



**INDIA'S No.1 NEWS NETWORK**

**ANNUAL REPORT 2009 – 2010**



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**BOARD OF DIRECTORS**

Aroon Purie, Chairman & Managing Director

Anil Mehra

Anil Vig

Rakesh Kumar Malhotra

Rajan Bharti Mittal

Rajeev Thakore

Koel Purie Rinchet

Ashok Kapur

**Audit Committee**

Rakesh Kumar Malhotra, Chairman

Anil Mehra

Rajeev Thakore

**Chief Executive Officer**

G. Krishnan

**Company Secretary & DGM (F&A)**

Puneet Jain

**Auditors**

Price Waterhouse

Chartered Accountants

New Delhi

**Bankers**

Canara Bank

ICICI Bank Limited

**Registered Office**

Videocon Tower

E-1, Jhandewalan Extn.

New Delhi - 110 055

**Registrar & Transfer Agents**

MCS Limited

F- 65, Okhla Industrial Area

Phase-I, New Delhi-110 020

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Directors are pleased to present the Eleventh Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2010.

#### 1. Financial Results

The financial results of the Company for the year ended 31st March 2010 are summarized below for your consideration.

(Rs. in crores)

Particulars	Year Ended 31 <sup>st</sup> Mar'10	Year Ended 31 <sup>st</sup> Mar'09
<b>Income from operations</b>	<b>284.82</b>	249.99
Other income	23.10	24.21
<b>Profit before Finance, Amortization, Depreciation and Tax</b>	<b>75.13</b>	68.46
Interest and Finance Charges	7.05	0.14
Depreciation	21.10	19.42
<b>Profit before tax</b>	<b>46.98</b>	48.74
Provision for Tax	16.12	15.19
<b>Net Profit</b>	<b>30.86</b>	33.55
Balance amount brought forward	134.30	110.84
Profit Available for appropriation	165.17	144.39
Transferred to General Reserve	5.00	5.00
Proposed Dividend	4.33	4.35
Corporate Dividend Tax	0.74	0.74
<b>Balance Carried forward</b>	<b>155.10</b>	134.30

- ESOP expenses have been regrouped and included in the employee cost.
- The figures above are not comparable with the results for the year ended March 31, 2009, as the current financial results for the year ended on 31st March, 2010 include merged results of FM Radio broadcasting business.

#### 2. Performance

During the financial year, the FM Radio broadcasting business of Radio Today Broadcasting Limited was merged with your Company. Hence the financial results for the year ended on 31st March, 2010 reflect the merged results of Television and FM Radio broadcasting business. During the financial year under review, your Company's revenue from operations has been Rs.284.82 Crores compared to Rs. 249.99 Crores last year, an increase of 14 %. Profit before tax has been Rs 46.98 Crores compared to Rs. 48.90 Crores last year, registering a decline of 4 % over the last year. Profit after tax has been Rs.30.86 Crores compared to Rs. 33.55 Crores last year, registering a decline of 8 % over the last year. Since the results of FM Broadcasting business has been merged

with the financial year ended on 31st March, 2010, the figures are not comparable with that of the previous financial year

Your company's business model is such that it mainly depends on Ad Revenues. Your Company due to its Channel's impeccable reputation and leadership position of the flagship channel "AAJ TAK", and confidence reposed by its viewers and clients managed to achieve a reasonably satisfactory performance.

In recognition of its leadership position, your Company's Channels have been conferred with the following prestigious awards:

#### News Television Award 2010

- Best Investigative News Report (English) - Centrestage (Dal Scam) on Headlines Today
- Best Presented Popular News Show (English) - Ground Zero on Headlines Today
- Best Show on Environment Awareness (English) - Beginning of the End on Headlines Today
- Best News Promo (English) - Headlines Today (Enigma Called Indira)
- Best Auto Show (Hindi) - Nano Launch on Aaj Tak
- Best Business News Program - Budget ka Reality Show on Aaj Tak
- Best News Promo (Hindi) - Aaj Tak (Martyr)
- Best News Campaign (Hindi) - Aaj Tak (No. 1 Campaign)

#### Indian Television Academy Award 2009

- Best Hindi News Channel - Aaj Tak
- Best News & Current Affairs Anchor - Prabhu Chawla for Seedhi Baat

#### World Brand Congress 2009

- Most Popular Hindi News Channel - Aaj Tak
- Best Social Marketing - War on Terror

#### Indian News Broadcasting Awards 2009

- Best News Producer of the Year (English) - Sujay Bhattacharya for Headlines Today
- CEO of the Year - G. Krishnan
- News Director of the Year (Hindi) - Q W Naqvi for Aaj Tak

#### Promax India 2009

- Best News & Current Affairs Promo - Satta Ka Semifinal (Aaj Tak)
- Best on-air Channel ident - Snail id (Tez)

#### AAJ TAK

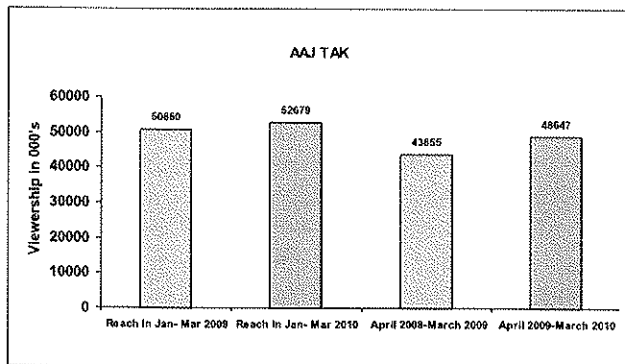
Aaj Tak continued to maintain its leadership position for the 9th consecutive year despite increased competition in the Hindi news genre by the existing as well as new news channels launched in the last year. Viewers reposed confidence in Aaj Tak for the ninth consecutive year due to its editorial excellence, fair and unbiased reporting, launch of new innovative current affairs programmes catering to different segments of society and a motivated team of well-qualified professionals.



## T.V. Today Network Limited

In spite of intense competition and a cluttered news space, Aaj Tak continues to dominate by being the channel of choice during key events. Whether it's a national or an international event, the credibility of Aaj Tak is unmatched.

During the year, viewership of 'Aaj Tak' news channel has been 48.64 million compared to 43.85 million last year. During the quarter January-March 2010, the viewership of Aaj Tak was 52.67 million compared to 50.86 million during the same quarter last year.



Source: TAM  
TG: CS 4+ Yrs  
Market: All India (AT; TEZ; HLT) & Delhi (DAT)

### HEADLINES TODAY

2009-10 was a very fruitful year for Headlines Today.

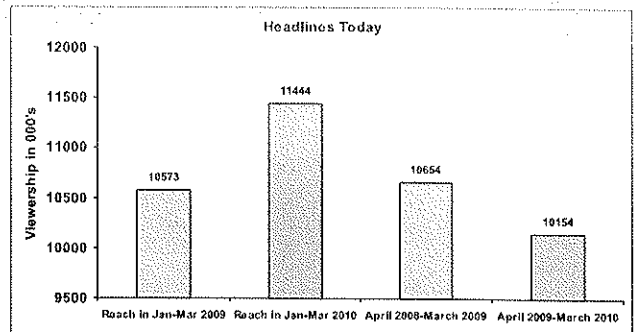
Headlines Today emerged as one of the top news destinations with TRPs and Time Spent reflecting it by the end of April 2010

It now has an investigation team and a bureau which is regularly breaking stories of national importance. Headlines Today has been able to penetrate deep into Chennai and Hyderabad markets both through its news coverage and distribution strength.

The channel has bagged 4 prizes at the ITA awards thereby garnering valuable industry appreciation. They include the prizes for Best Popular News Show, Best Environmental News Documentary, Best Promo (Enigma called Indira) and Best Investigative News Story (Dal scam).

German Bakery attacks and the Sania Wedding were breaking news stories where viewers stayed with Headlines Today and propelled us ahead of the competition

Headlines Today has reach of 10.15 million in 2009-10 as compared to 10.65 million in 2008-09. During the last quarter (Jan- Mar 2010) of the Financial year, the reach of Headlines Today was 11.44 million compared to 10.57 million during the same quarter last year.

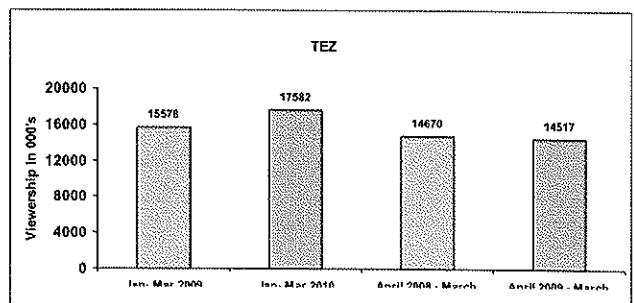


Source: TAM  
TG: CS 4+ Yrs  
Market: All India (AT; TEZ; HLT) & Delhi (DAT)

### Tez

Tez was launched to cater to the news viewer who has little time and wants condensed news, mostly in the target group of Male, 25-44 years, SEC AB. Tez hold its own and retained its ratings over the preceding year.

In the full year of operation ended March 31, 2010, "Tez" had reach of 14.51 million viewers in the Country as compared to 14.67 million last year. During the quarter January-March 2010, the reach of "Tez" was 17.58 million compared to 15.57 million during the same quarter last year.

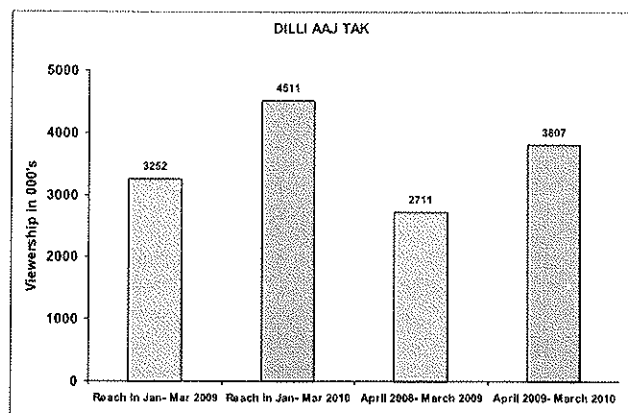


Source: TAM  
TG: CS 4+ Yrs  
Market: All India (AT; TEZ; HLT) & Delhi (DAT)

### Dilli Aaj Tak

The network's only metro centric 24 hrs news channel "Dilli Aaj Tak" has completely changed the paradigms related to local news coverage since its launch in 2006. The channel's news radar has always picked issues ranging from local water power crisis to assembly & parliament elections & very recently, commonwealth games & their impact on overall capital canvas. Through its powerful performance year after year it has carved a niche when compared with national broadcasters. It has truly lived its catch line "Aap Ka Shahr Aap Tak" by consolidating its connect with viewers by raising their issues, their problems & emerging as an aggressive & unbiased campaigner for a decent life in a metropolitan space like Delhi. The channel has a news-you-can-use format, and has been No.1 in Delhi since the date of its launch in Delhi with an average

viewership of 3.80 million in 2009-10 as compared to 2.71 million in 2008-09. During the quarter January-March 2010, the reach of "Dilli Aaj Tak" was 4.51 million compared to 3.25 million during the same quarter last year.



