. Leases

- The Group has taken various office premises under operating lease agreements. These are generally non cancelable and are renewable by mutual consent on mutually agreed terms.
- Lease payments for the year: Rs 458.24 million (Rs. 416.58 million)
- The future minimum lease payments under non-cancelable operating leases are:

(Rs. in million)

Particulars	Current year	Previous Year
Not later than one year	439.33	463.57
Later than one year but not later than five years	615.90	996.52
Later than five years	16.34	68.30

14. Minority Interest Reconciliation

Particulars	Current Year (Rs.)	Previous Year (Rs.)
Opening balance	3,608,607,576	4,155,913,493
Add/ (less): Issue of preference shares by subsidiaries	-	(666,225,598)
Add/(less): On Account of acquisition of Subsidiary	-	(46,382,590)
Add/ (less): Adjustment on account of transfer of subsidiary / Change of interest in subsidiary	-	657,249,421
Add/(less): Minority's share of accumulated profit/(loss)	735,711,171	253,586,597
Add/(Less): Preference shares held by minority redeemed	-	(399,700,000)
Add/(less) : Minority's share related to share premium	4,005,509,658	1,453,951,284
Add:/Less: Minority's share related to change in equity.	152,930,893	8,630,802

Add: Minority's share related to ESOP reserve	106,198,323	49,174,961
Add: Minority's share related to Capital Reserve	250,426,101	
Add: Minority's share related to Exchange reserve	22,095,649	(67,093,472)
Add/(less): Share in current year profit/ (loss)	(1,517,073,076)	(1,648,714,081)
Add/(less): Exchange difference on preference shares/preference share capital in subsidiary held by minority	(219,677,500)	-
Add/(Less): Misc Expenditure	21,232,742	-
Add/(Less) Appropriation adjustment of minority interest	(3,864,409)	(141,783,241)
Closing balance	7,162,097,128	3,608,607,576

15. Prior period adjustments comprise

Particulars	Year ended 31-03-2010 (Rs.)	Year ended 31-03-2009 (Rs.)
Employee stock compensation expenses	-	16,222
Site support costs	(603,508)	1,235,160
Excess provision written back	8,486,594	-
Content and franchise expenses	-	11,961,404
Legal and professional expenses	-	22,083,441
Exchange fluctuation	-	(3,200,000)
Income from media operations	14,486,186	(9,347,380)
Airtime Purchased	(6,138,720)	
Others	(2,843,838)	537,000
Share of loss of an associate	-	(6,308,293)
Advertisement Expenses	(8,213,100)	5,169,431
Travelling Expenses	(2,192,196)	952,397
Production Expenses	-	367,109
Vehicle Hire Charges	-	411,649
Interest on Term Loan	-	80,137
Interest paid to Income Tax Department	-	5,892,493
Event Expenses	-	108,596
Event Income	-	(241,333)
VAT Liability written Off (Studio18)	-	(649,625)
Expenses Short Provided	512,688	
Total	3,494,106	29,068,408

16. Related Party

(a) List of related party

i. Key Management Personnel

- Raghav Bahl (Also exercises control by virtue of having a substantial interest in the voting power of the Company)
- Sameer Manchanda
- Rajdeep Sardesai
- Sagarika Ghose
- Sanjay Ray Chaudhuri
- Haresh Chawla
- Anil Srivastava

ii. Relatives of Key Management Personnel

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

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

- RB Investments Private Limited
- RRB Holdings Private Limited
- RVT Holdings Private Limited
- RVT Fincap Private Limited
- RRK Holdings Private Limited
- RB Software Private Limited
- RB Softech Private Limited
- BK Media Private Limited
- BK Media Mauritius Private Limited, Mauritius
- Digital 18 Media Limited

