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ANNUAL REPORT 2006-2007



INDIA'S No.1 NEWS NETWORK



HEADLINES
TODAY

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BOARD OF DIRECTORS

Aroon Purie, Chairman & Managing Director

Anil Mehra

Anil Vig

Rakesh Kumar Malhotra

Rajan Bharti Mittal

Rajeev Thakore

Audit Committee

Rakesh Kumar Malhotra, Chairman

Anil Mehra

Rajeev Thakore

Chief Executive Officer

G. Krishnan

GM (Legal) & Company Secretary

S.N. Sridhar

Auditors

Price Waterhouse

Chartered Accountants

New Delhi

Bankers

Canara Bank

IDBI Bank Limited

ICICI Bank Limited

Registered Office

Videocon Tower

E-1, Jhandewalan Extn.

New Delhi - 110 055

Registrar & Transfer Agents

MCS Limited

Sri Venkatesh Bhawan,

W-40, Okhla Industrial Area

Phase-II, New Delhi-110020

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Eighth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2007.

1. Financial Results

The financial results of the Company for the year ended 31st March 2007 are summarized below for your consideration.

(Rs. in crores)

Particulars	Year Ended	
	Year Ended 31 st Mar'07	Year Ended 31 st Mar'06
Income from operations and other income	202.44	167.89
Profit before finance, Amortization, Depreciation and Tax	65.60	60.98
Interest and Finance Charges	0.12	0.11
Depreciation	17.01	17.64
Misc. Expenses Written off	0.29	0.61
Profit before tax	48.18	42.62
Employee Stock Compensation Expense	0.07	-
Provision for Tax	17.01	14.85
Net Profit	31.10	27.77
Balance amount brought forward	67.02	51.71
Profit Available for appropriation	98.12	79.48
Transferred to General Reserve	10.00	7.50
Proposed Dividend	4.35	4.35
Corporate Dividend Tax	0.74	0.61
Balance Carried forward	83.03	67.02

2. Performance

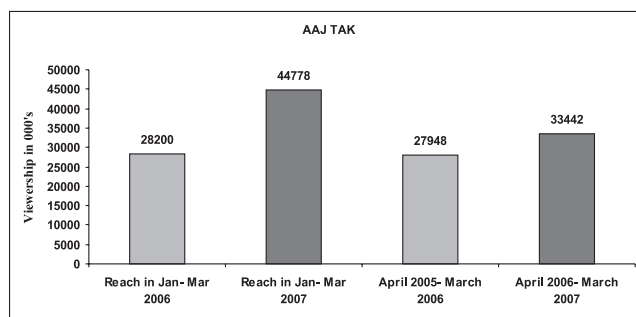
During the financial year, your Company's revenue from operations has been Rs. 188.90 crores compared to Rs. 159.55 crores last year, an increase of appx. 18%. Profit before tax has been Rs. 48.18 crores compared to Rs. 42.62 crores last year, registering a growth of 13% over the last year. Profit after tax has been Rs. 31.10 crores compared to Rs. 27.77 crores last year, registering a growth of 12% over the last year. Increase in revenue and profit was mainly due to increased sales, International subscription and advertisement revenue, better operational efficiency and cost control (except distribution cost).

During the Financial year, Aaj Tak continued to maintain its leadership position for the 6th consecutive year despite increased competition in the Hindi news genre by the existing as well as new news channel launched in the year 2006. Viewers reposed confidence in Aaj Tak for the

sixth 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.

Aaj Tak

During the year, the viewership of 'Aajtak' news channel has been 33.44 million compared to 27.95 million last year, registering a growth of approximately 20%. During the quarter January-March 2007, the viewership of Aaj Tak was 44.77 million compared to 28.20 million during the same quarter last year, registering a growth of 59%.



Source: TAM
TG: 4+ yrs cs
All India
Period: Average of 52 weeks of financial year

In recognition of its leadership position, Aaj Tak has been conferred with the following prestigious awards:

Consumer Superbrands 2006-07

- Aaj Tak declared Consumer Superbrand for the year

Indian Television Academy Awards 2006

- Best News Channel – Aaj Tak (for the sixth year in a row)

Indian Telly Awards 2006

- Best Hindi News Channel – Aaj Tak (for the fourth time)

Promax BDA India Awards 2006

- Silver – Best Print ad for Aaj Tak
- Silver – Best Print campaign for Tez

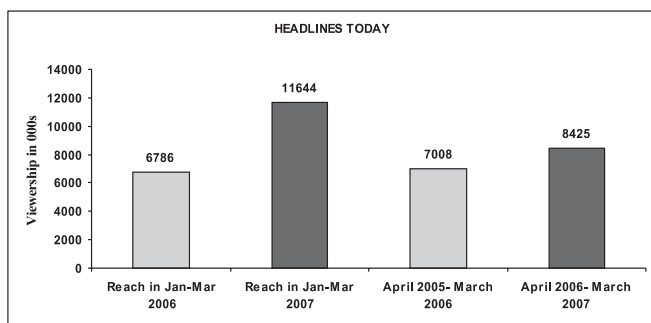
BBC- Reuters (C Voter/Globescan research) 2006

- The most trusted media brand and news source across all news channels, newspapers, magazines etc.

Headlines Today

During the year under review, the competition in the English news market intensified, with CNN IBN and Times Now grabbing significant market share. As a result, market share of all the existing English news channels including Headlines Today were seriously affected. Despite

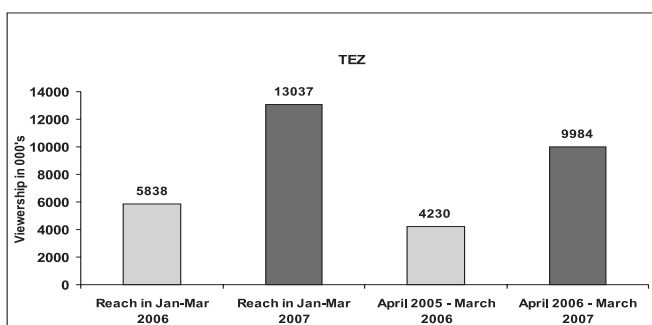
increased competition from the new as well as existing players, Headlines Today registered 20% growth in viewership from 7.01 million in 2005-06 to 8.4 million in 2006-07. During the last quarter of the Financial year, Headlines Today was re-launched with a new look and feel. As a result, the viewership of Headlines Today registered a substantial growth at 11.64 million compared to 6.78 million during the same quarter last year, 71% growth in real terms.



Source: TAM
TG: 4+ yrs cs
All India
Period: Average of 52 weeks of financial year

Tez

Tez was launched in August, 2005 to cater to the time conscious people by providing crispy news. The channel has already made its place in the Hindi News genre. In the first full year of operation ended March 31, 2007, "Tez" has achieved a remarkable reach of appx. 10 million viewers in the Country. During the quarter January-March 2007, the viewership of "Tez" was 13.03 million compared to 5.83 million during the same quarter last year, registering a growth of 123 %.



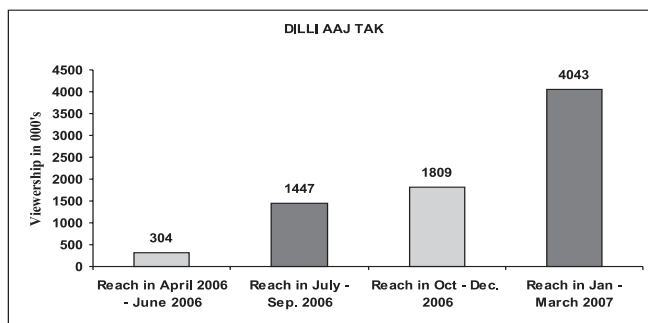
Source: TAM
TG: 4+ yrs cs
All India Market

Dilli Aaj Tak

During the year, a Metro centric 24x7 Hindi news channel "Dilli Aaj Tak" was launched to cater to Delhi and NCR viewers. The channel with a caption "Aap Ka Shahar Aap Tak" was launched on 29th May, 2006.

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 a viewership of 2.24 million in 2006-07 and 4.04 million in the Jan- March quarter. Delhi's rising consumerism, booming economy, rapidly improving infrastructure, among other things, have made it a city to reckon with at a global scale. Dilli Aaj Tak will address these and other issues to the viewers of Delhi and NCR.