Source: TAM  
TG : CS 4+ Yrs  
Market : All India (AT; TEZ; HLT) & Delhi (DAT)

### 3. Dividend

Your directors are pleased to recommend for your consideration and approval payment of dividend @ 15% amounting to Rs. 0.75 per equity share of Rs. 5/- each for the financial year 2009-10. Total amount of dividend outgo for the financial year shall be Rs. 5.07 Crores (including Corporate Dividend Tax amounting to Rs.0.74 Crores).

### 4. Deposits

During the year, your Company has not accepted/ renewed deposits from the Public within the meaning of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956, if any.

### 5. Demerger of Radio Broadcasting Business of Radio Today Broadcasting Limited and its merger with your Company

In the process of implementation of the composite scheme of arrangement and in accordance with the order of Hon'ble High Court of Delhi, a court convened meeting of the equity shareholders of the Company was held at Kamani Auditorium, Copernicus Marg, New Delhi - 110 001 on 21st day of November 2009 to approve the proposed Scheme of Arrangement between your Company and Radio Today Broadcasting Limited. Shareholders present in person or by proxy or through authorized representative at the meeting, represented 55.92% of total issued share capital of the Company and 100% of those so present voted in favour of the resolution.

In addition to the meeting of the equity shareholders, meeting of unsecured Creditors of your Company was also held on 21st day of November 2009 wherein the resolutions to implement the scheme of arrangement was passed unanimously.

Subsequently, pursuant to the Composite Scheme of Arrangement, under the provisions of the Companies Act, 1956 (The Scheme), approved by the shareholders, sanctioned by the Hon'ble High Court at Delhi and the Ministry of Information and Broadcasting on November 21, 2009, February 24, 2010 and May 20, 2010 respectively, the undertaking of the radio broadcasting business of Radio Today Broadcasting Limited, a company engaged in the radio broadcasting and trading business (the Transferor Company), was transferred to and vested in your Company (the Transferee Company) with effect from 1st April 2009 (Appointed Date). 'The Scheme', a copy of which was filed with the Registrar of Companies subsequent to the year end on 13th April, 2010, is an amalgamation in the nature of merger. In accordance with 'The Scheme', all assets and liabilities pertaining to the radio broadcasting business of the Transferor Company, as on the appointed date, has been acquired by your Company.

As a consequence of such merger, the financial results of your Company for the year ending on 31st March, 2010 include the merged results of Television and FM Radio broadcasting business.

### 6. Directors

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Anil Vig and Mr. Rakesh Kumar Malhotra, Directors, liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your directors recommend re-appointment of Mr. Anil Vig and Mr. Rakesh Kumar Malhotra as directors on the Board of the Company.

Mr. Ashok Kapur was appointed as Additional Director on the Board of your Company after the last Annual General Meeting. Mr. Ashok Kapur holds office upto the date of ensuing Annual General Meeting. Your Directors recommend the appointment of Mr. Ashok Kapur as a Director on the Board of the Company at the ensuing Annual General Meeting.

Ms. Koel Purie Rinchet was appointed as a Whole Time Director on the Board of your Company after receiving clearance from the Ministry of Information & Broadcasting w.e.f. 24th May 2010, subject to approval of shareholders.

The Directors of your Company recommend the appointment of Ms. Koel Purie Rinchet as Whole Time Director on the Board of the Company at the ensuing Annual General Meeting.

### 7. Director's Responsibility Statement

As stipulated in Section 217(2AA) of the Companies Act, 1956, your Directors' subscribe to Directors' Responsibility Statement and confirm that:

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;



- they have selected such accounting policies and applied them consistently and made judgement 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 2009-10 and of the profit of the company for that period;
- they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the annual accounts have been prepared on a going concern basis.

## 8. Subsidiary Company

The Audited Statement of Accounts, alongwith the report of the Board of Directors and the Auditor's Report pursuant to Section 212 of the Companies Act, 1956 of the wholly owned subsidiary Company, TV Today Network (Business) Limited, for the year ended on 31st March 2010 is annexed.

## 9. Consolidated Accounts

In accordance with the requirement of Accounting Standard 21 of the Institute of Chartered Accountants of India to present consolidated accounts, your Company, in compliance with the said requirement has prepared the consolidated Accounts which is annexed herewith.

## 10. Buy Back of Equity Shares of the Company

Your Company's Buy-back Scheme for purchase of its Equity shares through open market under the Stock Exchange Mechanism was opened on 16th March 2009. Under the Scheme your Company has bought back and extinguished 2,03,752 Equity Shares from 1st April 2009 upto conclusion of buy back i.e. 25th July 2009.

In totality your Company has bought back and extinguished 2,44,884 equity shares under Buy Back Scheme.

## 11. Investments

Your company has made a strategic investment in Mail Today Newspapers Pvt. Ltd for which it has paid a sum of Rs.18.50 crores towards advance payment for purchase of equity shares during the year ended March 31, 2010. This investment is towards considering a foray into Hindi newspaper market utilizing the synergies of content & brand subject to necessary approvals. The same has been further elaborated in Note no 12 of the Financial statement which is self explanatory.

## 12. Auditors

The statutory auditors of your Company M/s Price Waterhouse, Chartered Accountants holds office up to the conclusion of the forthcoming Annual General Meeting and have offered themselves for re-appointment. They have confirmed that, if re-appointed, their appointment would be within the limits prescribed under Section 224

(1B) of the Companies Act, 1956. Your directors recommend their re-appointment as Statutory Auditors of the Company.

## 13. Auditors' Report

There are no qualifications of the Auditors on the Accounts of the Company for the financial year ended 31st March 2010 requiring further comment from the Board of Directors.

## 14. Corporate Governance

In accordance with Clause 49 of the listing agreement, your Company has ensured continued compliance of Corporate Governance requirements during the financial year. Your Company lays strong emphasis on transparency, disclosure and independent supervision to increase various stakeholders' value.

The report on Corporate Governance for the financial year 2009-10 is given as a separate section titled "Report on Corporate Governance" and Certificate of Company Secretary in Practice as required under the revised Clause 49 of the listing agreement is appended herewith which forms part of this Annual Report.

## 15. Employees Stock Option Plan

Human Resource is the key to the success of any organization. The Company has always valued its human resources and has tried to adopt the best HR practices. To retain and nurture well-performing employees who are contributing to the growth of the Company, your Company introduced stock option plan (ESOP) for its employees and Directors in 2006. The disclosures in compliance with clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended) are set out in the Annexure appended herewith.

A certificate from Statutory Auditors, with regard to the implementation of the Company Employees' Stock Option Scheme, would be placed before the shareholders in the next Annual General Meeting, and a copy of the same shall be available for inspection at the registered office of the Company.

## 16. Management Discussion and Analysis

Separate report on Management Discussion & Analysis is appended herewith.

## 17. The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

In terms of the requirement of clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars with respect to "Conservation of Energy, Technology Absorption and foreign exchange earnings and outgo" are given as under:

- |                            |                  |
|----------------------------|------------------|
| (a) Conservation of Energy | : Not Applicable |
| (b) Technology Absorption  | : Not Applicable |



(c) Transaction in Foreign Currency :	
i) Value of Imports	Rs. 17,189,659
(CIF basis)	
ii) Expenditure in foreign currency (Accrued basis)	
(a) Traveling Expenses	: Rs. 12,125,759
(b) Production Cost	: Rs. 131,990,652
(c) Repair and Maintenance	: Rs. 2,940,188
(d) Others	: Rs. 928,820
(d) Income in foreign currency	: Rs. 83,477,363
(Accrued basis)	

the contribution made by all section of employees with dedication, commitment and team effort which helped your Company in achieving the performance during the year despite stiff competition from the existing as well as new players in the news and current affairs genre.

Your Directors also acknowledge with thanks the support given by the Central Government, bankers, shareholders and investors at large and look forward to their continued support.

## 18. Particulars of Employees

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended) is annexed hereto and forms part of this report.

**For and on behalf of the Board of Directors**

## 19. Acknowledgement

Your Directors place on record their deep appreciation of

Place : New Delhi  
Date : 24<sup>th</sup> May 2010

Sd/-  
**Anil Mehra**  
Director

Sd/-  
**Aroon Purie**  
Chairman &  
Managing Director

**Note:** As per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, read with amended Clause 32 of the Listing Agreement with the Stock Exchanges, the Annual Report is being sent to all shareholders of the Company excluding Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Company's New Delhi office at Videocon Tower, E-1, Jhandewalan Extension Delhi-110 055.



**INFORMATION REGARDING THE EMPLOYEES STOCK OPTION PLAN**  
(As on March 31, 2010)

Sl. No.	Particulars	First Grant	Second Grant	Third Grant	Fourth Grant
I	Date of Grant	December 01, 2006	March 01, 2007	December 01, 2007	June 24, 2008
II	Market value on date of grant of the underlying equity shares	Rs. 74.35	Rs. 134.85	Rs. 152.75	Rs. 93.15
III	Exercise Price (50% of options) (Balance 50% of options)*	Rs. 74.35 Rs. 44.35	Rs. 134.85 Rs. 104.85	Rs. 152.75 Rs. 122.75	Rs. 93.15 Rs. 63.15
IV	Vesting Period	4 Years	4 Years	4 years	4 years
a	Options Granted (NET OF OPTIONS CANCELLED)	1,90,500	55,000	15,000	1,13,000
b	Pricing Formula	50% of options are granted at the market price and balance 50% of the options at a discount to the market price. Discount shall vary from Rs. 0 to Rs. 30/- depending upon the meeting of the performance criteria by the employee from year to year.			
c	Option Vested	36,500	NIL	NIL	NIL
d	Option Exercised	36,500	NIL	NIL	NIL
e	Number of shares arising as a result of exercise of option	36,500	NIL	NIL	NIL
f	Option Lapsed	NIL	NIL	NIL	NIL
g	Variation of terms of options	NA	NA	NA	NA
h	Money realized by exercise of options	21,88,775	NA	NA	NA
i	Total number of options in force	1,54,000	55,000	15,000	1,13,000
j	Employee-wise details of options granted to i) Senior Management Personnel	<ol style="list-style-type: none"> <li>1. Q.W Naqvi - News Director - 45,000 options</li> <li>2. Rajnish Rikhy - Senior VP -Ad Sales - 45,000 options</li> <li>3. Sanjay Jain - VP Finance - 3,000 options (resigned)</li> <li>4. Rinku Paul - GM - Ad Sales - 15,000 options</li> <li>5. Nikita Tulsian - GM Ad Sales - 15,000 options</li> <li>6. Satyaky Chowdhury - GM Ad Sales - 15,000 options</li> <li>7. Rehan Kidwai-VP Operations - 15,000 options</li> <li>8. Prince Sharma - VP Technology - 22,500 options</li> <li>9. Amitabh - Executive Prod - 15,000 options</li> <li>10. Rajmohan Nair - VP Network - 45,000 options</li> <li>11. Bijoy - GM Ad Sales - 10,000 options</li> <li>12. Shailesh Kumar - Executive Prod - 15,000 options</li> <li>13. Rahul Kanwal - Executive Producer - 15,000 options</li> <li>14. Denzil O'Connell - Associate Exec Prod - 9,000 options</li> <li>15. Sakka C Jacob - Associate Exec Prod - 9,000 options</li> <li>16. Ritul Joshi - Deputy Editor - 7,500 options</li> <li>17. Sonia Singh - Senior Special Correspondent - 7,500 options</li> <li>18. Sahil Joshi - Bureau Chief - 7,500 options</li> <li>19. Deepak Sharma - Editor - 7,500 options</li> <li>20. Shams Tahir Khan - Editor - 7,500 options</li> <li>21. Vikrant Gupta- Editor - 7,500 options</li> <li>22. Gautam Roy - Senior Special Correspondent - 7,500 options</li> <li>23. Avantika Singh Associate Senior Producer - 7,500 options</li> <li>24. Samip Rajguru Senior Special Correspondent - 5,000 options</li> <li>25. Sanjiv Chauhan - Special Correspondent - 5,000 options</li> </ol>			