- VT Investments Private Limited
- SGA News Limited
- VT Holdings Private Limited
- RVT Softech Private Limited
- Greycells 18 Media Private Limited
- Keyman Financial Services Private Limited
- RRB Investments Private Limited
- Tangerine Digital Entertainment Private Limited
- RRK Finhold Private Limited
- VT Softech Private Limited
- Network 18 Publications Limited
- RB Finhold Private Limited
- RRB Fincap Private Limited
- RVT Finhold Private Limited
- Wespro Digital Private Limited
- Film Investment Managers (Mauritius) Limited
- Media Venture Capital Trust II
- BK Communications Limited
- BK Ventures Limited
- BK Capital Limited, Cayman Island
- BK Network Limited
- International Media Advisors Private Limited
- BRR Securities Private Limited (Earlier Kishore Securities Pvt. Ltd.)
- Ubona Technologies Private Limited
- Capital18 Advisors Limited, Mauritius.
- Juxt Consult Research and Consulting Private Limited
- Goosefish Media Venture Private Limited
- Blue Slate Media Private Limited
- RRK Finvest Private Limited
- Web18 Securities Private Limited
- BK Finhold Private Limited
- RRK Media Private Limited
- Mobile NXTonline Private Limited
- Webchutney Studio Private Limited
- Capital18 Limited, Cayman Island
- RB Holdings Private Limited
- The Network18 Trust
- Jagran18 Publications Limited
- Capital 18 Media Advisors Private Limited
- RRB Media Private Limited
- VT Media Private Limited
- IBN Lokmat News Private Limited
- Network 18 Group Senior Professionals Welfare Trust
- Network 18 Employee Welfare Trust
- The Network18 Trust
- Colosseum Media Private Limited
- Den Digital Entertainment Network Private Limited
- Den Digital Cable Network Private Limited
- Den Network Limited
- Den Bellary City Cable Private Limited
- Den Manoranjan Satellite Private Limited
- Den Nashik City Cable Network Private Limited
- Den Supreme Satellite Vision Private Limited
- Jagaran TV Private Limited till 30 September, 2007 (now known as ibn18 Media and Software limited)
- India International Film Advisors Private Limited (formerly RB Fincap Private Limited)
- Viacom 18 Media Private Limited (formerly MTV Network India Private Limited) w.e.f. 01 October, 2008

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

Particulars	Entities under Significant influence (Rs.)	Key Management Personnel (Rs.)	Relatives of Key Management Personnel (Rs.)
Income from operations and other income.			
SGA News Limited	3,138,081 (1,200,000)		
Network 18 Publications Private Limited	5,338,749 (8,200,080)		
Media Venture Capital Trust II	- (95,000,000)		

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Greycells 18 Media Private Limited	4,286,621 (28,835,495)		
Wespro Digital Private Limited	62,425,215 (43,631,047)		
Viacom18 Media Private Limited	107,809,380 (126,149,283)		
IBN Lokmat News Private Limited	24,512,026 (19,640,625)		
Mobilenxt Teleservices Private Limited	- (16,928,162)		
Network 18 Trust	217,400,000 (578,000,000)		
Digital 18 Media Private Limited	100,022,967 (150,000)		
VT Softech Private Limited	- (2,534,229)		
RVT Holdings Private Limited	8,830,874 (1,975,028)		
Den Network Limited	10,000,000 (-)		
Interest Received from			
Network 18 Group Senior Professional Welfare Trust	24,843,940 (-)		
Webchutney Studio Private Limited	8,557 (-)		
Investment made in units of venture capital fund.			
Media Venture Capital Trust II	239,400,000 (1,607,800,000)		
Network18 Trust	- (270,000,000)		
Expenditure for Services received.			
Raghav Bahl		- (213,777)	
Ritu Kapur			2,016,583 (1,886,327)
Sanjay Ray Chaudhari			4,632,658 (-)
Haresh Chawla			4,199,634 (-)
Janvi Chawla			1,438,800 (-)
Sameer Manchanda (SM)			14,139,539 (-)
Rajdeep Sardesai (RS)			14,497,973 (-)
Sagarika Ghosh			1,613,280 (-)
Digital 18	8,925,707 (-)		
DEN Digital Entertainment, Bangalore	4,212,500 (-)		
DEN Bellary	225,001 (-)		