Source: TAM

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 2006-07. Total amount of dividend outgo for the financial year shall be Rs. 5.09 Crores (including Corporate Dividend Tax amounting to Rs. 0.74 Crores).

4. Directors

The Articles of Association of the Company provide that at least two-thirds of our Directors shall be subject to retirement by rotation. One third of these retiring Directors must retire from office at each Annual General Meeting of the shareholders. A retiring Director is eligible for re-election.

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Anil Mehra & Mr. Anil Vig, 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 Mehra & Mr. Anil Vig as directors on the Board of the Company.

5. Directors' 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 judgments and estimates that are reasonable and prudent so as to

give a true and fair view of the state of affairs of the company at the end of the financial year 2006-07 and of the profit or loss 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.

6. 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 2007 is annexed.

7. 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.

8. Fixed Deposit

During the year, your Company has neither invited nor accepted/ renewed deposits from the Public within the meaning of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956, if any.

9. 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, they 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.

10. Auditor's Report

There are no observation, qualification or adverse remark of the Auditors on the Accounts of the Company for the financial year ended 31st March 2007 requiring comment from the Board of Directors.

11. 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 2006-07 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.

12. 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 has formulated and introduced a stock option plan (ESOP) for its employees and Directors, during the year. The Plan/ Scheme was approved by the shareholders at the Seventh Annual General Meeting after it is recommended by the Remuneration Committee and the Board of Directors.

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 M/s. Price Waterhouse, Chartered Accountants, 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.

13. Management Discussion and Analysis

Separate report on Management Discussion & Analysis is appended herewith.

14. 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 (CIF basis) | Rs. 50,453,472 |
| ii) Expenditure in foreign currency (Accrued basis) | |
| (a) Traveling Expenses | : Rs. 8,962,489 |
| (b) Production Cost | : Rs. 60,965,809 |
| (c) Repair and Maintenance | : Rs. 3,640,136 |
| (d) Others | : Rs. 3,192,100 |
| (d) Income in foreign currency (Accrued basis) | : Rs. 43, 256,241 |



15. 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.

16. Acknowledgement

Your Directors place on record their deep appreciation of 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.

For and on behalf of the Board Of Directors

Place : New Delhi	Sd/- Anil Mehra <i>Director</i>	Sd/- Aroon Purie <i>Chairman</i> & <i>Managing Director</i>
Date : June 1, 2007		

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, New Delhi-110055.

INFORMATION REGARDING THE EMPLOYEES STOCK OPTION PLAN
(As on March 31, 2007)

Sl. No.	Particulars	First Grant	Second Grant
I	Date of Grant	December 01, 2006	March 01, 2007
II	Market value on date of grant of the underlying equity shares	Rs. 74.35	Rs. 134.85
III	Exercise Price (50% of options)	Rs. 74.35	Rs. 134.85
	(Balance 50% of options)*	Rs. 44.35	Rs. 104.85
IV	Vesting Period	4 Years	4 Years
a	Options Granted (NET OF OPTIONS CANCELLED)	3,56,250	70,000
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	NIL	NIL
d	Option Exercised	NIL	NIL
e	Number of shares arising as a result of exercise of option	NIL	NIL
f	Option Lapsed	NIL	NIL
g	Variation of terms of options	NA	NA
h	Money realized by exercise of options	NA	NA
i	Total number of options in force	356250	70000
j	Employee-wise details of options granted to	<p>i) Senior Management Personnel</p> <ol style="list-style-type: none"> 1. Q.W Naqvi- News Director – 45000 shares 2. Rajnish Rikhy- VP-Sales – 45000 shares 3. Rahul Kulshrestha- Tech Director – 45000 shares 4. Rajmohan Nair- GM-Network – 45000 shares 5. Sanjay Jain- GM-Finance – 30000 shares. 6. Ramkripal Singh- Sr Exec Prod – 30000 shares 7. Joby Sabastian-GM –Broadcast – 15000 shares 8. Rehan Kidwai-GM-Coordination – 15000 shares 9. Prince Sharma- GM-Systems – 22500 shares 10. Sona Jha- Executive Prod – 15000 shares 11. Amitabh- Executive Prod – 15000 shares 12. Sanjay Nigam- Exec Prod – 15000 shares 13. Deepak Chaurasia- Exec Prod – 11250 shares 14. Shishir Joshi- Exec Prod – 11250 shares <p>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;</p> <p>None.</p>	

	<p>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.</p>	None.	
k	<p>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'.</p>	Not Applicable	
l	<p>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 on fair value, and the impact of this difference on profits and on EPS of the Company.</p>	<p>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. 1.82 million. Consequently the profit would have been Rs. 309.13 million instead of the current profit of Rs. 310.95 million and the EPS of the Company would have been (Rs. 5.33) instead of (Rs. 5.36).</p>	
m	<p>For options whose exercise price either equals or exceeds or is less than the market price of the stock the following are disclosed separately:</p> <p>a) Weighted average exercise price</p> <p>i) when the exercise price is equal to market price</p> <p>ii) when the exercise price is less than market price</p> <p>b) Weighted average fair value</p> <p>i) when the exercise price is equal to market price</p> <p>ii) when the exercise price is less than market price</p>		<p>Rs. 84.29</p> <p>Rs. 54.29</p> <p>Rs. 54.27</p> <p>Rs. 60.15</p>
n	<p>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:</p> <p>i) risk-free interest rate;</p> <p>ii) expected life;</p> <p>iii) expected volatility;</p> <p>iv) expected dividends; and</p> <p>v) the price the underlying shares in the market at the time of option grant.</p>	<p>7.35%</p> <p>10 years</p> <p>48.28%</p> <p>1.01%</p> <p>74.35</p>	<p>7.87%</p> <p>10 years</p> <p>55.44%</p> <p>0.56%</p> <p>134.85</p>

* 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 (IEM), yet again, continues to outperform the Indian Economy and, yet again, is one of the fastest growing sectors in India. IEM generally tends to grow faster when the economy is expanding. Besides certain economic and personal income linked factors, there are other factors that are contributing to this high growth rate. The key growth drivers are:-

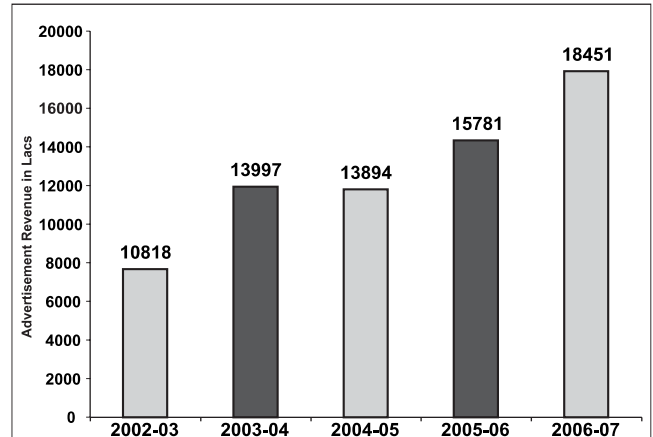
- The Economic Impetus
- The Demographic Impetus
- Liberalising foreign investment regime
- Low ad spends
- Low media penetration in lower socio- economic classes

The impetus to the growth of the IEM are as under:

- The size IEM is expected to jump from the present Rs. 43700 Crores to Rs.1,00,000 Crores in 5 years due to sweeping changes in distribution, convergence and integration of models;
- The C&S households presently at 6.8 Crores is expected to go up to 9 Crores in 2010;
- As digitalization will happen on multiple platforms viz. DTH, IPTV etc, 3.8 Crores homes is expected to get digitalized by 2010;
- Digitilization and addressability will improve declaration in the pay revenue stream increasing the total television subscription revenue size from Rs. 1600 Crores in 2006 to Rs. 8300 Crores by 2010;
- With the increase in subscription revenue, broadcasters can invest in content which is typically 30-50% of the advertisement revenue as compared to the global standard of 100% of the advertisement revenue;
- Indian advertisement spent as a percentage of GDP is abysmally low at 0.34% as against the global average of 0.98%. With Indian economy promising a sustained 8% growth over the next few years, it is expected that the advertisement revenue will be Rs 30100 Crores by 2011 from the present, a 16.6% CAGR over next 5 years;
- Television advertisement market is also expected to grow from the present size of Rs 6600 Crores to Rs 12300 Crores by 2011, a 13% CAGR over next 5 years;
- Television Industry total revenues are expected to grow from the present size of Rs. 19100 Crores to Rs. 51900 Crores by 2011, a 22% of CAGR over next 5 years with subscription revenue projected to be the key growth driver.