		26. Prateek Trivedi - Special Correspondent - 5,000 options 27. Nida Khan - Associate Senior Producer - 5,000 options (Out of above, 36,500 options have been exercised as mentioned under Sl. No. d)			
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;	None.			
	iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	None.			
k	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with accounting Standard (AS) 20 'Earning Per Share'.	Rs. 5.19			
l	In case, the employees compensation cost is calculated on the basis of intrinsic value of stock option, the difference between the employees compensation of the stock option cost based on intrinsic value of the stock and the employees compensation of the stock option cost based fair value, and the impact of this difference on profits and on EPS of the Company.	The Company has used intrinsic value method for calculating the employee compensation cost with respect to the Stock Options. If the employee compensation cost for the ESOP had been determined in a manner consistent with the fair value approach the Stock Option compensation expenses would have been higher by Rs. 4.68 million. Consequently, the profit would have been Rs. 303.95 million instead of the current profit of Rs. 308.63 million and the EPS of the Company would have been (Rs. 5.11) instead of (Rs. 5.19).			
m	For options whose exercise price either equals or exceeds or is less than the market price of the stock the following are disclosed separately: <b>a) Weighted average exercise price</b> i) when the exercise price is equal to market price ii) when the exercise price is less than market price <b>b) Weighted average fair value</b> i) when the exercise price is equal to market price ii) when the exercise price is less than market price	Rs.93.15	Rs.63.15	Rs.63.62	Rs.67.86
n	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted-average information: i) risk-free interest rate; ii) expected life; iii) expected volatility; iv) expected dividends; and v) the price the underlying shares in the market at the time of option grant.	7.35% 10 years 48.28% 1.01% 74.35	7.87% 10 years 55.44% 0.56% 134.85	8.07 % 10 years 51.27 % 0.49 % 152.75	8.83 % 10 years 58.35 % 0.83 % 93.15

\* Maximum discount of Rs. 30/- which may vary between Rs. 0 to Rs. 30/- based on the employees performance.



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Entertainment and media industry (E & M), which continues to be one of the fastest growing sectors in India. There was marginal growth in 2009 compared to the 12% growth in 2008 due to the global economic slowdown. However the industry recovered in the last quarter of the year and is expected to continue the growth momentum going forward. The overall size of the Media and Entertainment industry grew from INR 579 billion in 2008 to INR 587 billion in 2009. The growth rate is expected to increase to 11.2 percent in 2010 according to a latest FICCI KPMG report. The CAGR from 2006 to 2009 has remained at 10 percent and the industry is expected to grow at a rate of 13 percent in the next five years.

The contribution of television to the overall revenues of M&E industry has gone up considerably in 2009 compared to 2006 and is expected to further increase and achieve almost 48 percent of the total revenues in 2014. It is the largest segment of the Indian M & E Industry with a size of INR 257 billion in 2009 and reach of 500 million TV viewers. The numbers of channels have also increased to over 460 in 2009. The total number of TV households grew from 123 million in 2008 to 129 million by the end of 2009 showing an increase of 5 percent. The C&S households increased from 86 million in 2008 to 95 million in 2009.

The private FM Radio industry was affected by the economic slowdown, declining by around 7 percent during the year. However the situation improved during the course of the year, with the industry returning to modest growth during the last quarter. The industry is expected to grow at CAGR of 16 percent over the next five years.

### INDUSTRY GROWTH – FUNDAMENTAL DRIVERS

The key growth drivers which have enabled the sector to grow are:

- **Digitization** – Digitization has added value to the industry as it provides better quality transmission with the possibility of interactive and value added services. DTH was one of the biggest contributors to the digitization story as it displayed rapid growth to reach 20 million gross subscribers by the end of 2009 and it is expected to reach 43 million by 2014. The DTH industry is currently very competitive with six players in the market excluding State owned Doordarshan's DTH service. Another wave of digitization has already begun in the form of IPTV which is currently being offered by MTNL, BSNL and Bharati Airtel. The technology is promising due to its superior quality and interactive services but the reach is limited to households having broadband connections.
- **Regional Channels** – With regional channels gaining momentum and emerging as complimentary media propositions, the growth in advertising revenues is

expected to come from increase in ad –rates being commanded by these channels. The growing purchasing power of regional markets has made them attractive to advertisers. Data from TAM suggests that ad volumes on regional channels have increased by 12% in 2009.

### Convergence and impact of the new Media

Advertisers are looking at multiple delivery platforms for content to break the clutter in existing platforms. New media is bringing about a revolution by merging the functionalities for customer end terminal devices like T.V., PCs, mobile phone etc. This creates new and exciting methods of monetizing content and attracting new media consumers. The advent of 3G is also likely to be great catalyst to the convergence phenomenon by making the mobile phone a very handy tool for accessing video and audio formats. The recent launch of I-pad has the potential for becoming a delivery platform for news and entertainment content in the future.

### Competition expanding the market

In several cases the entry of newer players in the market has had a positive impact on the overall market as it has helped in expanding the market size. This is likely to continue in future with new players emerging to capture newer set of audiences with advancements in their products, marketing and distribution to tap these customer segments.

### Innovations

Innovation is essential for players to adapt to the changing market scenario, technology and consumer behaviour. If done rightly, it not only helps in making an impact in the increasingly competitive market place but also increases the overall market size by tapping newer customer segments and retaining the existing ones. It requires continuous investment in research and development and is an ongoing effort on the part of the players in order for them to be responsive to market needs and consumer choices.

An example of successful product innovation was the evolution of IPL as a brand, which effectively combined entertainment and sports. Advent of social networking sites like Face Book, Twitter and LinkedIn is an innovation that enabled brand and advertisers come together and attract media and consumer attention

### Growing importance of pay markets

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 offers superior quality to consumers who are responding positively. The growth in ticket prices of movies at multiplexes, increasing number of Pay T.V. Subscribers, increasing penetration of DTH with its user-friendly interface and technology, and introduction of Value Added Services

(VAS) by media players are some examples of pay markets gaining importance.

#### Growth in subscription revenues due to digitization

The penetration for digital cable and DTH is expected to increase at much faster rate than was anticipated earlier. The total number of DTH subscribers is expected to go up to 43 million by 2014, similarly the subscribers for digital cable are expected to grow even faster due to the current low base and reach 40 million by 2014. Digitization cable has brought in clearly defined revenue sharing concepts and can be a platform where every stakeholder gets their due shares.

#### OPPORTUNITIES, GROWTH DRIVERS & CONCERNS

Though growth has been evident in varying proportions across the different segments of the Media Industry i.e. Television occupies a formidable 40% share of ad spend in 2009 indicating its nature as a powerful medium to engage. With 460 channels and 129 million T.V. households and with increased penetration of DTH and digital cable, the opportunities in the broadcasting sector are immense. With the emergence of trends towards convergence, new technologies and availability of multiple media vehicles, the Indian Entertainment and Media Industry has been witnessing structural shifts with consumers increasingly taking control of their media consumption. Further increased consumer spending is likely to have greater impact on revenue streams.

#### Television advertising

The television industry was trying to recover from budget cuts by advertisers in 2009, but there were sectors and brands which ensured the revenue remained stable. While sectors such as Financial Services, Consumer durables etc. cut down their ad spends on advertising, FMCGs maintained their ad spends. Telecom and Auto were other sectors that continued their ad spends. The General elections helped in the growth in ad volumes in 2009. In terms of volumes, T.V. Advertising recorded a growth of 31% in 2009 compared to the same period in 2008 though the rates remained flat in the first half of the year.

#### Subscription

The number of T.V. households grew at a rate of 5 percent to reach 129 million in 2009 compared to 123 million in 2008. The penetration for Cable & satellite (C&S) households increased from 70% of total T.V. households in 2008 to 74% in 2009. The overall number of C&S households reached 95 million registering a growth of 10%. A large part of this growth came from the digital homes being added. Interestingly the increase in DTH subscribers is coming from states with class 2 and 3 towns and not just metros.

#### FM Radio

FM Radio is still in its early days of the industry and it may take some time for brands and their positioning to get clearly established. There is little differentiation possible on core content, given regulatory constraints that inhibit specialized

stations and niche content. The sector returned to growth during the last quarter of 2009 and is expected to touch high growth rates. Radio still account for only 3.5 percent of total ad spends in India. Another important contributor to listener ship growth is the usage of FM-enabled mobile phones. In addition to on air ad revenues, events and activation continue to be an important segment for players, accounting for 10 percent to 15 percent of total revenue.

#### Outlook

Two main sources of revenue for the broadcasters are - Advertisement Revenue and Subscription Revenue. Since your Company is in the News genre, the primary source of income for your Company is Ad sales revenue. Both the streams of revenue i.e. Advertisement and subscription revenues have shown growth compared to the last financial year.

The ad spend on a channel depends on its market share, reach and the credibility and popularity it enjoys with the consumer. The leadership position of Aaj Tak as the No.1 news channel for the ninth consecutive year has contributed to the growth in advertising revenue. Your Company's 24 hour English News channel "Headlines Today" and Hindi News channel "Tez" catering to the upmarket urban population and Metro centric channel "Dilli Aaj Tak" have also contributed to the revenue growth of the Company in the financial year ended 31<sup>st</sup> March, 2010 and are expected to further contribute for the Company in the coming years. Your Company is constantly investing in the content as well as distribution on the basis of detailed research in order to achieve better ratings.

All the four channels were converted to 'Pay' in 2008. While Channels "AAJ TAK", "Headlines Today", "TEZ" are on the platform of Set Discovery Private Limited (now "MSM Discovery"), Dilli Aaj Tak is marketed directly by the Company.

Revenue generation from subscription started effectively from April 2008. Due to the immense popularity of the channels, your company during the year under review was able to generate revenue from subscription amounting to Rs.20.09 crores against Rs.11.02 crores in the previous year.

With the increased penetration of digitisation including new platforms like DTH and IPTV, your Company is expected to benefit from increased subscription revenue through more transparency and addressable reporting of subscription revenues.

#### Benefits of synergy post merger of FM Radio

Radio is an important medium to reach out to those people who are underserved by other media. Considering Radio as part of the media mix provides for greater opportunity for incremental revenues. The strength of Radio as a medium is its brand recall value and its ability to *communicate an advertiser's message* and have it received, remembered, and played back by consumers. Apart from it radio is more than a supplement. A combined television-radio buy is demonstrably more powerful than one using TV alone.



Apart from it, there is a long pending industry demand for allowing news and current affairs in Radio. Once the regulation allows the same, our forte in News business will help drive increased synergy.

Your Company also partners in the digital consolidation with the other group Companies to have an edge on digital technology besides considering the potential opportunity in regional space and leveraging the Groups strength in few other media platforms like Hindi newspaper etc.