DEN Digital Cable	19,493 (-)		
DEN Manoranjan	4,250,000 (-)		
DEN Nasik City	2,407,143 (-)		
DEN Supreme Setellite	895,834 (-)		
Capital 18 Media Advisors Private Limited	- (6,123,020)		
Viacom18 Media Private Limited	2,441,263 (8,860,989)		
Network 18 Publications Private Limited	3,654,000 (199,950)		
RVT Holdings Private Limited	- (590,625)		
Tangerine Digital Entertainment Private Limited	- (5,500,000)		
DEN Digital Entertainment Networks Private Limited	442,893,340 (336,044,550)		
Interest paid to			
SGA News Limited	- (127,523)		
Reimbursement of Expenses (received)			
Jagran 18 Publications Limited	- (1,751,424)		
SGA News Limited	- (27,683,483)		
Wespro Digital Private Limited	21,390,990 (14,086,041)		
Colosseum Media Private Limited	- (617,946)		
Greycells 18 Media Private Limited	4,954,923 (11,800,706)		
IBN Lokmat News Private Limited	114,571,213 (94,680,462)		
Network 18 Publications Private Limited	- (4,090)		
Tangerine Digital Entertainment Private Limited	9,789,823 (-)		
Viacom18 Media Private Limited	11,487,091 (9,148,900)		
Digital 18 Media Private Limited	32,737,449 (2,554,529)		
IFC Distributions Private Limited	854,061 (203,670)		
Indian International Film Advisors Private Limited	1,036,915 (1,452,108)		
RVT Investments Private Limited	1,343,058 (-)		
Capital 18 Media Advisors Private Limited	- (603,179)		
RVT Holdings Private Limited	191,382 (-)		

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VT Softech Private Limited	764,296 (-)		
Big Tree Entertainment Private Limited	- (8,190)		
Stargaze Entertainment Private Limited	128,519 (63,000)		
Reimbursement of Expenses (paid)			
IBN Lokmat News Private Limited	3,017,422 (3,119,082)		
SGA News Limited	- (1,367,043)		
Viacom18 Media Private Limited	7,384,135 (227,980)		
Jagran18 Publications Limited	- (14,389)		
Network 18 Publications Private Limited	188,500 (56,104)		
Greycells 18 Media Private Limited	764,342 (598,773)		
Network 18 Trust	- (11,617)		
VT Softech Private Limited	- (507,469)		
RVT Holdings Private Limited	8,879,355 (256,523)		
Amount collected on behalf of (received)			
Wespro Digital Private Limited	- (220,941,189)		
RVT Holdings Private Limited	- (7,555,151)		
Greycells 18 Media Private Limited	- (306,040)		
Investment purchased from			
Media Venture Capital Trust II	- (245,000,000)		
Investment made in equity share during the year			
Viacom18 Media Private Limited	- (2,434,019,661)		
Viacom18 Media Private Limited	117,964 (-)		
Viacom18 Media Private Limited, UK	117,964 (-)		
VT Investments Private Limited	- (72,000)		
Investment made in preference share during the year			
VT Investments Private Limited	- (290,000,000)		
VT Holdings Private Limited	- (245,612,500)		
Sale of equity share during the year			
VT Investments Private Limited	- (36,000)		

Mobilenxt Teleservices Private Limited	- (151,190,000)		
Raghav Bahl		- (36,000)	
Sale of Preference share during the year			
VT Investments Private Limited	- (290,000,000)		
Loans / Advances given during the year			
Network 18 Group Senior Professional Welfare Trust	1,475,800,000 (-)		
Jagran18 Publications Limited	- (5,550,000)		
SGA News Limited	- (1,000,000)		
Network 18 Publications Private Limited	- (10,000,000)		
Mobilenxt Teleservices Private Limited	- (809,914)		
VT Softech Private Limited	- (12,148,989)		
Wespro Digital Private Limited	- (30,000,000)		
Loans / Advances received back given during the year			
Viacom18 Media Private Limited	- (26,010,657)		
Network 18 Publications Private Limited	- (3,400,000)		
Mobilenxt Teleservices Private Limited	3,800,000 (809,914)		
VT Softech Private Limited	8,134,317 (14,173,797)		
Share application money paid pending allotment.			
IBN Lokmat News Private Limited	22,500,000 (-)		
Viacom 18 Media Private Limited	100,000,000 (-)		
Share application money paid during the year			
VT Investments Private Limited	- (54,000,000)		
Share application money refunded during the year			
VT Investments Private Limited	- (54,000,000)		
Balances outstanding at the year end			
Amount due from			
Tangerine Digital Entertainment Private Limited	197,055 (197,055)		
Viacom18 Media Private Limited	60,799,853 (79,112,517)		
India International Film Advisors Private Limited.	1,282,500 (1,282,500)		