Outlook

The primary source of income for your Company is Ad sales revenue. Barring a marginal fall in 2004-05, your Company had shown consistent growth in the Ad sales revenue since 2002.



The ad spend on a channel depends on its market share, its reach and its being the preferred platform for mass communication. The leadership position of Aaj Tak as the No.1 channel for the sixth consecutive year has contributed to the Ad sales 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" launched during the year has also contributed to the revenue growth of the Company in the financial year ended 31st March, 2007 and is expected to contribute to the revenue growth of the Company in the coming years.

Your Company's strategy to have one combined rate card last year for Aaj Tak, Headlines Today, Tez and Dilli Aaj Tak has also been well received by the advertisers. Your Company's dedicated advertisers have shown keen interest in the combined rate card to be present in all the four channels at an optimum price. As a result, your Company's English channel, Headlines Today and Hindi channels, Tez and Dilli Aaj Tak have also registered a growth in the number of advertisers. Buoyed by this encouraging trend, during the year, your company has further given options to advertisers for choosing different package rates and standalone rates available for all the channels of the Company.

Your Company's channel Aaj Tak and Headlines Today, both launched in the US market last year by tying up distribution arrangement with Echostar LLC, the largest cable and DTH operator in US, has been well received in the US Market. The subscriber numbers have increased during the year and your company has been able to tap both subscription and advertising revenue in the US Market which is expected to grow in the coming years.

During the year, your Company has been able to get regulatory clearances for distribution of Aaj Tak in UK/Europe and Aaj



Tak and Headlines Today in Canada. Negotiations are underway for a possible tie up with the service provider/distributor in both the territories. Your Company expect to launch the channels in the said territories in 2007-08. Negotiations are also underway to launch your Company's channels in the Middle East.

In the domestic front, your Company's channels Aaj Tak and Headlines Today is already aired in the leading DTH players viz. TATA SKY, Doordarshan and DISH NETWORK as Free to Air channels with an inbuilt clause in the agreements of some of the players that in case the Channels go pay the subscription amount will be negotiated and finalised.

Your Company has already encrypted all its existing channels by upgrading its technical equipments and software during the year. This will enable your Company to go pay at an opportune time.

Combined effect of the above measures would enable your Company to increase its revenue manifold in the coming years.

Opportunities and Threats

The Government of India, Ministry of Information & Broadcasting introduced CAS (Conditional Access System) effective January 1, 2007 in select areas in three metro cities in India viz Delhi, Mumbai and Kolkata. Chennai was the only city in India that had CAS prior to this. As per the data released by the regulator TRAI, about half a million subscribers opted to adopt CAS in the notified areas by mid February 2007. Of the estimated 1.63 million homes in these three notified areas, the overall CAS penetration rate was at 29%, with the highest in Mumbai at 41%. Buoyed by this enthusiastic response, the Government of India is in the process of extending CAS to all the areas in the three Metros where CAS was introduced. CAS also brought alongwith itself some key regulations and policies, of which the most highly debated was the imposition of a price cap of Rs 5 per channel per month by the regulator, TRAI. The same price cap of Rs 5 was imposed for all channels irrespective of the genre of the channel and which city the subscriber belonged to. CAS has forced some of the existing pay channels to become Free to Air in CAS areas to maintain its market share and reach. As CAS is in the nascent stage, it will take sometime to stabilize. Your company will go pay at an opportune time for its channels for tapping subscription revenue after studying the impact of CAS on the existing pay channels.

Your Company's channels Aaj Tak and Headlines Today is already in the DTH platform of TATA SKY launched during the year as Free to Air channels, besides Dish Network and Doordarshan.

Followed by extensive trials, MTNL launched the first IPTV services in Mumbai and Delhi in 2006. Though the current base of IPTV subscribers is extremely low, the year marked a beginning of IPTV services in India.

Your company will explore possibility of tapping subscription as well as Advertisement revenue in the above platforms as well as new platforms like mobile, triple play etc. Your Company will also explore possibility of launching more metro centric

channels in the news and current affairs segment. However, with more news channels in both English and Hindi genres launched during the year and some more expected to be launched in 2007, your Company is likely to face intense competition from the existing as well as new channels which may have a bearing on the Company's revenue growth in the coming years.

Risk and Concerns

Demand of heavy cable carriage fee by the MSO's / Cable operators, slow progress in the digitalisation at the last mile operators end is a matter of concern as the existing as well as new players are vying with each other to be placed in a better band to be seen. With the constraint in the frequency available at the last mile stage, and most of the homes having analog TV sets, the cable operators are demanding heavy carriage fee for carriage of the channels. The situation is expected to become worse in the coming 2-3 years until digitalisation of both the head-end and TV sets is rapidly enforced by the regulator, TRAI throughout India, at least before the beginning of the Commonwealth Games in 2010.

Another concern is that year 2006 saw several instances where television channels were banned by regulatory authorities over telecast of "content" not as per "content code" under the Cable and Television Regulation Act. The authorities are expected to continue their onslaught in the year 2007 also on both the content and advertisement side. With the proposed Broadcast Regulation Bill, 2006 placing innumerable restrictions on both the content and advertisement, the coming years could pose a great risk for the channels of the Company in terms of availability of content and advertisement. This could have an adverse effect on the performance and revenue in the coming years.

Human Resources

During the year ended 31st March 2007, your Company had 805 employees on its rolls compared to 711 employees last year. The increase in the number of employees was mainly due to addition of one more channel "Dilli Aaj Tak" during the year. Your Company considers its Human Resources as one of the key elements of sustainable competitive advantage and shareholder value creation as the contribution of Human resources is of immense importance, especially in the News Media Sector. In other words, media organizations are human driven, its growth depends upon the quality contribution made by the people in the organization. Therefore, your Company recognise human resources as a key component for facilitating organisational growth. Your Company is continuously working to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment. Your Company has a strong team of professionals to oversee the operations and growth of the Company's businesses.

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 4 Audit firms, Ernst & Young, who continuously monitor the adequacy and effectiveness of the internal control system and the status of compliance of operating systems and policies.

Your Company's Internal Control system is designed to:

- Safeguard the company's assets and to identify liabilities and manage it accordingly.
- Ensure that transactions are properly recorded and authorised.
- 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 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 Statements made in this report describing the Company's objective, expectations or 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, technological 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 : June 1, 2007

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 Chairman & Managing Director 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, 2007, the Board met six times on 29th May 2006, 17th July 2006, 21st August 2006, 23rd October 2006, 29th January 2007 and 30th March 2007.

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

Name of the Director	Position	Board Meetings held during the year	Board Meetings attended during the year	Whether attended last AGM	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	6	—	—
Anil Mehra	Non-Executive Director	6	6	Yes	5	2	1
Anil Vig	Non-Executive Director	6	5	No	1	—	—
Rajan Bharti Mittal	Independent Director	6	5	No	4	1	2
Rajeev Thakore	Independent Director	6	5	No	Nil	—	—
Rakesh Kumar Malhotra	Independent Director	6	5	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 in January 2005, which is also posted on the web-site of the Company (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 2006-07.

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 four times during the year on 29th May 2006, 17th July 2006, 23rd October 2006 and 29th January 2007. 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	4	4
Mr. Anil Mehra	Member	4	4
Mr. Rajeev Thakore	Member	4	4

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:

During the year, a Remuneration Committee has been constituted comprising 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	2	2
Mr. Rakesh Kumar Malhotra	Member	2	2
Mr. Anil Mehra	Member	2	2

d) Remuneration Policy & Remuneration of Directors:

No remuneration has been paid to Directors except to Mr. Aron Purie, Chairman & Managing Director who is entitled to remuneration by way of commission @3% of the net profits of the Company, in addition to 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 paid to him during the financial year is Rs.14,141,706/-.

e) Compensation to Non-executive Directors:

During the financial year, Non- Executive Directors were not paid any sitting fee or any other compensation.