### Risk and Concerns

#### A. Television

##### **Lack of transparency in sharing of revenues by distributors.**

The lack of transparency in case of analog cable systems has traditionally been a challenge for the broadcasters. Local Cable Operators ( LCOs ) still garner almost 75 percent of the subscription revenues due to under declaration of the subscription numbers, broadcaster gets around 20 percent and MSO gets around 5 percent. There is a possibility for this scenario to change to a more equitable sharing norm, only with higher penetration of digital platforms.

##### **Carriage Fee**

As per industry estimates, carriage fee in 2009 was around INR 1000 to 1200 Crores, a reduction compared to 2008. The fee depends on the pull factor of broadcasters in terms of the kind of content produced, overall popularity of the channel and the bouquet that the broadcasters provide. The bargaining power of broadcasters is limited due to the shortage of bandwidth. However, it is expected that the onset of digitization will make more bandwidth available to distributors.

##### **Measurement systems**

Though the current measurement system in the country captures useful information from 8000 T.V. households, the coverage is limited. The system is continuously evolving to cater to the diversity of the Indian market. Currently, the ratings are influenced by the trends followed in metros like Mumbai and Delhi and may not be descriptive of the entire nation. TAM has taken several initiatives like capturing audience data from semi urban markets like Maharashtra less than class 1, Bihar and Assam and extending the list of the top six metros to Pune and Ahmedabad in 2009. TAM's Digital Establishment Survey (DES) tracks the growth of the digital broadcast since its inception.

#### B. FM Radio

Cost structures remain a concern for the industry given the high royalty payments, one time entry fees and restrictions on networking.

##### **Regulatory Concerns**

1. Consultation paper on foreign investment in Broadcasting Sector was issued by TRAI in view of Press Notes 2,3

and 4 of 2009 (Press Notes") issued by the Department of Industrial Policy and Promotion ("DIPP") wherein TRAI has sought views on aspects relating to Need for a change in foreign investment limits earlier recommended by TRAI, in view of the new guidelines issued by the DIPP, Need for adopting different methodologies for calculation of foreign investment in respect of carriage and content service providers in broadcasting sector; and need for additional safeguards in respect of those activities in which foreign investment limit of more than 49% has been prescribed, particularly when the new guidelines can be utilized to have effective foreign investment exceeding the prescribed limits. TRAI's comments seem to suggest that the Press Notes do not lead to higher effective foreign equity in areas where sectoral cap is up to 49%.

2. Temporary suspension of receipt of applications seeking permission for up linking/ down linking television channel wherein the reason for suspension has been attributed to limitation of spectrum and transponder capacities. The Ministry of Information and Broadcasting ("MIB") has sought TRAI's recommendations on the matter. There are several cases where channel applications are pending with the MIB. This includes cases where approval has been accorded by the Foreign Investment Promotion Board ("FIPB") to foreign television channels. The suspension announced by the MIB has adversely affected the roll-out plans of several proposals. Further, given the minimum net worth requirement as per the relevant MIB guidelines, the announcement may even cause a cash trap for the applicants in respect of their funds invested.
3. Tariff regime for non CAS cable areas to be formulated by end June, 2010 wherein the Supreme Court has granted TRAI time till end of June 2010 to work out a fresh tariff regime for cable services in non-CAS areas in consultation with the stakeholders. Earlier, the Supreme Court had held that MSOs and LCOs should continue to charge tariffs in accordance with TRAI's earlier tariff order until it formulates a fresh tariff regime. Extension of time of finalize the tariff regulation should enable TRAI to formulate pricing regulations which not only benefits the consumers but also the industry as a whole.
4. On FM Radio front, there are certain regulatory issues which include the pendency of royalty issue with IPRS and PPL, extension of license period, permission for multiple frequencies for operators, permission to broadcast news and current affairs and permission to network within own network across categories of cities. Apart from it proposed revision of the limit on FDI from 20 percent to 26 percent is also pending with authorities which can attract investment in this sector.

##### **Human Resources**

Your Company's employee strength as on 31<sup>st</sup> March, 2010 was 1028 in comparison to 993 in the previous year. Your Company considers human resources to be one of the key

elements to sustain competitive advantage in the Media sector. Media organizations are human resource driven; its growth depends upon the quality contribution made by the people in the organization. Therefore your Company recognizes human resource as a key component for facilitating organizational growth. Your Company has continuously worked to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment.

#### **Internal Control and Systems**

Your Company has adequate internal control system commensurate with the size and nature of its business. Your Company's internal audit process is being handled by one of the top four audit firms, Ernst & Young, who continuously monitor the adequacy and effectiveness of the internal control systems and policies.

Your Company's internal control is designed to:

- Safeguard the Company's assets and to identify liabilities and manage it accordingly.
- Ensure the transactions are properly recorded and authorized.
- Ensure maintenance of proper records and processes that facilitates relevant and reliable information.
- Ensure compliance with applicable laws and regulations.

Further, Ernst & Young conducts extensive audits round the year covering each and every aspect of the business activity so as to ensure accuracy, reliability and consistency of records, systems and procedures. The recommendations and observations of the internal auditors are being reviewed regularly by the Audit Committee.

#### **Cautionary Statement**

The statement made in this report describing the Company's objective, expectations and predictions may be forward looking statement within the meaning of applicable securities laws and regulations. These statements and expectations envisaged by the management are only estimates and actual results may differ from such expectations due to known and unknown risks, uncertainties and other factors including, but not limited to, changes in economic conditions, government policies, technology changes and exposure to market risks and other external and internal factors, which are beyond the control of the Company.

#### **For and on behalf of the Board of Directors**

Place: New Delhi  
Date: May 24, 2010

Sd/-  
**Anil Mehra**  
Director

Sd/-  
**Aroon Purie**  
Chairman &  
Managing Director

**REPORT ON CORPORATE GOVERNANCE**
**1. Company's philosophy on Code of Governance:**

Corporate Governance is an insight into the management of affairs of the Company. It implies governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. Company is committed to and firmly believes in, following good corporate governance practices, as they are critical for meeting its obligations towards shareholders and other stakeholders.

**2. Board of Directors**
**a) Composition of the Board**

The Board of Directors Presently consists of six directors of which one is a Managing Director & Chairman of the Board and the other five are Non-executive directors. Mr. Rajeev Thakore, Mr. Rajan Bharti Mittal and Mr. Rakesh Kumar Malhotra, are Independent directors.

**b) Number of Board meetings**

During the financial year ended March 31, 2010, the Board met Six (6) times on 28th April 2009, 18th June 2009, 30th July 2009, 26th October 2009, 25th November 2009, and 25th January 2010.

**c) Directors' attendance record and Directorship in other Public Limited Companies**

Name of the Director	Category	Board Meetings held during the year	Board Meetings attended during the year	Whether last AGM attended	Directorships in other public limited companies	No. of Memberships/ Chairmanships of other Board Committees*	
						Membership	Chairmanship
Aroon Purie	(Promoter)-Chairman & Managing Director	6	6	Yes	8	-	-
Anil Mehra	Non-Executive Director	6	6	Yes	6	2	1
Anil Vig	Non-Executive Director	6	3	No	NIL	-	-
Rajan Bharti Mittal	Independent Director	6	4	No	6	3	2
Rajeev Thakore	Independent Director	6	6	No	1	-	-
Rakesh Kumar Malhotra	Independent Director	6	6	Yes	1	1	-

\*None of the directors is a member of more than ten Board Committees or a Chairman of more than five such committees, as required under clause 49 of the Listing Agreement.

**d) Code of Conduct**

The Board had laid down a code of conduct for all the Board members and senior management personnel of the company since January 2005, which is also posted on the web-site of the Company ([www.aajtak.com](http://www.aajtak.com)).

All Board members and senior management personnel to whom the code of conduct is applicable have affirmed compliance with the code for the financial year 2009-10.

**3. Audit Committee**
**a) Composition**

The Audit Committee comprises of Mr. Rakesh Kumar Malhotra as Chairman and Mr. Anil Mehra & Mr. Rajeev Thakore, as members. Two-thirds of the members of the Committee including the Chairman are independent directors. The composition of the Committee is in conformity with Clause 49(II)(A) of the Listing Agreement.

All members of the Committee are financially literate. Mr. Rajeev Thakore and Mr. Anil Mehra are financial experts.

**b) Terms of Reference, Powers & Role of the Committee**

The terms of reference of the Audit Committee including its role & powers are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges, and also in Section 292A of the Companies Act, 1956 as amended from time to time, besides other terms as may be referred to it by the Board of Directors.

**c) Number of Committee Meetings & Attendance**

The Committee met Five times during the year on 28th April 2009, 18th June 2009, 30th July 2009, 26th October 2009, and 25th January 2010, The gap between two meetings was not more than four months.

The attendance record of the members is as follows:

Name of the Director	Status	No. of meetings held	No. of meetings attended
Mr. Rakesh Kumar Malhotra	Chairman	5	5
Mr. Anil Mehra	Member	5	5
Mr. Rajeev Thakore	Member	5	5



d) **Review of information by the Audit Committee**

The Audit Committee reviews the report of the Internal Auditors, meets Statutory and Internal Auditors as and when required & discusses their findings, observations, suggestions, internal control system, scope of audit and other related matters. The appointment, removal and terms of remuneration of Internal Auditors is subject to review of the Audit Committee. The Committee also reviews Management Discussion & Analysis of financial conditions and results of operations. It also reviews significant related party transactions, submitted by Management.

4. **Remuneration Committee**

a) **Composition:**

The Remuneration Committee comprises of three non-executive directors, namely, Mr. Rajan Bharti Mittal, Chairman, Mr. Rakesh Kumar Malhotra, and Mr. Anil Mehra, as members of the Committee. The Chairman of the Committee as well as Mr. Malhotra are independent directors.

b) **Terms of reference:**

Remuneration Committee has been constituted for the purpose of formulation of ESOP Scheme under SEBI (Employees Stock Option & Employees Stock Purchase Scheme) Guidelines, 1999 and Clause 49 of the Listing Agreement for formulation of terms and conditions of Employee Stock Option Scheme & appointment, fixing/determination of remuneration of Managing Director/Directors and the senior management personnel of the Company and to review the same, from time to time.

c) **Number of Meetings held & Attendance Record:**

Name of the Director	Status	No. of meetings held	No. of meetings attended
Mr. Rajan Bharti Mittal	Chairman	1	1
Mr. Rakesh Kumar Malhotra	Member	1	1
Mr. Anil Mehra	Member	1	1

d) **Remuneration Policy & Remuneration of Directors:**

No remuneration has been paid to Directors except to Mr. Aroon Purie, Chairman & Managing Director who is entitled to remuneration by way of commission @ 5% of the net profits of the Company, which also includes the facility of a Chauffer driven car for official and personal purposes. He was not entitled to any other benefit, salary, bonus, stock option, pension etc. The monetary value of the remuneration (commission) paid to him during the financial year is Rs. 20,514,264 (Includes Perquisites amounting to Rs 1,359,549)

e) **Compensation to Non-executive Directors:**

During the financial year, Non- Executive Directors were paid sitting fee @ Rs. 10,000/- per meeting.

f) **Shares held by Non-executive Directors**

Name of the Director	No. of Shares held
Mr. Anil Mehra	100
Mr. Rajeev Thakore	300

5. **Shareholders/Investors Grievance and Share Transfer Committee**

i) **Composition**

The committee comprises of Mr. Anil Mehra, Mr. Aroon Purie and Mr. Anil Vig. Mr. Anil Mehra, a Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee. The composition of the Committee is in conformity with Clause 49 (IV) (G) (iii) of the Listing Agreement.

ii) **Terms of Reference**

The Committee has been constituted to specifically look into issues relating to redressal of the Investors/ Shareholders complaints including complaints relating to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends and/or any other matter relating to Shareholders/Investors. The Committee meets as and when required.

iii) **Name & Designation of Compliance officer**

Mr. Puneet Jain DGM (F & A) and Company Secretary is the Compliance Officer.

iv) **Investors complaints received and resolved during the year**

During the year under review, 18 complaints were received, all of which have been resolved. No complaint was pending as at the end of the financial year.