NETWORK18 MEDIA & INVESTMENTS LIMITED


Studio 18 UK Limited	83,270 (89,182)		
Studio 18 USA Limited	518,306 (504,076)		
IBN Lokmat News Private Limited	12,404,323 (15,074,972)		
Network18 Group Senior Professional Welfare Trust	1,498,159,546 (-)		
Network18 Employee Welfare Trust	600,000 (-)		
Greycells 18 Media Private Limited	27,095,243 (20,102,742)		
Network 18 Publications Private Limited	13,687,118 (8,859,816)		
Ibn18 Trust	9870 (9,870)		
Digital 18 Limited	81,463,304 (-)		
Webchutney Studio Private Limited	- (98,528)		
Loan / Advances at the year end			
Jagran18 Publications Limited	- (4,151,815)		
Digital 18 Media Limited	14,615,028 (1,980,583)		
VT Softech Private Limited	6,893,149 (15,443,709)		
Viacom18 Media Private Limited	17,353,847 (18,191,398)		
IBN Lokmat News Private Limited	11,224,077 (48,959,695)		
Wespro Digital Private Limited	29,234,685 (28,600,000)		
Viacom 18 Media US	425,000 (-)		
Viacom 18 Media UK	425,000 (-)		
SGA News Limited	46,197,417 (41,771,890)		
Network 18 Publications Private Limited	13,497,943 (13,137,532)		
Greycells 18 Media Private Limited	2,509,037 (8,242,945)		
India International Film Advisors Private Limited	- (29,683)		
Tangerine Digital Entertainment Private Limited	2,007,970 (268,150)		
Amounts due to			
Viacom18 Media Private Limited	8,150,987 (6,448,732)		
IBN Lokmat News Private Limited	18,200 (1,576,346)		
Network 18 Publications Private Limited	3,355,095 (1,013,571)		

NETWORK18 MEDIA & INVESTMENTS LIMITED


RVT Holdings Private Limited	4,515,107 (275,110)		
BK Media Mauritius Private Limited	184,714 (163,559)		
Wespro Digital Private Limited	14,335,806 (40,316,886)		
Den Digital Entertainment Bangalore	74,355 (-)		
Den Bellary	60,803 (-)		
Den Nasik City	403,731 (-)		
DEN Supreme Satellite	144,306 (-)		
Digital 18	9,515,281 (-)		
Greycells 18 Media Private Limited	70,741 (-)		
DEN Digital Entertainment Networks Private Limited	17,809,445 (2,635,700)		
Corporate Guarantees as the year end to secure the debts of , (see also Note 6 above)			
IBN Lokmat News Private Limited	272,500,000 (272,500,000)		
Capital 18 Limited, Mauritius (USD 50 million)	112,850,000 (2,547,500,000)		
BK Holdings Limited, Mauritius (USD 85 million)	3,836,900,000- (4,330,750,000)		
Guarantee for Investment in Viacom 18	451,400,000 (2,038,000,000)		
Investment Pledged in connection with loans availed by (market value)			
TV 18 Senior Professional Trust	- (1,199,240,000)		
Share Application Money Paid at the year end			
IBN Lokmat News Private Limited	- (34,500,000)		
Viacom18 Media Private Limited	- (200,000,146)		
Share Application Money Paid for units at the year end			
Media Venture Capital Trust II	- (50,000)		
Purchase of Fixed Assets			
VT Softech Private Limited	- (1,307,688)		
Tangerine Digital Entertainment Private Limited	3,405,000 (-)		
Sale of Assets			
Greycells 18 Media Private Limited	- (61,000)		
Deposits payable as at year end			
Greycells 18 Media Private Limited	- (1,935,938)		