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. Aron 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. S.N. Sridhar, GM- Legal & Company Secretary, is the Compliance Officer.

iv) Investors complaints received and resolved during the year

During the year under review, 28 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
2005-06	28.09.06	3:30 P.M.	M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujrati Samaj), 2, Raj Nivas Marg, Delhi-110054.	Two resolutions u/s 81(1A) of the Companies Act, 1956 regarding further issue of shares to employees of the company, its holding company and its subsidiary company under ESOP Scheme.



T.V. Today Network Limited

2004-05	25.08.05	10:00 A.M.	M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujrati Samaj), 2, Raj Nivas Marg, Delhi-110054.	None
2003-04	27.08.04	3:30 P.M.	FICCI Auditorium, Federation House, Tansen Marg, New Delhi-110 001	None

b) Postal Ballot

During the financial year 2006-2007, 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. 11 of Schedule R Para 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 not since opted for whistle blower policy.
- 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" 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.sebiedifar.nic.in. The website is also accessible through hyperlink 'EDIFAR' from SEBI's official website, "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 : September 26, 2007

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

Time : 3:30 p.m.

b) Financial Calendar

The next financial year 2007- 08 ends on March 31, 2008. The tentative dates for approval of un-audited financial results are as follows:

Quarter ending June 30, 2007	:	last week of July, 2007
Quarter ending September 30, 2007	:	last week of October, 2007
Quarter ending December 31, 2007	:	last week of January, 2008
Quarter ending March 31, 2008	:	last week of April, 2008 (un audited) / last week of June, 2008 (audited)

c) Book Closure

The register of members and share transfer records of the company shall remain closed from 17th September 2007 to 26th September 2007 (both days inclusive).

d) Dividend Payment Date : 1st October, 2007

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, 2007, 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 2007 were as follows:

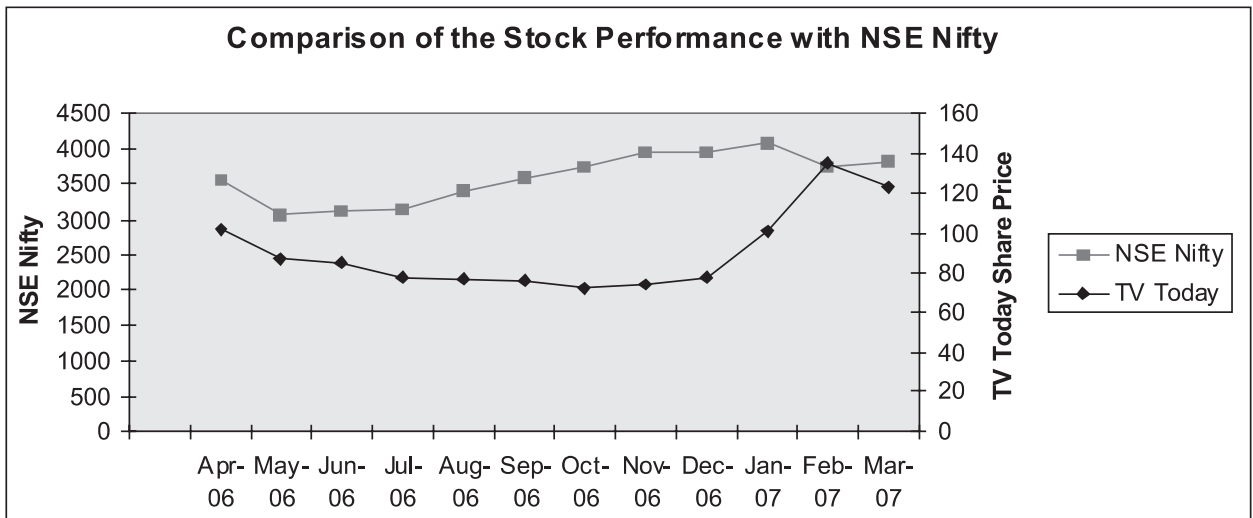
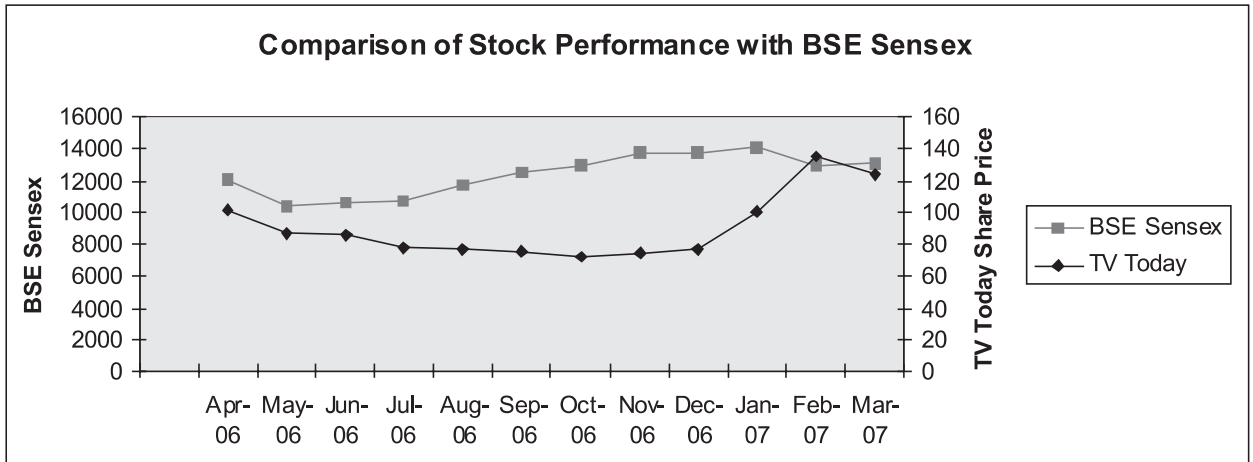
(In Rupees)

Month	BSE		NSE	
	High	Low	High	Low
April 2006	116.50	90.00	116.40	97.00
May 2006	111.50	74.10	111.40	71.50
June 2006	100.75	67.00	100.00	66.15
July 2006	94.00	74.55	95.05	72.00
August 2006	85.25	73.35	84.85	73.00
September 2006	84.00	74.40	83.90	74.00
October 2006	79.20	71.40	83.00	71.25
November 2006	82.25	70.50	82.00	70.65
December 2006	80.90	67.00	80.60	66.00
January 2007	110.45	77.40	110.50	77.10
February 2007	145.75	94.55	146.00	95.15
March 2007	141.90	112.50	141.85	112.75

(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

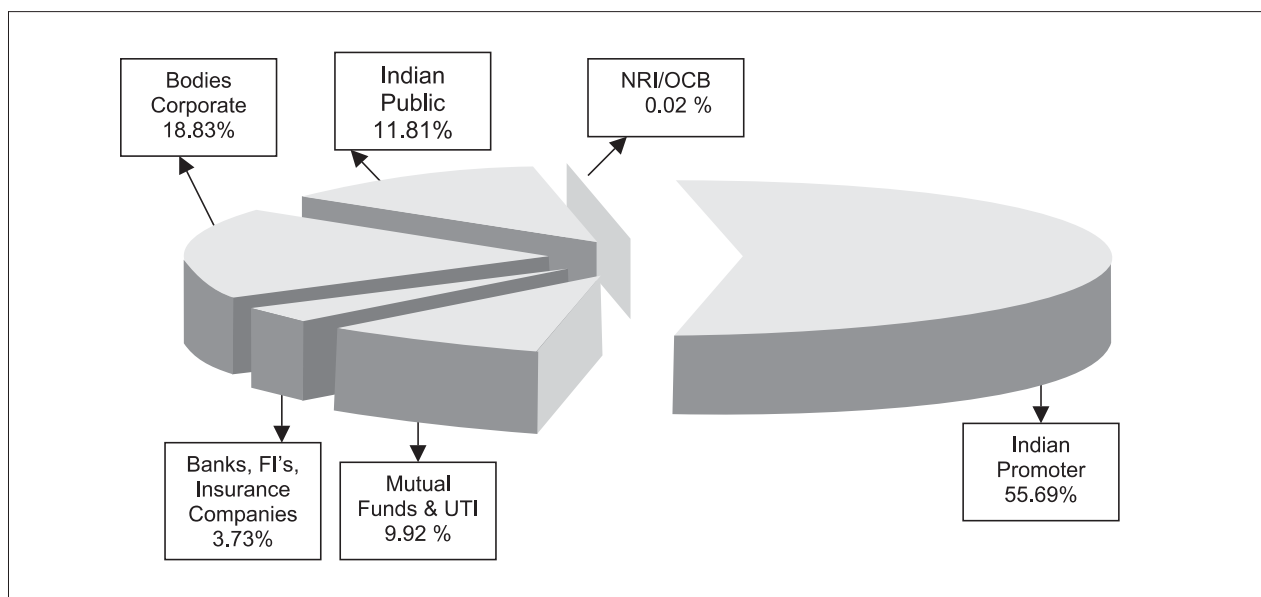
Sri Venkatesh Bhawan,
W-40, Okhla Industrial Area
Phase-II, New Delhi-110020
Ph. 011-41406149/51-52
Fax No. 91-11-41709881
E-mail: mcsdel@vsnl.com