6. **General Body Meetings**

a) **Details of the last three Annual General Meetings are as under:**

Financial Year	Date	Time	Venue	Details of special resolutions passed, if any
2008-09	27.08.09	1.00 P.M.	M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujrati Samaj), 2, Raj Nivas Marg, Delhi-110054.	None
2007-08	25.09.08	4.00 P.M.	FICCI Auditorium, Federation House, Tansen Marg, New Delhi-110001	None



## T.V. Today Network Limited

2006-07	26.09.07	3.30 P.M.	M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujarati Samaj), 2, Raj Nivas Marg, Delhi-110054.	None
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A court convened meeting of the equity shareholders of the Company was held under order dated 15.10.2009 of the Hon'ble High Court of Delhi in Company Application No. (Main) No. 150 of 2009 at Kamani Auditorium, Copernicus Marg, New Delhi - 110 001 on 21st day of November 2009 at 12.00 noon to approve the proposed composite Scheme of Arrangement between your Company and Radio Today Broadcasting Limited. The Hon'ble Court appointed Mr. D.K. Prasad and Mr. Aly Mirza as the Chairperson and Alternate Chairperson, respectively, for the said court convened meeting.

Shareholders present in person or by proxy or through authorized representative at the meeting, represented 55.92% of total issued share capital of the Company and 100% of those so present voted in favour of the resolution.

In addition to the meeting of the equity shareholders, meeting of Unsecured Creditors of your Company were also held on 21st day of November 2009 at 1.00 pm. These meetings also approved the resolutions to implement the scheme of arrangement.

### b) Postal Ballot

During the financial year 2009-2010, no special resolution was passed through postal ballot.

As of now, no special resolution is proposed to be conducted through postal ballot.

## 7. Disclosures

- The details of related party transaction with the company are given in Note No. 9 of Schedule Q (B) of the Notes to Accounts of the Company. Besides this, the company has no material significant transaction with the related parties viz. promoters, directors of the company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.
- No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets for non-compliance by the Company during the year.
- The Company has a centralized Human Resource Department which attends to the grievances of the employees on regular basis and has an exit policy which records the reasons of separation which are shared with the Management.
- All mandatory requirement as applicable to the Company are being complied with and the Company has also adopted the non - mandatory requirement relating to the Remuneration Committee.
- Management Discussion and Analysis forms part of the Annual report.

## 8. Means of Communication

- At present quarterly/half yearly reports are not being sent to each household of shareholders.
- The quarterly/half yearly results are published in leading English & Hindi Newspapers and are also displayed on website of the Company- [www.aajtak.com](http://www.aajtak.com) along with official news releases and presentations. Full version of the Annual Report, Corporate Governance Report, financial results and shareholding pattern of the Company are/shall be posted on the Electronic Data Information Filing and Retrieval (EDIFAR) website namely [www.sebidifar.nic.in](http://www.sebidifar.nic.in). The website is also accessible through hyperlink 'EDIFAR' from SEBI's official website, "[www.sebi.gov.in](http://www.sebi.gov.in)". The same is also being sent to the institutional investors and to the analysts.

## 9. General Shareholder Information

### a. Annual General Meeting

**Date :** August 26, 2010.

**Venue :** M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujarati Samaj), 2, Raj Nivas Marg, Delhi-110 054.

**Time :** 1:00 P.M.

### b. Financial Calendar

The next financial year 2010-11 ends on March 31, 2011. The tentative dates for approval of un-audited financial results are as follows:

Quarter ending June 30, 2010	:	upto 14 <sup>th</sup> of August 2010.
Quarter ending September 30, 2010	:	upto 14 <sup>th</sup> of November 2010.
Quarter ending December 31, 2010	:	upto 14 <sup>th</sup> of February 2011.
Quarter ending March 31, 2011	:	upto 15 <sup>th</sup> of May 2011 (unaudited) / upto 30th of May 2011 (audited).

### c. Book Closure

The register of members and share transfer records of the company shall remain closed from August 17, 2010 to August 26, 2010 (both days inclusive).

### d. Dividend Payment Date: August 31, 2010

## e. Listing in stock exchanges and stock codes

The names of the Stock Exchanges at which the equity shares are listed and the respective stock codes are as under:

Name of the Stock Exchanges	Stock Code/Symbol
Bombay Stock Exchange Limited	532515
National Stock Exchange of India Ltd.	TVTODAY

Listing fee for the financial year ended March 31, 2010, as payable to the aforesaid Stock Exchanges, has already been paid.

The ISIN number allotted to the company for dematerialization of shares is as under:

NSDL - INE 038F01029

CDSL - INE 038F01029

## f. Market Price Data

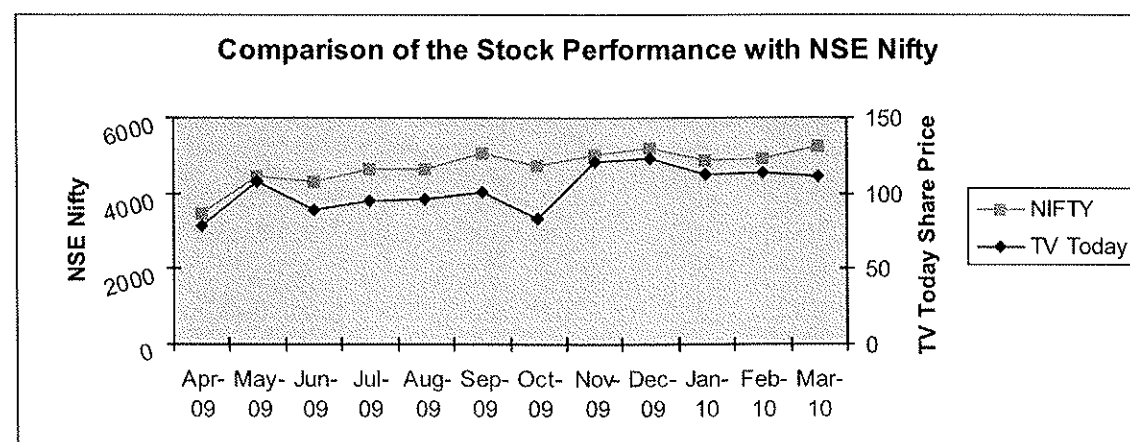
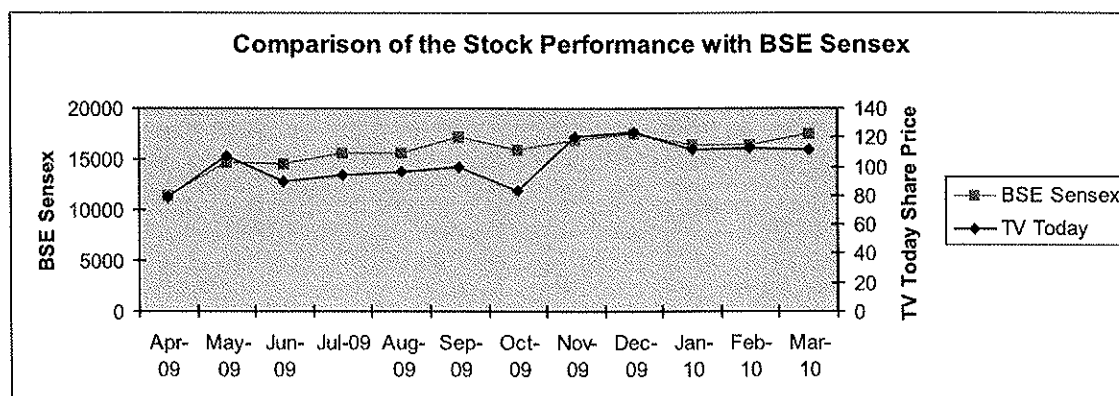
The High/Low of the market price of the Company's equity shares traded on the Bombay Stock Exchange Limited, and National Stock Exchange of India Limited, during the financial year ended 31st March 2010 were as follows:

Month	BSE		NSE	
	High	Low	High	Low
April 2009	85.00	65.45	92.00	65.70
May 2009	120.00	77.15	115.65	77.10
June 2009	117.00	86.25	116.50	85.00
July 2009	99.70	79.00	94.45	80.20
August 2009	103.50	89.40	103.70	88.00
September 2009	111.35	91.50	109.50	92.00
October 2009	100.80	82.15	102.40	82.60
November 2009	135.70	76.10	119.25	78.15
December 2009	151.80	116.00	150.55	115.10
January 2010	138.00	105.50	135.00	105.20
February 2010	118.90	108.40	119.95	106.10
March 2010	124.45	108.60	124.40	108.35

(Source: www.bseindia.com)

(Source: www.nseindia.com)

## g) Performance of Company's equity shares in comparison to BSE Sensex & NSE Nifty:



**h) Registrar & Share Transfer Agent**

**M/s MCS Limited**

F-65, Okhla Industrial Area

Phase-I, New Delhi-110020

Ph. 011-41406149/51-52

Fax No. 011-41709881

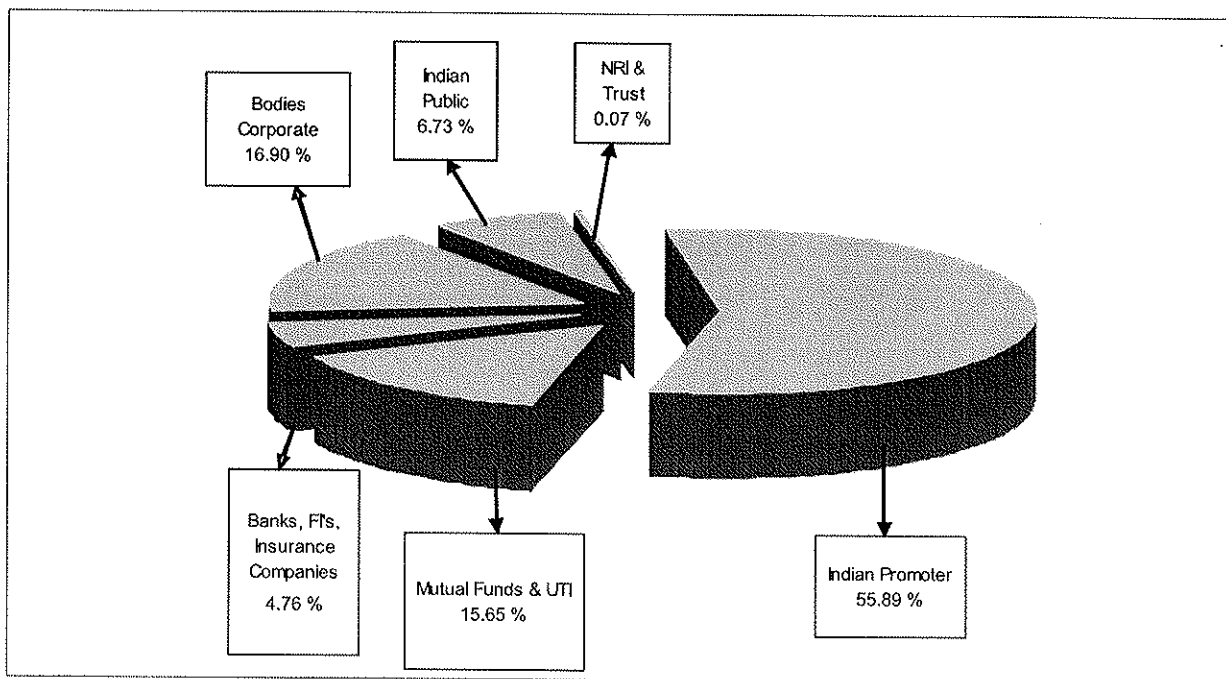
E-mail: [admin@mcsdel.com](mailto:admin@mcsdel.com)

**i) Share Transfer Systems**

All share transfers are handled by company's Registrar & Share Transfer Agent. Share transfers in physical form are registered within a month from the date of receipt, provided the documents are found to be in order.