17. Information about Business Segments

Income / Expenditure (Rs. in million)	Investment activities	Media Operations	Others	Total (Rs.)
Revenues		11,233.13	4,428.97	15,662.10
	(706.68)	(6,766.18)	(2,390.99)	(9,863.85)
Less Inter company Revenue	-	272.96	1,130.55	1,403.51
	(66.93)	(204.78)	(631.14)	(902.85)
Expenses		13,049.39	3,032.69	16,082.08
	-	(9,190.81)	(2,038.72)	(11,229.54)
Less Inter company Expenses		1,105.98	113.57	1,219.55
	-	(746.85)	(461.05)	(1,207.90)
Segment result	-	(983.24)	379.30	(603.94)
	(639.75)	(-1,882.56)	(210.95)	1,060.64
Less: Interest & Financial Charges				2,126.30
				(1,950.75)
Less: Other unallocable expenses				35.18
				(334.13)
Profit before taxes				(2,765.41)
				(-3,345.52)
Income tax (Net of MAT Credit and including FBT)				96.02
				(32.24)
Profit for the period				(2,861.43)
				(-3,313.28)
Assets / Liabilities*				
Segment Assets		34,155.37	12,127.55	46,282.92
	(7,025.91)	(15,430.15)	(647.17)	(23,103.23)
Segment Liabilities		18,408.54	8,775.39	27,183.93
	(2,418.44)	(7,651.03)	(4,199.44)	(14,268.91)
Capital expenditure	-	191.47	356.95	548.42
		(6.88)	(2.09)	(8.97)
Depreciation	-	677.37	0.54	677.91
		(656.69)	(58.76)	(715.45)
Other Non cash expenses**				630.29
				(102.83)
**excludes ESOP exp				

18. a. Details of Foreign currency exposures that are not hedged by derivative instruments in entities where the functional currency is INR

Currency	Payables	Rupees	Receivables	Rupees
USD	5,705,539	257,558,918	9,553,835	431,354,844
USD (Loans)	108,500	5,124,810	-	-
USD (Advances)	-	-	250,000	9,905,000
GBP	85,386	5,787,961	780,586	53,059,956
Euro	34,810	2,108,096	85,912	5,202,846
Euro (Advances)	-	-	38,069	2,428,306
JPY	-	-	47,790	2,314,969
Singapore \$	1,519	49,979	-	-
Aus \$	2,413	99,805	-	-

b. Details of foreign currency exposures not hedged by derivative instruments in entities of Web group where the functional currency is USD
Payables

Currency		USD equivalent
INR	71,406,930	1,581,899
GBP	132,309	199,409

Receivables (Assets)

Currency		USD equivalent
INR	57,394,077	1,271,468

19. Additional statutory information disclosed in the separate financial statements of Network 18 Media & Investments Limited and its subsidiaries having no material bearing on the true and fair view of these Consolidated financial statements and the information pertaining to the items which are not material have not been disclosed in the consolidated financial statements .

20. As per the Requirements of AS 21, AS 23 and AS 27 in the preparation of consolidated financial statements , the accounting policies of the consolidated entities are required to be aligned with those of the company to the extent practicable . The group has estimated the impact of the differential accounting policies on the consolidated financials for the year ended March 31,2010 and based on such estimates, has determined that the difference is not material . Management is of the opinion that , such alignment of accounting policies is not practicable and that the cumulative impact of such alignment, if made would not be significant to the consolidated financial statements.

21. These instruments represent loans extended to Network 18 Holdings Limited , Cayman Islands (a subsidiary of the company) by subsidiary entities of Television Eighteen India Limited, which have not been consolidated as mentioned in Note 1(b) above.

For and on behalf of the Board

Raghav Bahl
Managing Director

Sanjay Ray Chaudhuri
Alternate Director

May 28, 2010
Noida

R D S Bawa
Chief Financial Officer

Shilpa Verma
Manager - Corporate Affairs &
Company Secretary

(All Amounts in Rs.)