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 31st March 2007

Number of Equity Shares held	Shareholders		Shareholding	
	Numbers	%	No. of Shares	%
1 to 1000	30121	96.80	4152043	7.16
1001 to 2000	450	1.45	689089	1.19
2001 to 4000	226	0.73	650406	1.12
4001 to 6000	120	0.39	607767	1.05
6001 to 8000	50	0.16	359319	0.62
8001 to 10000	35	0.11	336258	0.58
10001 to 20000	52	0.16	745929	1.29
Over 20000	64	0.20	50459189	86.99
Total	31118	100.00	58000000	100.00



k) Shares held in physical and dematerialised form

As on 31st March 2007, 43.61 % of the Company's total equity shares representing 25,292,321 shares were held in dematerialized form and 56.39% equity shares representing 32,707,679 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:

TV Today Network Limited
Videocon Tower,
E-1 Jhandewalan Extension,
New Delhi-110 055.
Telephone: 23684878,23684888
Fax: 41540231
E-Mail – sridhar.sn@aahtak.com

o) Bank details in respect of Shares held in electronic 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.



Certificate on Compliance with the Conditions of Corporate Governance Under Clause 49 of the Listing Agreement(s)

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, 2007, 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.

AJAY K. JAIN

Partner

Membership No. FCS-1551

Certificate of Practice No - 3357

For & on behalf of

AJAY JAIN & CO.

Company Secretaries

Place: New Delhi

Dated: June 1, 2007

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 2006-2007 and that there has been no instances of violation of the Code.

Place: New Delhi
Date : June 1, 2007

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, as at March 31, 2007 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, 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. (a) The inventory has been physically verified by the management during the year. There is no inventory which is lying with the third parties. In our opinion, the frequency of verification is reasonable.
 - (b) In our opinion, the procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. No discrepancies have been noticed on physical verification of inventory as compared to book records.
- 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.
- (b) 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.
- 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 inventory, 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, 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, though there has been a slight delay in a few cases, which have not been serious.
- (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 31 March 2007 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	22,403,226	Assessment Year 04-05	CIT Appeals

- x. The company has no accumulated losses as at 31 March, 2007 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. The company has not obtained any term loans.
- 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. The management has disclosed the end use of such monies upto March 2007 out of public issue raised in the earlier year (Refer Note 10 of Schedule R (B)) and the same has been verified by us.

xii. 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. 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, 2007 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2007 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, 2007;
 - (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..

USHA RAJEEV
Partner
Membership No. F-87191

For & on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place: New Delhi
Dated: June 1, 2007



BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
I. Sources of Funds			
(1) Shareholders' Funds:			
(a) Capital	A	290,000,000	290,000,000
(b) Employee Stock Options Outstanding	A (a)	744,248	—
(c) Reserves and surplus	B	2,255,388,898	2,001,904,545
(2) Loan Funds:			
(a) Secured loans	C	43,437,549	46,826,133
Deferred Tax Liability - Net	R[B(4)]	29,880,982	50,873,702
TOTAL		2,619,451,677	2,389,604,380
II. Application of Funds			
(1) Fixed Assets			
(a) Gross block	D	1,604,721,292	1,489,991,562
(b) Less: Depreciation		725,418,055	567,776,693
(c) Net block		879,303,237	922,214,869
(d) Capital work - in - progress		96,830,817	75,698,221
		976,134,054	997,913,090
(2) Investments			
	E	550,756,043	397,977,335
(3) Current Assets, Loans and Advances			
(a) Sundry debtors	F	654,419,408	539,817,811
(b) Cash and bank balances	G	801,486,502	717,353,735
(c) Loans and advances	H(a)	107,055,920	116,019,509
(d) Other Current Assets	H(b)	7,249,629	7,416,137
		1,570,211,459	1,380,607,192
Less: Current Liabilities and Provisions			
(a) Liabilities	I	402,321,855	333,992,349
(b) Provisions	J	78,222,017	58,696,798
		480,543,872	392,689,147
Net Current Assets		1,089,667,587	987,918,045
(4) (a) Miscellaneous expenditure to the extent not written off or adjusted			
	K	2,893,993	5,795,910
TOTAL		2,619,451,677	2,389,604,380
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS		R	

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.

Usha Rajeev
Partner
Membership No. F-87191
For & on behalf of
Price Waterhouse
Chartered Accountants

For and on behalf of the Board

S N Sridhar
GM - Legal &
Company Secretary

Anil Mehra
Director

Aroon Purie
Chairman &
Managing Director

Place : New Delhi
Date : June 1, 2007

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	For the Year Ended March 31, 2007 Amount (Rs.)	For the Year Ended March 31, 2006 Amount (Rs.)
I. INCOME			
Revenue	L	1,889,082,881	1,595,536,151
Other Income	M	135,327,192	83,387,252
		2,024,410,073	1,678,923,403
EXPENDITURE			
Employee Cost	N	444,475,049	310,409,268
Production Cost	O	208,761,114	167,011,974
Administrative and Other Costs	P	715,081,038	591,628,077
Finance Charges	Q	1,223,756	1,102,855
Depreciation	D	170,150,137	176,443,444
Deferred Revenue Expenditure written off	K	2,901,917	6,078,247
		1,542,593,011	1,252,673,865
Profit before taxation and Employee Compensation Expense		481,817,062	426,249,538
Employee Stock Compensation Expense [Refer Note 6 Schedule R(B)]		744,248	—
Profit after Employee Compensation Expense		481,072,814	426,249,538
Current Tax [Including Rs. 244,826 provided for earlier years; (Previous year net of Rs. 4,023,631 reversed pertaining to earlier years)]		177,905,772	170,391,001
Deferred Tax		(17,653,905)	(33,204,121)
Fringe Benefit Tax		9,863,347	11,334,430
Tax Expenses		170,115,214	148,521,310
PROFIT AFTER TAXATION		310,957,600	277,728,228
Balance brought forward		670,271,525	517,144,172
Profit available for appropriation		981,229,125	794,872,400
Proposed Dividend		43,500,000	43,500,000
Corporate Dividend Tax on Proposed Dividend		7,392,825	6,100,875
Transfer to General Reserves		100,000,000	75,000,000
Balance carried forward to Balance Sheet		830,336,300	670,271,525
Earnings Per Share of nominal value of Rs.5 each. [Refer Note 7 Schedule R(B)]		5.36	4.79
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS	R		

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.