**j) Distribution of shareholding as on 31<sup>st</sup> March 2010**

Number of Equity Shares held	Shareholders		Shareholding	
	Numbers	%	No. of Shares	%
1 to 500	21509	94.97	2110203	3.65
501 to 1000	615	2.72	500066	0.87
1001 to 2000	269	1.19	402728	0.70
2001 to 3000	73	0.32	191141	0.33
3001 to 4000	28	0.12	100655	0.17
4001 to 5000	40	0.18	181812	0.31
5001 to 10000	49	0.22	376334	0.65
10001-50000	46	0.20	926122	1.60
50001-100000	3	0.01	203437	0.35
Above 100000	17	0.07	52799118	91.37
Total	22649	100	57791616	100



**k. Shares held in physical and dematerialised form**

As on 31st March 2010, 44.10 % of the Company's total equity shares representing 2,54,82,304 shares were held in dematerialized form and 55.90 % equity shares representing 3,23,09,312 shares were held in physical form. The shares of the Company are traded in 'B1' group in BSE.

**l. There are no outstanding GDR's/ADR's/Warrants/convertible instruments.**

**m. Plant Location**

Not Applicable

**n. Address for Correspondence:**

T.V. Today Network Limited  
Videocon Tower,  
E-1, Jhandewalan Extension,  
New Delhi-110055.  
Telephone: 011-23684878, 23684888  
Fax: 011-41540231  
E-Mail -- [puneet.jain@aaajtak.com](mailto:puneet.jain@aaajtak.com).

**o. Bank details in respect of Shares held in dematerialized form**

Shareholders holding shares in electronic form may give instructions regarding bank details, which they wish to incorporate on their dividend warrants, to their depository participants. As per the regulations of NSDL and CDSL, the company is obliged to print the bank details on the dividend warrants, as furnished by these depositories to the Company.



## **T.V. Today Network Limited**

### **Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement**

To the Members of TV Today Network Limited

1. We have reviewed the implementation of Corporate Governance procedures by TV Today Network Limited (the Company) during the year ended March 31, 2010, with the relevant records and documents maintained by the Company, furnished to us for our review and the 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 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 is already complying with the conditions of Corporate Governance, as stipulated in Clause 49 of the listing agreement (s) with the Stock Exchanges as in force.

Shalini Sharma  
Membership No. ACS - 15706  
Certificate of Practice No. 6091

Place : New Delhi  
Date : May 24, 2010

For & on behalf of  
S. Joshi & Associates  
Company Secretaries

## **DECLARATION ON THE COMPLIANCE WITH THE CODE OF CONDUCT**

Members,

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

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

Place: New Delhi  
Date: May 24, 2010

Aroon Purie  
*Chairman & Managing Director*





**AUDITORS' REPORT TO THE MEMBERS OF T.V. TODAY NETWORK LIMITED**

1. We have audited the attached Balance Sheet of TV Today Network Limited (the "Company"), as at March 31, 2010 and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together with Order), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we further report that:
  - i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
  - (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
  - (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
  - ii. The Company does not have any inventory and hence clause (ii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable.
  - iii. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly clauses (iii)(b), (iii)(c), (iii)(d) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 are not applicable.

- (b) (1) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act, other than an unsecured loan, acquired by it consequent to the amalgamation with the radio business of Radio Today Limited (refer note B(13) in Schedule Q, Notes on Accounts), from a party covered in the said register. The maximum amount outstanding during the year and the year-end balance of such loan amounted to Rs.3404.45 lacs.
- (2) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.
- (3) In respect of the aforesaid loans, the Company has been regular in repaying the principal amounts as stipulated and in payment of interest, where applicable.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- vi. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
- viii. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, excepting a few instances of minor delays in depositing professional tax and income tax deducted at source, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable

with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of sales-tax, income-tax, customs duty, wealth tax, excise duty and cess as at March 31, 2010 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income-tax Act, 1961	Income tax	30,793,851	Assessment Year 2005-06 & 2007-08	CIT Appeals
Income-tax Act, 1961	Income tax	9,966,018	Assessment Year 2006-07	ITAT

- x. The Company has no accumulated losses as at March 31, 2010 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- xii. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund /societies are not applicable to the Company.
- xiv. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- xvi. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
- xviii. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
- xix. The Company has not issued any debentures and there are no debentures outstanding as at year end. Hence, clause (xix) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable.
- xx. The Company has not raised any money by public issues during the year.
- xxi. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
4. Without qualifying our report, we draw attention to note B(12) on Schedule Q regarding carrying value of advance towards equity subscription of Rs.18.50 crores paid to Mail Today Newspapers Private Limited (Mail Today). As mentioned in the note, based on projections and independent valuation of Mail Today, the Company is of the view that the carrying value of the advance is appropriate and accordingly, no provision therefore is considered necessary. The carrying value of the advance towards equity subscription is dependant on the above future developments, the outcome of which cannot be presently determined.
5. Further to our comments in paragraph 3 above, we report that:
- (a) We have obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- (c) The Balance Sheet, 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 and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
- (e) On the basis of written representations received from the directors, as on March 31, 2010 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
- (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act 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;
- (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants

Sd/-  
Usha Rajeev  
Partner

Place: Gurgaon  
Date: May 24, 2010

Membership No. F-87191



# T.V. Today Network Limited

## BALANCE SHEET AS AT MARCH 31, 2010

	Schedule	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
<b>I. Sources of Funds</b>			
<b>(1) Shareholders' Funds:</b>			
(a) Capital	A	288,958,080	289,839,340
(b) Share Suspense	A (a)	8,279,995	-
(c) Employee Stock Options Outstanding	A (b)	4,129,127	3,329,824
(d) Reserves and surplus	B	2,748,290,179	2,922,648,293
<b>(2) Loan Funds:</b>			
(a) Secured loans	C	297,859,384	-
(b) Unsecured Loans	D	360,540,626	-
<b>TOTAL</b>		<b>3,708,057,391</b>	<b>3,215,817,457</b>
<b>II. Application of Funds</b>			
<b>(1) Fixed Assets</b>			
(a) Gross block	E	1,995,935,752	1,624,457,272
(b) Less: Depreciation		1,258,366,359	974,837,602
(c) Net block		737,569,393	649,619,670
(d) Capital work - in - progress		579,952,292	307,198,168
		1,317,521,685	956,817,838
(2) Deferred Tax Asset- Net	Q[B(4)]	126,795,624	17,765,858
(3) Investments	F	19,196,941	531,217,265
<b>(4) Current Assets, Loans and Advances</b>			
(a) Interest Accrued on Fixed Deposits		37,147,309	20,917,690
(b) Sundry debtors	G	860,243,109	652,926,177
(c) Cash and bank balances	H	1,295,946,078	909,903,141
(d) Loans and advances	I	746,725,204	682,148,493
		2,940,061,700	2,265,895,501
<b>Less: Current Liabilities and Provisions</b>			
(a) Liabilities	J	578,638,047	457,343,798
(b) Provisions	K	116,880,512	98,535,207
		695,518,559	555,879,005
<b>Net Current Assets</b>		<b>2,244,543,141</b>	<b>1,710,016,496</b>
<b>TOTAL</b>		<b>3,708,057,391</b>	<b>3,215,817,457</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	Q		

This is the Balance Sheet referred to in our report of even date.

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

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants  
Usha Rajeev  
Partner  
Membership No. F-87191

For and on behalf of the Board  
Sd/-  
Puneet Jain  
DGM (F&A) &  
Company Secretary

Sd/-  
Gulab Makhija  
VP- F&A

Sd/-  
Anil Mehra  
Director

Sd/-  
Aroon Purie  
Chairman &  
Managing  
Director

Place : Gurgaon  
Date : May 24, 2010

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

	Schedule	For the Year Ended March 31, 2010 Amount (Rs.)	For the Year Ended March 31, 2009 Amount (Rs.)
<b>INCOME</b>			
Income from Broadcasting Operations	Q[B(10)]	2,848,156,217	2,499,904,658
Other Income	L	231,042,354	242,079,742
		<b>3,079,198,571</b>	<b>2,741,984,400</b>
<b>EXPENDITURE</b>			
Employee Cost	M	830,614,104	699,375,824
Production Cost	N	358,556,250	268,754,519
Administrative and Other Costs	O	1,138,742,926	1,090,889,090
Finance Charges	P	70,486,317	1,366,628
Depreciation	E	211,003,875	194,212,923
		<b>2,609,403,472</b>	<b>2,254,598,984</b>
<b>Profit before taxation</b>		<b>469,795,099</b>	<b>487,385,416</b>
Current Tax [amount provided for earlier years Rs. 20,656,701, (Previous Year Nil)]		20,656,701	175,107,327
Deferred Tax		140,499,566	(36,867,925)
Fringe Benefit Tax		-	13,647,668
<b>Tax Expenses</b>		<b>161,156,267</b>	<b>151,887,070</b>
<b>PROFIT AFTER TAXATION</b>		<b>308,638,832</b>	<b>335,498,346</b>
<b>Balance brought forward</b>		<b>1,343,021,947</b>	<b>1,108,388,231</b>
<b>Profit available for appropriation</b>		<b>1,651,660,779</b>	<b>1,443,886,577</b>
<b>Proposed Dividend</b>		<b>43,343,712</b>	<b>43,475,901</b>
<b>Corporate Dividend Tax on Proposed Dividend</b>		<b>7,366,264</b>	<b>7,388,729</b>
<b>Transfer to General Reserves</b>		<b>50,000,000</b>	<b>50,000,000</b>
<b>Balance carried forward to Balance Sheet</b>		<b>1,550,950,803</b>	<b>1,343,021,947</b>
<b>Earnings Per Share of nominal value of Rs.5 each.</b>			
<b>[ Refer Note 7 on Schedule Q(B)]</b>		<b>5.21</b>	<b>5.78</b>
<b>SIGNIFICANT ACCOUNTING POLICIES &amp; NOTES TO ACCOUNTS</b>	Q		