FINANCIAL DETAILS OF SUBSIDIARIES

Name of Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments (Except in case of Investment in Subsidiaries)	Turn-over	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
Television Eighteen India Limited	900,846,371 600,071,210	8,910,511,463 4,645,732,117	19,539,122,508 15,860,511,647	19,539,122,508 15,860,511,647	5,305,067,943 3,315,763,421	3,399,938,542 4,196,558,594	(274,192,875) 48,201,182	50,582,525 (150,021,840)	(324,755,400) 198,223,022	
Ibn18 Broadcast Limited	363,302,956 587,802,956	1,786,248,545 2,476,165,596	9,078,345,496 6,027,164,273	9,078,345,496 6,027,164,273	4,648,142,675 2,527,769,661	2,637,192,533 1,938,437,975	(820,989,695) (666,196,561)	- 16,007,516	(820,989,695) 682,204,077	
RVT Media Private Limited	100,000 100,000	- (42,127)	111,030 68,903	111,030 68,903	- -	- -	(18,583) (11,630)	- -	(18,583) (11,630)	
Ibn18 Media & Software Limited	134,589,500 134,589,500	- (133,903,344)	134,632,185 738,781	134,632,185 738,781	- -	1,721,000 466,574	(26,443) (182,913)	- -	(26,443) (182,913)	
Ibn18 (Mauritius) Limited, Mauritius #	5,075	-	658,425,049	658,425,049	-	-	(658,396,375)	-	(658,396,375)	0
Seipiro 18 Distribution Limited	500,000 500,000	89,455,775 76,890,092	598,638,354 480,857,115	598,638,354 480,857,115	11,322,691 855,814	918,409,588 651,105,597	21,334,379 47,284,740	8,768,696 17,164,268	12,565,683 30,120,482	
Network 18 Holdings Ltd, Cayman Islands	67,890,044 67,890,044	84,915,593 (41,090,140)	2,121,119,865 285,078,599	2,121,119,865 285,078,599	427,524,000 -	146,688,847 62,956	126,005,733 (41,006,532)	- -	126,005,733 (41,006,532)	
TV18 HSN Holdings Ltd, Cyprus	217,121,374 204,136,625	2,172,887,804 1,000,354,083	2,391,650,584 1,205,621,747	2,391,650,584 1,205,621,747	- -	9,440,873 42,654,524	4,722,495 35,127,466	200,428 259,172	4,522,068 34,868,294	
TV 18 Home Shopping Network Limited	50,683,950 47,222,390	1,083,392,665 (15,271,474)	1,535,402,250 1,492,402,656	1,535,402,250 1,492,402,656	37,309,763 78,313,088	543,298,512 239,862,866	(283,917,074) (489,681,703)	- 3,736,028	(283,917,074) (493,417,731)	
Network18 India Holdings Private Limited	94,810,000 94,810,000	1,905,803,744 1,902,697,294	3,476,601,460 3,761,808,472	3,476,601,460 3,761,808,472	78,864,456 -	36,542,932 39,620,344	4,273,160 (357,797,696)	1,670,000 -	2,603,160 (357,797,696)	
The Indian Film Company Limited, Guernsey#	-	4,326,308,661	4,641,557,419	4,641,557,419	-	888,086,979	16,938,499	-	16,938,499	
The Indian Film Company (Cyprus) Ltd., Cyprus#	16,350,030	4,133,655,309	4,150,005,939	4,150,005,939	-	1,506,037,619	(241,019,169)	-	(241,019,169)	182706
IFC Distribution Private Limited, India#	100,000	(25,438,103)	662,616,786	662,616,786	-	9,086,345	(10,133,651)	-	(10,133,651)	
Television Eighteen Mauritius Limited	535,939,050 535,939,050	(152,069,640) (169,866,791)	679,919,110 764,099,545	679,919,110 764,099,545	248,270,045 290,415,051	60,669,066 463,347,175	(1,650,694) (353,188,273)	- -	(1,650,694) (353,188,273)	-
Television Eighteen Media and Investments Limited	2,014,335,040 1,605,200,040	(1,227,692) 7,290,079	2,842,884,547 2,260,486,524	2,842,884,547 2,260,486,524	2,579,555,679 2,218,872,500	1,007,330 2,387,724	(8,064,471) 1,708,186	- 27,470	(8,064,471) 1,680,717	-
NewsWire 18 Limited	34,566,370 34,566,370	(288,115,950) (239,655,831)	189,823,400 176,795,513	189,823,400 176,795,513	- -	336,025,394 236,800,643	(48,460,120) (132,942,423)	- 2,050,000	(48,460,120) (134,992,423)	-
RVT Investments Private Limited	6,235,000 6,235,000	530,144,981 526,040,783	3,906,564,050 2,063,330,321	3,906,564,050 2,063,330,321	2,063,049,300 2,063,049,300	111,660,137 -	5,704,198 (543,724)	1,600,000 -	4,104,198 (543,724)	
iNews.com Limited	60,000,000 60,000,000	3,611,956 3,666,984	33,598,320 68,864,104	33,598,320 68,864,104	- -	- -	(55,028) (42,491)	- -	(55,028) (42,491)	
Capital 18 Limited, Mauritius	45 50.95	(3,060,176) (2,732,796)	1,166,143,448 1,308,318,609	1,166,143,448 1,308,318,609	472,383,355 278,434,159	- -	(670,430) (533,962)	- -	(670,430) (533,962)	
BK Holdings Limited, Mauritius	225,700 254,750	(433,993,584) (113,008,170)	3,257,797,995 4,038,109,963	3,257,797,995 4,038,109,963	640,988,000 1,286,487,500	61,025,796 38,638,885	(350,292,078) (102,685,522)	- -	(350,292,078) (102,685,522)	
TV18 UK Limited, UK	86 86	4,766,154 4,134,805	7,635,398 7,178,313	7,635,398 7,178,313	- -	14,760,404 22,617,606	2,930,996 9,057,994	1,892,057 2,181,459	1,038,939 6,876,535	