Usha Rajeev
Partner
Membership No. F-87191
For & on behalf of
Price Waterhouse
Chartered Accountants

For and on behalf of the Board

S N Sridhar
GM - Legal &
Company Secretary

Anil Mehra
Director

Aroon Purie
Chairman &
Managing Director

Place : New Delhi
Date : June 1, 2007



FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
SCHEDULE - A		
SHARE CAPITAL		
Authorised		
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
	<u>370,000,000</u>	<u>370,000,000</u>
Issued, Subscribed and Paid-up		
58,000,000 (Previous year- 58,000,000) Equity shares of Rs. 5/- each fully paid up	290,000,000	290,000,000
32,300,000 (Previous year- 32,300,000) Equity shares of Rs.5/- each are held by Living Media India Limited, the holding company, and its nominees		
SCHEDULE A (a)		
[Refer Note 6 Schedule R(B)]		
Employee Stock Options Outstanding		
Stock options granted during the year	6,393,750	-
Less: Deferred employee compensation expense	5,649,502	-
TOTAL	<u>744,248</u>	<u>-</u>
SCHEDULE - B		
RESERVES AND SURPLUS		
Securities Premium	1,206,633,020	1,206,633,020
General Reserve		
Opening Balance	125,000,000	50,000,000
Add: Additions during the year	100,000,000	75,000,000
	<u>225,000,000</u>	<u>125,000,000</u>
Profit & Loss Account		
Balance transferred from the Profit and Loss Account	830,336,300	670,271,525
Less: Employee benefit transition liability as per revised AS-15 [Refer Note 5 Schedule R (B)].	6,580,422	-
	<u>823,755,878</u>	<u>670,271,525</u>
TOTAL	<u>2,255,388,898</u>	<u>2,001,904,545</u>
SCHEDULE - C		
SECURED LOANS		
From Bank - Cash Credit	43,437,549	46,826,133
TOTAL	<u>43,437,549</u>	<u>46,826,133</u>

[Cash Credit facilities have been secured against first charge by way of hypothecation of the whole of the book-debts, outstanding monies, receivables, both present & future belonging to the company]

FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

**SCHEDULE - D
FIXED ASSETS**

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

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31-3-2006 Rs.	Additions Rs	Deletions/ Adjustments Rs.	As at 31-3-2007 Rs.	For the year Rs.	Deletions/ Adjustments Rs.	As at 31-3-2007 Rs.	As at 31-3-2006 Rs.
Leasehold Land*	120,359,050	-	-	120,359,050	3,297,838	-	117,061,212	120,359,050
Leasehold Improvements	73,885,446	717,019	-	74,602,465	10,022,261	-	32,562,143	41,867,385
Plant & Machinery	1,079,006,290	108,739,344	8,220,782	1,179,524,852	127,113,848	7,387,931	605,075,206	624,282,561
Computers	47,320,418	7,716,489	1,285,554	53,751,353	7,691,806	1,284,545	23,968,314	23,944,640
Office Equipments	32,261,736	1,835,129	1,240,718	32,856,147	3,130,795	618,202	17,231,430	19,149,612
Furniture & Fixtures	26,364,093	151,751	-	26,515,844	1,678,277	-	18,350,133	19,876,659
Vehicles	52,783,000	10,030,540	10,223,988	52,589,552	5,104,517	3,218,097	39,491,389	41,571,257
Intangible Assets								
- Production Software	54,726,096	6,510,500	-	61,236,596	11,379,243	-	25,563,410	30,432,153
- Computer Software	3,285,433	-	-	3,285,433	731,552	-	-	731,552
TOTAL	1,489,991,562	135,700,772	20,971,042	1,604,721,292	170,150,137	12,508,775	879,303,237	922,214,869
Capital work-in-progress (includes capital advances amounting to Rs. 6,753,369 Previous year Rs. 1,658,483)							96,830,817	75,698,221
TOTAL							976,134,054	997,913,090
PREVIOUS YEAR	1,399,020,778	171,869,016	80,898,232	1,489,991,562	176,443,444	45,908,918	567,776,693	997,913,090

*Depreciation for the year Includes Rs. 1,648,919 pertaining to earlier year.



FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
SCHEDULE - E		
Investments (unquoted) - at cost		
[Refer Note(g) of Schedule R(A) and Note 3 of Schedule R(B)]		
Long Term		
Trade Investments		
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	11,000,000
In Subsidiary		
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
Non trade investments		
In Mutual Funds		
3,265,139 units (Previous Year 3,265,139) of Prudential ICICI Institutional FMP-15 month Plan series-XXV	35,000,000	35,000,000
4,000,000 units (Previous Year 4,000,000) of HSBC Fixed Term Series-1- Growth	40,000,000	40,000,000
1,000,000 units (Previous Year 1,000,000) of HSBC Fixed Term Series-6- Growth	10,000,000	10,000,000
2,500,000 units (Previous Year 2,500,000) of ABN AMRO Fixed Term Plan-Series1- Regular Growth	25,000,000	25,000,000
2,000,000 units (Previous Year 2,000,000) of Principal PNB Fixed Maturity Plan- 385 Days - Series-1	20,000,000	20,000,000
1,000,000 units (Previous Year 1,000,000) of Deutsche Fixed Term fund- Series-5- Growth Option	10,000,000	10,000,000
2,000,000 units (Previous Year 2,000,000) of TATA Fixed Horizon Fund Series-3 Scheme G- Growth	20,000,000	20,000,000
1,500,000 units (Previous Year 1,500,000) of Kotak FMP Series-14 Growth	15,000,000	15,000,000
5,310,100 units (Previous Year Nil units) of UTI Fixed Maturity Plan-YFMP-08/6	53,101,000	-
5,000,000 units (Previous Year Nil units) of HDFC 26M FMP	50,000,000	-
3,000,000 units (Previous Year Nil units) of Birla Fixed Term Plan Series	30,000,000	-
4,000,000 units (Previous Year Nil units) of Principal PNB Fixed Maturity Plan 540 Days	40,000,000	-
4,000,000 units (Previous Year Nil units) of Prudential ICICI FMP Series-34-16 month FMP	40,000,000	-
3,000,000 units (Previous Year Nil units) of JMM Mutual Fund 15 Month FMP growth	30,000,000	-
5,000,000 units (Previous Year Nil units) of SBI SDFS 15 Months fund	50,000,000	-
4,000,000 units (Previous Year Nil units) of LIC MF SERIES-20	40,000,000	-
Current, Non Trade		
In Mutual Funds		
Nil (Previous Year 3,047,734) of Reliance Fixed Maturity Fund- Quarterly Plan-III- Series-II- Dividend option	-	30,477,335
Nil (Previous Year 5,000,000 units) of JM Fixed Maturity Fund Yearly Plan- YSB2- Series- Growth Option (144)	-	50,000,000
Nil (Previous Year 3,000,000 units) of UTI-Fixed Maturity Plan- (YFMP/02/05)- Growth Plan	-	30,000,000
Nil units (Previous Year 5,000,000) of UTI-Fixed Maturity Plan- YFMP- 07/5)- Growth Plan	-	50,000,000
Nil (Previous Year 5,000,000 units) of Prudential ICICI Plan 1 Year Plus- Growth (Direct)	-	50,000,000
3,001,080 units (Previous Year Nil units) of UTI-Quarterly QFMP 02/07	30,010,801	-
14,424 units (Previous Year Nil)Templeton India Liquid Plus (TILP)	144,242	-
TOTAL	550,756,043	397,977,335

FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
SCHEDULE - F		
SUNDRY DEBTORS (Unsecured)		
Outstanding for a period exceeding six months		
- Considered good	17,248,871	17,615,290
- Considered doubtful	<u>32,986,702</u>	<u>44,894,945</u>
	50,235,573	62,510,235
Other Debts		
- Considered good	637,170,537	522,202,521
- Considered doubtful	<u>16,795,555</u>	<u>10,852,102</u>
	653,966,092	533,054,623
Total	704,201,665	595,564,858
Less: Provision for doubtful debts	<u>49,782,257</u>	<u>55,747,047</u>
	<u>654,419,408</u>	<u>539,817,811</u>

SCHEDULE - G

CASH AND BANK BALANCE

[Refer Note 10 on Schedule R(B)]

Cash in hand	487,209	628,742
Cheques in hand	-	567,977
Balance with scheduled banks		
- Current Accounts	6,107,655	6,628,910
- Dividend Account	505,535	319,254
- Deposit Accounts- (including Unutilized Public Issue Proceeds Rs. 225,530,113 ; Previous year Rs. 386,302,074)	<u>793,951,647</u>	<u>709,208,852</u>
Balance with non-scheduled banks*		
- Current Accounts	<u>434,456</u>	-
TOTAL	<u>801,486,502</u>	<u>717,353,735</u>

* Bank of Nova Scotia NY 03111-11; Maximum amount outstanding Rs. 6,123,101

SCHEDULE - H

a) LOANS & ADVANCES

(Unsecured, considered good, unless otherwise stated)

Advance Income Tax (Net of Provision for Income Tax previous year Rs. 467,923,908)		9,605,079
Advance Fringe benefit Tax (Net of Provision for FBT Rs. 21,197,777 previous Year Rs. 11,334,430)	1,621,857	1,198,487
Advances recoverable in cash or in kind or for value to be received	<u>105,434,063</u>	<u>105,215,943</u>
	107,055,920	116,019,509
Considered doubtful	6,207,522	11,427,566
Less: Provision for doubtful Advance	<u>6,207,522</u>	<u>11,427,566</u>
TOTAL	<u>107,055,920</u>	<u>116,019,509</u>

* Includes amounts due from Director Rs Nil (Previous Year Rs Nil) and maximum outstanding balance at any time during the year of Rs 1,611,430 (Previous Year Rs. 1,244,000)

* Includes amounts due from Company Secretary Rs Nil (Previous Year Rs Nil) and maximum outstanding balance at any time during the year Rs. Nil (Previous Year Rs. Nil)

b) OTHER CURRENT ASSETS

(Unsecured, considered good, unless otherwise stated)

Interest receivable	7,249,629	7,416,137
TOTAL	<u>7,249,629</u>	<u>7,416,137</u>



FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED MARCH 31, 2007

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
SCHEDULE - I		
CURRENT LIABILITIES		
Sundry Creditors*		
- Due to others	285,886,438	252,399,997
Other Liabilities	90,413,314	63,856,422
Advances from Customers	3,779,279	2,679,931
Security Deposits	21,737,289	14,736,745
Un-Claimed Dividend **	505,535	319,254
TOTAL	402,321,855	333,992,349

*As per the information available with the Company no amount is due to any Small Scale Industrial Undertaking and Micro and small enterprises. [Refer Note 14 Schedule R (B)].