This is the Profit & Loss Account referred to in our report of even date. The Schedules referred to above form an integral part of the Profit & Loss Account

For Price Waterhouse  
Firm Registration No. 301112E  
Chartered Accountants  
Usha Rajeev  
Partner  
Membership No. F-87191

For and on behalf of the Board

Sd/-  
Puneet Jain  
DGM (F&A) &  
Company Secretary

Sd/-  
Gulab Makhija  
VP- F&A

Sd/-  
Anil Mehra  
Director

Sd/-  
Aroon Purie  
Chairman &  
Managing  
Director

Place : Gurgaon  
Date : May 24, 2010



# T.V. Today Network Limited

## FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
<b>SCHEDULE - A</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
68,000,000 (Previous year 68,000,000) Equity Shares of Rs. 5/- each	340,000,000	340,000,000
300,000 (Previous year 300,000) Preference Shares of Rs 100/- each	30,000,000	30,000,000
	<b>370,000,000</b>	<b>370,000,000</b>
<b>Issued, Subscribed and Paid-up</b>		
57,791,616 (Previous year- 57,967,868) Equity shares of Rs. 5/- each fully paid up	288,958,080	289,839,340
32,300,000 (Previous year- 32,300,000) Equity shares of Rs.5/- each are held by Living Media India Limited, the holding company		
<b>SCHEDULE A (a)</b>		
<b>Share Suspense</b>		
(Refer Note 13 on Schedule Q (B))	8,279,995	-
1,655,999 shares of Rs 5 each fully paid, without payment being received in cash, pending allotment to the shareholders of RTBL.		
(Refer Note 13 on Schedule Q (B))		
Out of the above 1,654,333 shares to be allotted to Living Media India Ltd., the holding company		
<b>SCHEDULE A (b)</b>		
<b>[Refer Note 6 Schedule Q(B)]</b>		
<b>Employee Stock Options Outstanding</b>		
Stock options granted during the year	5,077,500	5,800,000
Less: Deferred employee compensation expense	948,373	2,470,176
<b>TOTAL</b>	<b>4,129,127</b>	<b>3,329,824</b>
<b>SCHEDULE - B</b>		
<b>RESERVES AND SURPLUS</b>		
<b>Securities Premium</b>		
Opening Balance	1,204,626,346	1,207,257,170
Add: Share premium received on issue of Equity Shares	1,907,036	-
Less: Share Premium adjusted on Buy back of shares	15,871,038	2,630,824
Less: Adjustment on account of Scheme of Arrangement (Refer Note 13 on Schedule Q (B))	667,852,300	-
Closing Balance	<b>522,810,044</b>	<b>1,204,626,346</b>
<b>General Reserve</b>		
Opening Balance	375,000,000	325,000,000
Add: Additions during the year	50,000,000	50,000,000
Add: Deffered Tax Assets - Adjustment on account of Scheme of Arrangement (Refer Note 13 on Schedule Q (B))	249,529,332	-
	<b>674,529,332</b>	<b>375,000,000</b>
<b>Profit and Loss Account</b>		
Balance transferred from the Profit and Loss Account	1,550,950,803	1,343,021,947
<b>TOTAL</b>	<b>2,748,290,179</b>	<b>2,922,648,293</b>

## FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
<b>SCHEDULE - C</b>		
<b>SECURED LOANS</b>		
<b>From Banks :-</b>		
<b>Term Loan</b>	225,000,000	-
(Secured by first charge on all present & future moveable Fixed Assets & Corporate Gurantee furnished by Living Media India Limited, the holding company. Repayable within one year Rs.33,333,333; (Previous Year Rs. Nil )		
<b>Interest Accrued &amp; Due</b>	2,859,384	-
<b>Short Term Loan</b>	70,000,000	-
(Secured by present & future Book Debts, and Corporate Guarantee given by Living Media India Limited, the holding company repayable within one Year Rs. Nil)		
<b>TOTAL</b>	<b>297,859,384</b>	<b>-</b>
<b>SCHEDULE -D</b>		
<b>UNSECURED LOANS</b>		
<b>Other Loans &amp; Advances</b>		
From others (Living Media India Ltd, the holding company)	360,540,626	-
<b>TOTAL</b>	<b>360,540,626</b>	<b>-</b>

# FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

## SCHEDULE -E FIXED ASSETS

[Refer Notes (b), (c) and (d) of Schedule Q (A)]

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	As at 01-4-2009 Rs.	Acquired on Scheme of Arrangement	Additions Rs.	Deletions/ Adjustments Rs.	As at 31-03-2010 Rs.	As at 1-04-2009 Rs.	For the year Rs.	Deletions/ Adjustments Rs.	As at 31-03-2010 Rs.	As at 31-03-2009 Rs.	
Leasehold Land	120,359,050	-	-	-	120,359,050	6,595,676	-	1,648,919	8,244,595	112,114,455	113,763,374
Leasehold Improvements	75,925,030	21,327,308	5,152,826	4,704,218	97,700,946	62,885,820	2,041,585	10,973,222	74,999,129	22,701,817	13,039,210
Plant & Machinery	1,169,411,007	193,331,688	72,359,377	3,948,671	1,431,153,401	757,592,517	64,142,177	143,986,431	962,863,949	468,289,452	411,818,490
Computers	53,491,894	32,520,141	5,016,782	282,157	90,746,660	35,343,444	17,339,602	8,325,875	60,902,345	29,844,315	18,148,450
Office Equipments	33,633,237	6,471,369	595,661	676,185	40,024,082	21,643,186	1,215,185	3,492,853	26,147,140	13,876,942	11,990,051
Furniture & Fixtures	28,852,598	5,754,895	1,053,443	305,064	35,355,872	11,822,264	1,361,313	8,054,469	21,162,912	14,192,960	17,030,334
Vehicles	69,350,656	2,000,000	12,313,719	13,992,090	69,672,285	20,015,073	787,353	21,294,258	30,080,574	39,591,711	49,335,583
Intangible Assets											
- Production Software	70,148,367	-	1,645,844	-	71,794,211	55,654,189	-	9,814,118	65,468,307	6,325,904	14,494,178
- Computer Software	3,285,433	-	43,812	-	3,329,245	3,285,433	-	7,676	3,293,109	36,136	-
- CTV Site BECL	-	20,500,000	15,300,000	-	35,800,000	-	1,798,245	3,406,054	5,204,299	30,595,701	-
TOTAL	1,624,457,272	281,905,401	113,481,464	23,908,385	1,995,935,752	974,837,602	88,685,460	211,003,875	1,258,366,359	737,569,393	649,619,670
Capital Work-in-progress (includes capital advances amounting to Rs. 16,628,120/- Previous year Rs. 10,791,662/-)											
Total	579,952,292										307,198,168
1,317,521,685											
PREVIOUS YEAR	1,566,068,685	-	70,257,847	11,869,260	1,624,457,272	789,212,844	-	194,212,923	974,837,602	649,619,670	776,855,841



## FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
<b>SCHEDULE - F</b>		
<b>Investments - at cost</b>		
[Refer Note (f) of Schedule Q(A) and Note 3 Schedule Q(B)]		
<b>Long Term</b>		
<b>Trade Investments (Unquoted)</b>		
Radio Today Broadcasting Limited 1,100,000/- equity shares (Previous Year 1,100,000 equity shares) of Rs. 10/ per share fully paid-up	—	11,000,000
<b>In Subsidiary (Unquoted)</b>		
T.V. Today Network (Business) Limited 1,50,000 equity shares (Previous Year 1,50,000) of Rs. 10/- each fully paid-up	1,500,000	1,500,000
<b>Non trade investments</b>		
<b>In Mutual Funds (Quoted)</b>		
Nil units (Previous Year 5,000,000 units) of Birla Fixed Term Plan Series-AK	—	50,000,000
Nil units (Previous Year 10,000,000 units) of DSP Merrillynch FMP-15M Series-2	—	100,000,000
Nil units (Previous Year 10,000,000 units) of HDFC FMP 18M 2008	—	100,000,000
Nil units (Previous Year 10,000,000 units) of DSP Merrillynch FMP-13M Series-1	—	100,000,000
Nil units (Previous Year 10,000,000 units) of SBI SDFS 13 Months fund	—	100,000,000
Nil units (Previous Year 5,000,000 units) of Fidelity 370 days FMP Series-1 Plan C	—	50,000,000
<b>Current, Non Trade</b>		
<b>In Mutual Funds (Quoted)</b>		
1,439,232 units (Previous Year 1,439,232 units) of Prudential ICICI Gift Fund- Investment Plan	20,000,000	20,000,000
Nil units (Previous Year 45,600 units) Templeton India Liquid Plus (TILP)	—	456,001
	21,500,000	532,956,001
<b>Less :</b>		
Provision for dimunition in value of Investments	2,303,059	1,738,736
<b>TOTAL</b>	<b>19,196,941</b>	<b>531,217,265</b>
<b>SCHEDULE - G</b>		
<b>SUNDRY DEBTORS (Unsecured)</b>		
Outstanding for a period exceeding six months		
- Considered good	130,647,117	51,582,939
- Considered doubtful	45,268,547	40,800,433
	175,915,664	92,383,372
<b>Other Debts</b>		
- Considered good	729,595,992	601,343,237
- Considered doubtful	19,262,074	8,672,045
	748,858,066	610,015,282
<b>Total</b>	<b>924,773,730</b>	<b>702,398,654</b>
Less: Provision for doubtful debts	64,530,621	49,472,477
<b>TOTAL</b>	<b>860,243,109</b>	<b>652,926,177</b>
<b>SCHEDULE - H</b>		
<b>CASH AND BANK BALANCE</b>		
Cash in hand	699,091	561,882
Balance with scheduled banks		
- Current Accounts	31,469,801	12,460,686
- Dividend Accounts	1,176,552	880,573
- Deposit Accounts	1,261,704,093	896,000,000
- Cheques in Hand	896,541	—
<b>TOTAL</b>	<b>1,295,946,078</b>	<b>909,903,141</b>



## T.V. Today Network Limited

### FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2010

	As at March 31, 2010 Amount (Rs.)	As at March 31, 2009 Amount (Rs.)
<b>SCHEDULE - I</b>		
<b>LOANS &amp; ADVANCES</b>		
<b>(Unsecured, considered good, unless otherwise stated)</b>		
Loan to fellow subsidiary	-	551,226,607
Advances recoverable in cash or in kind or for value to be received	224,956,715	94,487,235
Advance Income Tax [Net of Provision of Income Tax Rs. 1,071,888,882 (Previous Year Rs. 1,051,232,107)]	336,526,512	35,925,941
Advance Fringe benefit Tax [Net of Provision of FBT Rs. 47,376,255 (Previous Year Rs. 47,376,255)]	241,989	508,710
Advance Towards Share Subscription (Refer Note 12 on Schedule Q(B))	184,999,988	-
	<b>746,725,204</b>	<b>682,148,493</b>
Considered doubtful	13,862,557	7,694,742
Less: Provision for doubtful Advance	13,862,557	7,694,742
	-	-
<b>TOTAL</b>	<b>746,725,204</b>	<b>682,148,493</b>

\* Includes amounts due from Director Rs Nil (Previous Year Rs Nil)  
and maximum outstanding balance at any time during the year of Rs Nil  
(Previous Year Rs. 969,406)

### SCHEDULE - J CURRENT LIABILITIES

Sundry Creditors	-	-
- Due to Small Scale and Ancillary Undertakings	-	-
- Total outstanding due to creditors other than micro, and small enterprises [Refer Note 15 Schedule Q (B)]	375,470,649	296,463,247
Other Liabilities	123,700,830	95,261,765
Advances from Customers	18,852,743	17,626,336
Book Overdraft	27,507,847	21,720,092
Security Deposits	31,929,426	25,391,785
Un-Claimed Dividend *	1,176,552	880,573
<b>TOTAL</b>	<b>578,638,047</b>	<b>457,343,798</b>

\* No amount is payable to Investor Protection Fund.