(All Amounts in Rs.)

FINANCIAL DETAILS OF SUBSIDIARIES

Name of Subsidiary Company	Capital	Reserves	Total Assets	Total Liabilities	Investments (Except in case of Investment in Subsidiaries)	Turn-over	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend
Namono Investments Limited, Cyprus	45	(1,338,536)	57,644	57,644	0	0	(362,541)		(362,541)	
	51	(1,120,798)			0	0	(591,179)		(591,179)	
Web18 Holdings Limited, Cayman Islands	21,177,431	1,614,753,226	1,785,414,656	1,785,414,656	0	85,248	(84,994,103)		(84,994,103)	
	18,232,401	717,405,602	1,024,522,369	1,024,522,369		18,870	(47,506,702)		(47,506,702)	
Colosseum Media Private Limited	119,500,000	16,168,361	201,845,994	201,845,994	232,005	331,044,361	6,456,479	3,048,965	3,407,514	
	109,500,000	12,760,847	212,084,039	212,084,039	114,743	332,210,262	4,211,443	(2,523,395)	6,734,838	
Stargaze Entertainment Private Limited	2,802,000	164,135,866	476,725,686	476,725,686	219,636,981	62,790,106	(29,760,458)	-	(29,760,458)	
	61,900,000	5,598,183	77,497,543	77,497,543	52,358	23,313,609	(32,309,120)	326,575	(32,635,695)	
Capital 18 Acquisition Corporation, Cayman Islands	7,809	(4,281,718)	141,023	141,023			(101,009)		(101,009)	
	11,005	948,180	6,054,185	6,054,185			(89,381)		(89,381)	
E-18 Limited, Cyprus	1,052,019,704	318,405,462	1,564,181,349	1,564,181,349	250,165,790	3,505	(41,413,100)		(41,413,100)	
	244,758,654	403,939,956	827,582,990	827,582,990	282,364,798	13,027,743	(123,035,770)		(123,035,770)	
Web18 Software Services Limited	10,533,690	(241,882,903)	1,879,359,971	1,879,359,971		288,446,183	(315,819,456)	-	(315,819,456)	
	8,043,820	(799,093,646)	1,427,043,520	1,427,043,520		216,149,217	(552,934,003)	1,880,000	(554,814,003)	
Television Eighteen Commoditiescontrol.com Limited	3,964,250	(140,799,819)	167,879,335	167,879,335		41,881,717	(28,319,105)	-	(28,319,105)	
	3,964,250	(113,638,764)	142,441,610	142,441,610		47,435,171	(25,803,179)	121,000	(25,824,179)	
Big Tree Entertainment Private Limited	185,480	44,889,657	223,441,685	223,441,685		121,594,645	(15,304,744)	(113,543)	(15,191,201)	
	185,480	60,080,858	206,639,804	206,639,804		103,402,159	(46,494,023)	246,360	(46,740,383)	
Care Websites Private Limited	8,278,000	(20,906,910)	24,142,898	24,142,898		1,682,327	(2,427,223)	0	(2,427,223)	
	8,278,000	(18,479,687)	24,006,415	24,006,415		2,911,491	(4,265,550)		(4,265,550)	
e-Eighteen.com Limited	54,040,000	64,187,812	462,520,419	462,520,419		319,219,113	32,860,969	13,581,223	19,279,746	
	54,040,000	42,885,556	315,665,767	315,665,767		327,531,998	35,399,895	21,128,977	14,270,918	
Moneycontrol Dot Com India Limited	500,000	61,559	1,240,713	1,240,713		1,036,724	(71,804)	-	(71,804)	
	500,000	133,363	941,387	941,387		402,036	(466,906)	45,078	(511,984)	
Infomedia 18 Limited	497,090,557	(112,011,735)	3,060,859,166	3,060,859,166	220,323,000	1,068,055,939	(500,020,767)	322,474	(500,343,241)	
	341,051,030	(425,795,973)	1,700,423,808	1,700,423,808	5,500	1,371,243,214	(822,945,863)	23,593,302	(846,539,165)	
American Devices India Private Limited	4,700,020	116,739,998	268,282,497	268,282,497		222,393,179	82,482,852	921,652	81,561,200	30,000,000
	4,700,020	70,277,298	199,962,037	199,962,037		207,031,107	(25,324,027)	3,964,783	(29,288,810)	
Cepha Imaging Private Limited	1,593,100	128,359,836	275,737,489	275,737,489		198,317,949	(2,418,891)	(2,418,891)	76,522,556	15,000,000
	1,593,100	69,386,528	199,899,794	199,899,794		144,425,927	(62,907,352)	(752,469)	(62,154,883)	
Keyword Group Ltd	68,030	(8,206,565)	4,795,795	4,795,795		63,387,987	18,221,763	1,201,818.98	17,019,945	
	72,861	(27,018,099)	58,038,522	58,038,522		50,276,489	(9,935,103)		(9,935,103)	
Software Services LC	10,754,334	53,873,146	156,476,095	156,476,095		69,510,048	13,632,777	550,302	13,082,475	
	12,138,550	46,040,862	114,589,790	114,589,790		62,278,188	12,377,600	134,667	12,242,933	