** No amount is payable to Investor Protection Fund.

SCHEDULE - J PROVISIONS

Provision for Income Tax (Net of Advance Income tax Rs. 644,219,901)	1,609,779	-
Provision for Gratuity [Refer Note (h) Schedule R(A)]	8,984,595	-
Provision for Leave Encashment	16,734,818	9,095,923
Proposed Dividend	43,500,000	43,500,000
Corporate Dividend Tax on Proposed dividend	7,392,825	6,100,875
TOTAL	78,222,017	58,696,798

SCHEDULE - K MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Deferred Revenue Expenditure

Opening Balance	5,795,910	11,874,157
Less : Amortization for the year	2,901,917	6,078,247
TOTAL	2,893,993	5,795,910

FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007 Amount (Rs.)	For the Year Ended March 31, 2006 Amount (Rs.)
SCHEDULE - L REVENUE		
Income from Broadcasting Operations	1,885,897,339	1,594,718,374
Income from other operations	3,185,542	817,777
	<u>1,889,082,881</u>	<u>1,595,536,151</u>
SCHEDULE - M OTHER INCOME		
Interest on Bank Deposit (Gross of Tax deducted at source Rs. 13,022,712 Previous Year Rs. 9,889,829)	58,968,868	45,143,001
Other Interest Income	-	1,456,500
Dividend Income (from non trade investment)	5,440,519	6,887,964
Miscellaneous Income	2,121,110	727,935
Fees from training	5,493,588	3,393,684
Gain on sale of Investment (Net) (from non trade investment)	12,798,471	177,283
Provisions/Balances no longer required written back	50,504,636	25,600,885
	<u>135,327,192</u>	<u>83,387,252</u>
SCHEDULE - N EMPLOYEE COST		
Salaries, Wages and Allowances	397,204,798	278,942,648
Contribution to Provident and Other Funds	29,712,712	23,295,538
Staff And Workers' Welfare	3,415,833	3,612,308
Managerial Remuneration	14,141,706	4,558,774
	<u>444,475,049</u>	<u>310,409,268</u>
SCHEDULE -O PRODUCTION COST		
Reporting Expenses	31,909,103	27,847,472
Up linking Charges	5,850,489	6,801,396
Assignment Charges	1,820,747	841,488
Production Expenses	65,718,370	46,036,275
Subscription	18,048,090	19,232,418
Consumables	4,978,181	4,314,353
Transponder Lease Rentals	62,946,889	51,922,093
Programme Procurement	17,203,185	9,728,979
Purchase of Tapes	286,060	287,500
	<u>208,761,114</u>	<u>167,011,974</u>



FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007 Amount (Rs.)	For the Year Ended March 31, 2006 Amount (Rs.)
SCHEDULE - P		
ADMINISTRATIVE AND OTHER COST		
Advertising, Distribution and Sales Promotion	344,718,795	174,256,251
Communication Expenses	33,346,798	37,087,887
Travelling and Conveyance	57,188,691	68,344,648
Car Hire Charges	29,439,418	26,982,956
Rent [Refer Note 13 Schedule R (B)]	58,946,229	54,165,461
Legal and Professional Charges	8,895,942	10,105,899
Electricity and Water	24,200,288	21,464,069
Vehicle Running and Maintenance	7,069,610	7,749,340
Insurance	11,245,784	8,788,599
Agency Incentive	23,915,741	24,291,142
Housekeeping	24,729,977	23,332,251
Repairs and Maintenance		
- Plant & Machinery (Net of Insurance claim)	28,476,959	32,888,862
- Building	-	1,445
- Other	7,861,554	7,629,991
Newspapers and Periodicals	686,402	9,100,730
Business Promotion	3,812,465	8,729,525
Foreign Exchange Fluctuation (net)	93,357	126,499
Printing and Stationary	3,662,904	4,384,853
Freight and Courier	2,239,999	2,058,651
Guard Services	3,617,617	3,349,471
Rates and Taxes	2,215,165	2,197,943
Bad Debts & Advances written off	109,210	803,395
Provision for Doubtful Debts & Advances	26,731,650	30,596,316
Loss (Net) on Sale of Fixed Assets	3,115,855	1,362,355
Fixed Assets retired and written off	-	28,265,545
Technical Consultancy Fees	808,000	979,664
Software Expenses	5,087,871	-
Miscellaneous Expenses (Includes prior period expenditure of Rs. 828,214; Previous Year Rs. 912,777)	2,864,757	2,584,329
	715,081,038	591,628,077
SCHEDULE - Q		
INTEREST & FINANCE CHARGES		
Interest		
- Cash Credit	12,575	35,278
- Others	103,609	-
Guarantee Commission	97,143	309,651
Finance Charges	1,010,429	757,926
TOTAL	1,223,756	1,102,855

SCHEDULE - R

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

The financial statements are prepared under the historical cost convention, on a going concern basis in accordance with the generally accepted accounting principles and the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the company.

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.

The signals of the television channels of the Company are received by the affiliates by use of digital satellite receivers. These assets are generally installed at the affiliates and the user charges / license fees recovered, if any, are reflected in Income from other operation in the Profit & Loss Account. The digital satellite receivers are reflected as 'Plant and Machinery' in the Fixed Assets Schedule.

c. Intangible Assets

Acquired Intangible Assets are stated at their original cost and include all expenses relating to acquisition and installation.

d. Depreciation

- 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.
- Depreciation on Intangibles:
(Computer / Production Software): Depreciated on Straight Line basis over estimated useful life of the software on a case to case basis.

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.
- Revenue from other operations is recognized as per terms of agreement, when risk and rewards of ownership are substantially transferred to buyer.
- Interest on refunds are recognized when the ultimate collection is reasonably certain.

f. Inventory

Inventory consists of blank videotapes used in the sale of recorded tapes and is valued at lower of cost or net realizable value. Cost is taken on First In First Out (FIFO) basis.

Blank videotapes which are not used in the sale of Recorded Tapes, are charged off as expense in the books at the time of their purchase.

g. Investments

Long-term investments are stated at cost unless there is a permanent decline in the carrying value thereof, in which case, it is provided for. Current Investments are stated at lower of cost or market value.

h. Employee benefits

The contribution for Employee Provident Fund is made to Regional Provident Fund Commissioner and the Company's contribution thereto is charged to revenue every year. The Company's contributions to State plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 are charged to revenue every year.

The Company has Defined Benefit plans namely leave encashment for employees and Gratuity for all employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the projected unit credit method. Gratuity Fund is recognized by the income tax authorities and is administered and managed by the Life Insurance Corporation of India ("LIC").

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

In the year of transition, the difference between transitional liability and the liability that would have been recognized at the beginning of the financial year under the Company's previous accounting policy is adjusted against the opening revenue reserves and opening deferred tax liability of the financial year in accordance with Accounting Standard AS 15 (revised 2005) 'Employee Benefits'.