### SCHEDULE - K PROVISIONS

Provision for Gratuity [Refer Note 5(II) on Schedule Q(B)]	7,998,328	2,531,610
Provision for Leave Encashment [Refer Note 5(II) on Schedule Q(B)]	58,172,208	45,138,967
Proposed Dividend	43,343,712	43,475,901
Corporate Dividend Tax on Proposed dividend	7,366,264	7,388,729
<b>TOTAL</b>	<b>116,880,512</b>	<b>98,535,207</b>

## FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	For the Year Ended March 31, 2010 Amount (Rs.)	For the Year Ended March 31, 2009 Amount (Rs.)
<b>SCHEDULE - L</b>		
<b>OTHER INCOME</b>		
Interest on Bank Deposits [Gross of Tax deducted at source Rs. 13,764,796 (Previous Year Rs. 11,312,042)]	116,010,553	53,890,189
Other Interest Income [Gross of Tax deducted at source Rs. Nil (Previous Year Rs. 10,604,377)]	—	46,797,979
Dividend Income (from non trade investments)	1,231,697	7,955,554
Miscellaneous Income [Includes Prior Period Income of Rs. Nil (Previous Year Rs. 1,051,782)]	4,419,432	3,156,837
Fees from training	1,951,603	3,673,262
Profit (Net) on sale of fixed Assets	305,092	—
Gain on sale of Investment (Net) (from non trade investments)	60,664,428	61,228,167
Provisions/Balances no longer required written back	46,459,549	60,648,127
Foreign Exchange Fluctuation (net)	—	4,729,627
	<b>231,042,354</b>	<b>242,079,742</b>
<b>SCHEDULE - M</b>		
<b>EMPLOYEE COST</b>		
Salaries, Wages and Allowances *	754,607,217	604,327,549
Contribution to Provident and Other Funds	52,288,373	66,814,478
Staff And Workers' Welfare	4,563,799	7,287,386
Managerial Remuneration	19,154,715	20,946,411
	<b>830,614,104</b>	<b>699,375,824</b>
* Including amortisation of Deferred ESOP cost Rs. 1,189,303 (Previous Year Rs. 1,593,825)		
<b>SCHEDULE - N</b>		
<b>PRODUCTION COST</b>		
Reporting Expenses	70,980,643	66,919,495
Up linking Charges	23,742,540	25,989,110
Assignment Charges	4,527,768	2,074,639
Production Expenses	176,310,578	90,322,271
Subscription	11,110,671	12,251,845
Consumables	5,040,974	6,637,882
Transponder Lease Rentals	65,969,177	60,828,891
Programme Procurement	873,899	3,730,386
	<b>358,556,250</b>	<b>268,754,519</b>



## T.V. Today Network Limited

### FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2010

	For the Year Ended March 31, 2010 Amount (Rs.)	For the Year Ended March 31, 2009 Amount (Rs.)
<b>SCHEDULE - O</b>		
<b>ADMINISTRATIVE AND OTHER COSTS</b>		
Advertising, Distribution and Sales Promotion	602,904,797	675,323,003
Communication Expenses	35,860,496	32,256,334
Travelling and Conveyance	78,149,150	75,321,548
Car Hire Charges	37,472,776	34,581,202
Rent [Refer note 11 on Schedule Q(B)]	115,313,260	60,702,890
Legal and Professional Charges	22,452,093	10,196,091
Electricity and Water	43,874,868	29,433,431
Vehicle Running and Maintenance	7,597,539	7,491,465
Insurance	11,433,098	10,069,928
Agency Incentive	20,571,503	15,990,778
Housekeeping	31,071,077	27,201,300
Repairs and Maintenance		
- Plant & Machinery ( Net of Insurance claim)	32,058,003	25,882,212
- Other	7,344,950	8,490,384
Newspapers and Periodicals	879,885	777,366
Business Promotion	9,175,223	16,264,230
Foreign Exchange Fluctuation (net)	2,152,715	-
Printing and Stationary	3,518,536	3,521,933
Freight and Courier	1,676,001	1,931,340
Guard Services	7,448,440	5,334,458
Rates and Taxes	3,467,226	3,039,092
Miscellaneous Expenditure written off	9,725,960	-
Provision for Doubtful Debts & Advances	18,151,576	34,997,346
Loss (Net) on Sale of Fixed Assets	-	1,611,868
Technical Consultancy Fees	29,484,569	3,119,282
Software Expenses	537,726	2,478,287
Miscellaneous Expenses [Includes prior period expenditure of Rs 895,374 ( Previous Year Rs 78,072)]	5,857,136	3,134,586
Dimunition in value of Investment	564,323	1,738,736
	<b>1,138,742,926</b>	<b>1,090,889,090</b>

### SCHEDULE - P INTEREST & FINANCE CHARGES

Interest		
- Term Loan	64,777,905	-
- Cash Credit	40,026	60,545
- Others	17,088	9,283
Guarantee Commission	-	77,501
Finance Charges	5,651,298	1,219,299
<b>Total</b>	<b>70,486,317</b>	<b>1,366,628</b>

SCHEDULE - Q

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

The financial statements are prepared under the historical cost convention to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

The Company follows mercantile system of accounting and recognizes items of income and expenditure on accrual basis.

b. Fixed Assets

Fixed assets are stated at their original cost and include all expenses relating to acquisition and installation.

Fixed Assets include digital satellite receivers, included under Plant and Machinery, generally installed at the premises of the channel partner.

c. Intangible Assets

Acquired Intangible Assets expected to provide future enduring benefits are stated at their original cost and include all expenses relating to acquisition and installation.

d. Depreciation/ Amortisation

- Depreciation on Fixed Assets (other than Leasehold Improvements, Digital Satellite Receiver boxes and Intangibles) is provided on straight-line method at the rates prescribed in Schedule XIV on triple shift basis.
- Leasehold Land and Leasehold Improvements are written off over the period of the lease.
- Assets costing less than Rs.5000/- are depreciated over a period of 12 months.
- Digital Satellite Receiver Boxes (included in Plant & Machinery) are being depreciated over the useful life of 3 years at the rate of 33.33% per annum on straight-line method.
- Intangible Assets are amortised on a Straight Line basis over their estimated useful life on a case to case basis.
- Consequent to the Scheme of arrangement as stated in Note B(12) below, the assets of the radio business of erstwhile Radio Today Broadcasting Limited, which hitherto used to be depreciated under written down value method at rates prescribed in Schedule XIV, is being depreciated from the current year on straight line method and is consistent with the policy of the Company, and as stated in Accounting Standard (AS) 14, Accounting for Amalgamations, notified under Section 211 (3C) of the Companies Act, 1956. Consequently, the Company has done a retrospective re-computation and the surplus arising from such re-computation amounting to Rs 49,361,917 has been adjusted against the current year's depreciation. Had the earlier year's policy being followed, depreciation for the year would have been higher by Rs 59,747,646 with its consequential impact on the profit and net assets of the Company.

e. Revenue recognition

**Income from broadcasting operations:** Advertisement Revenue is recognized for the period for which services have been provided and for which there is certainty of ultimate collection, Subscription revenue is recognized on the basis of the terms of the contract with the distributor.

f. Investments

Long-term investments are stated at cost of acquisition. Provision is made for diminution, other than temporary, in the carrying value thereof, in valuation of investments. Current Investments are stated at lower of cost or fair value.

g. Employee benefits

(a) Short Term Employee Benefits

Short term employee benefits are recognised in the period during which the services have been rendered.

(b) Long Term Employee Benefits

i) Defined Contribution plan

**Provident Fund and employees' state insurance schemes**

All employees of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India. In addition, some employees of the Company are covered under the employees' state insurance schemes and employee's pension schemes, which are also defined contribution

schemes recognized and administered by the Government of India.

The Company's contributions to both these schemes are expensed in the Profit and Loss Account. The Company has no further obligations under these plans beyond its monthly contributions.

## (ii) Defined benefit plan

**Leave Encashment** - The Company has provided for the liability at year end on account of unavailed earned leave as per the actuarial valuation as per the Projected Unit Credit Method.

**Gratuity** - The Company provides for gratuity obligations through a defined benefit retirement plan (the 'Gratuity Plan') covering all employees. The Gratuity Plan provides a lump sum payment to vested employees at retirement or termination of employment based on the respective employee salary and years of employment with the Company. The Company provides for the Gratuity Plan based on actuarial valuations in accordance with Accounting Standard 15 (revised), "Employee Benefits". Gratuity Fund is recognized by the income tax authorities and is administered and managed by the Life Insurance Corporation of India ("LIC").

(iii) Termination benefits are recognized as an expense immediately. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognized immediately in the Profit and Loss Account as income or expense.

## h. Foreign currency transactions

- Foreign exchange transactions during the year are recorded at the exchange rates prevailing on the dates of the transactions. Gains or losses out of fluctuations in rate between transaction date and settlement date are recognized in the Profit and Loss account.
- Monetary Assets and Liabilities are translated into rupees at the exchange rates prevailing at year-end rate and overall net gain / loss is adjusted in the Profit and Loss Account.

## i. Taxes on Income

Tax expense for the Year, comprising current tax and deferred tax is included in determining the net profit for the year. Current Tax is provided for in accordance with the provision of Income Tax Act, 1961.

Deferred tax assets and liabilities are recognized for all timing differences between accounting income and taxable income and are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

Deferred tax assets are carried forward to the extent there is reasonable certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized. Deferred Tax Assets in respect of unabsorbed depreciation or brought forward losses are recognized to the extent of virtual certainty that sufficient future taxable profits will be available against which such deferred tax assets can be realized.

## j. Leases

Lease of assets under which significant risks and rewards of ownership are effectively retained by the lessor are classified as operating leases. Lease payments under an operating lease are recognized as expense in the profit and loss account, on a straight line basis over the lease term.

## k. Earnings per Share

The Company reports basic and diluted earnings per equity share in accordance with AS – 20, Earning Per Share.

### Basic EPS

The earnings considered in ascertaining the Company's basic EPS comprises the net profit after tax and include the post tax effect of any extra ordinary items. The number of shares used in computing Basic EPS is the weighted average number of shares outstanding during the year.

### Diluted EPS

The net profit / (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of diluted potential equity shares for calculating the diluted EPS.

## l. Borrowing Cost

Borrowing costs attributable to the acquisition or construction of a qualifying asset is capitalized as a part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

## m. Employee stock based compensation

The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of market price of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Company, is recognized as deferred stock compensation expense and is amortized over the vesting period on the basis of generally accepting