Note:

Numbers mentioned in italics are of previous year.

These companies were not the subsidiaries of the Company in the previous year. Hence only current year figures are given.

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NETWORK18 MEDIA & INVESTMENTS LIMITED

Regd. Off.: 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi 110001, India

ATTENDANCE SLIP FOR EQUITY SHARE HOLDER

(TO BE SIGNED AND HANDED OVER AT THE ENTRANCE OF THE MEETING HALL)

I/We hereby record my/our presence at the 15th ANNUAL GENERAL MEETING of the above named Company held at 10.30 A.M. on Friday, the 27th day of August 2010 at M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054

NAME(S) OF THE MEMBER(S)

Registered Folio No.

Client ID No.

DP ID No.

No. of Equity shares held

Name of Proxy (in block letters)

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

Member's/Proxy's Signature

NETWORK18 MEDIA & INVESTMENTS LIMITED

Regd. Off.: 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi 110001, India

PROXY FORM FOR EQUITY SHARE HOLDER

I/Weof..... being a
Member(s) of NETWORK18 MEDIA & INVESTMENTS LIMITED hereby appoint

of.....or falling him.....

of.....or falling him.....

of.....

as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 15th ANNUAL GENERAL MEETING of the Company to be held at 10.30 A.M. on Friday, the 27th day of August 2010 at M.P.C.U Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, 2 Raj Nivas Marg, Shree Delhi Gujarati Samaj Marg, Civil Lines, Delhi – 110 054.

AS WITNESSED under my/our hand(s) this day of 2010

Signed by the said.....

Regd. Folio No./Client ID No.

DP ID No.

Re. 1
Revenue
Stamp

NOTES :

1. This Proxy need not be a member
2. The Proxy form must be deposited at the Registered Office of the Company not less than 48 hours before the time fixed for holding the meeting.