[Refer Note 5 of Schedule R (B)].

i. Foreign currency transaction

- 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 in respect of revenue and expense items 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.

j. Miscellaneous Expenditure

- Expenditure incurred in the initial period of operations on market launch, including advertising & brand building has been considered as deferred revenue expenditure and charged off over a period of 5 years from the year in which such expenditure is incurred.
- Expenditure incurred in the financial year 2002-03 which was related to indirect expenditure for expansion for its new television channel titled "Headlines Today" has been considered as deferred revenue expenditure in accordance with the Guidance Note on "Treatment of Expenditure during Construction Period" of the Institute of Chartered Accountants of India to be charged off over a period of 5 years from the year in which such expenditure is incurred on a pro-rata basis.

k. Taxes on Income

Tax expense for the Year, comprising current tax and deferred tax is included in determining the net profit for the year.

Deferred tax is recognized for all deductible timing differences and deferred tax assets are carried forward to the extent there is reasonably certainty that sufficient future taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

l. 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.

m. 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.

n. 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.

o. 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 accounting principles in accordance with the guidelines of Securities and Exchange Board of India and guidance note issued by the Institute of Chartered Accountants of India.

p. Provisions

Provisions are recognized when the company has a present obligation as a result of past event and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

B. NOTES TO ACCOUNTS

1. Capital Commitments / Contingent Liabilities :

- Estimated amounts of contract remaining to be executed on capital account, net of advances, not provided for Rs. 5,242,218 (Previous year Rs. 13,666,265)
- During the year, with respect to the disputed statement of claim dated 28th September 2004 received from Prasar Bharti towards Uplinking charges of Rs. 21,420,430 for the period February 1995 plus 18% interest per annum thereon from March 1998 onwards, the Arbitrator has proceeded with the hearings but issues have not been framed so far. No arbitration proceedings has been commenced with respect to the claim of Prasar Bharti towards Uplinking charges for the period April 1998 to March 2000 by the Arbitrator. Accordingly, no statement of claim for the latter has been filed with the arbitrator. In the opinion of the management, based on the facts of the case, the liability aggregating Rs. 10,643,605 made in these books in earlier years against the claim is considered adequate.
- The Company has received legal notice of claim / lawsuit filed against it in respect of programmes aired on the Channels. In the opinion of the management, no liability is likely to arise on account of such claim / lawsuit.
- The company has received demand notices from Income Tax department amounting to Rs. 22,403,226 (Previous Year Rs. 15,857,052). The company has contested the same and in the opinion of the management, no liability is likely to arise on account of such demand notices.

2. Particulars of Managerial Remuneration

(a) The remuneration paid to the managerial personnel during the year aggregates:

(Amount Rs.)

Particulars	Managing Director	
	31.03.2007	31.03.2006
Commission	14,141,706*	4,558,774

* Subject to the approval of the Remuneration Committee.

(b) Computation of managerial remuneration under section 349 of the Companies Act, 1956:-

	For the year ended March 31, 2007	For the year ended March 31, 2006
Profit before taxation	481,072,815	426,249,538
Add: Depreciation as per books	170,150,137	176,443,444
Add: (Profit)/Loss on sale of assets	3,115,855	29,627,900
Less: Gain on sale of Investment of Capital Nature	(12,798,471)	NIL
Depreciation under section 350 of the Companies Act, 1956	(170,150,137)	(176,443,444)
Add: Managerial remuneration	14,141,706	4,558,774
Profits for the purposes of		
Managing Director's commission as per the Companies Act, 1956	485,531,905	460,436,212
Commission Paid/Payable @ 3% (Previous Year 1%) of profit computed above	14,141,706	4,558,774



T.V. Today Network Limited

3. Details of Investments purchased and sold/redeemed during the year:

(Amount Rs.)

Particulars	For the year ended 31st March 2007			For the year ended 31st March 2006		
	Units Purchased During the year	Purchase At Cost	Units Sold	Units Purchased During the year	Purchase At Cost	Units Sold
HDFC Cash Management Fund-Saving Plan-Weekly Dividend Reinvestment	-	-	-			
HSBC Cash Fund-institutional -Weekly Dividend				174,827	1,826,835	6,124,782
Alliance Cash Manager-IP-Weekly Dividend	-	-	-			
Reliance Fixed Term Scheme-Monthly Plan-9-Dividend Option	-	-	-			
Reliance Fixed Term Scheme-Monthly Plan-15-Dividend Option	-	-	-			
Reliance Fixed Term Scheme-Qtr Plan-7-Dividend Option	-	-				5,000,000
Reliance Fixed Term Scheme-Qtr Plan-11-Dividend Option				5,000,000	50,000,000	5,000,000
Reliance Fixed Term Scheme-Qtr Plan-1-Dividend Option				7,058,050	70,580,500	7,058,050
Reliance Fixed Term Scheme-Qtr Plan-2-Dividend Option				7,141,405	71,414,056	7,141,405
Reliance Fixed Term Scheme-Qtr Plan-3-Dividend Option			3,047,734	3,047,734	30,477,335	
Templeton Floating Rate Income fund STP				19,223	192,610	1,230,902
Templeton India Treasury Management Account Regular Plan				1,567	1,949,666	45,605
JM Fixed Maturity PI-QSA5-Dividend	-	-				5,000,000
UTI -Fixed Maturity Plan-YFMP/02/05 Dividend Plan	-	-	3,000,000			
JM Fixed Maturity fund-Yearly Plan-YSB2			5,000,000	5,000,000	50,000,000	
Prudential ICICI Plan 1 year Plus-Growth	-	-	5,000,000			
UTI -Fixed Maturity Plan-YFMP/07/05 Growth Plan			5,000,000	5,000,000	50,000,000	
P140IG Prudential ICICI Institutional FMP-15 Month Plan-Series-25				3,265,139	35,000,000	
HSBC Fixed Term series 1- Growth				4,000,000	40,000,000	
Kotak FMP Series-14 Growth				1,500,000	15,000,000	
ABN Amro Fixed Term Plan-Series1-regular Growth				2,500,000	25,000,000	
HSBC Fixed Term series 6- Growth				1,000,000	10,000,000	
Principal PNB Fixed Maturity Plan-series 1				2,000,000	20,000,000	
Tata Fixed Horizon Fund Series 3 Scheme-G				2,000,000	20,000,000	
Deutsche Fixed Term Fund-Series 5				1,000,000	10,000,000	
Deutsche Money Plus Fund-Dividend Options	1,983,165	20,000,000	1,983,165			
Prudential ICICI Institutional Liquid Plan-Super Institutional Daily Div	5,545,240	55,452,399	5,545,240			
ING Vysa Liquid Institutional Fund	1,551,823	15,609,477	1,551,823			
HDFC Cash Management Fund	1,468,302	15,617,443	1,468,302			
Reliance Fixed Horizon Series 4	3,000,000	30,000,000	3,000,000			
UTI Quarterly QFMP 08/06	3,000,000	30,000,000	3,000,000			
UTI-Fixed Maturity Plan-YFMP-08 /6	5,310,100	53,101,000				
HDFC 26MFMP	5,000,000	50,000,000				
Reliance Fixed Horizon Series 4	3,045,745	30,457,449	3,045,745			
UTI Quarterly QFMP 11/06/ II	3,000,600	30,006,000	3,000,600			
Tata Fixed Horizon Fund Monthly Plan	2,000,000	20,000,000	2,000,000			
Principal PNB Fixed Maturity Plan-series 16	4,000,000	40,000,000				
ICICI FMP Series -34 -16 Month FMP	4,000,000	40,000,000				
Birla Fixed Term Plan- Series P	3,000,000	30,000,000				
JMM Mutual Fund 15 Month FMP Growth	3,000,000	30,000,000				
SBI SDFS 15 Months Fund	5,000,000	50,000,000				
LIC MF Series -20	4,000,000	40,000,000				
UTI Quarterly QFMP 02/07/	3,001,080	30,010,801				
Templeton India Liquid Plus (TILP)	14,424	144,243				
Radio Today Broadcasting Ltd. 11,00,000/- equity shares of Rs. 10/ per share fully paid-up	-		-		11,000,000	
T.V. Today Network (Business) Ltd. 1,50,000 equity shares of Rs. 10/- each fully paid-up	-		-		1,500,000	
Total		610,398,812			513,941,002	

4. Deferred Tax

The deferred tax liability comprises of the following:

Deferred Tax Assets/Liabilities	As at March 31, 2006 Amount (Rs.)	Adjustment of Employee Benefit on account of Revised AS-15	Charged / Credited during the year	As at March 31, 2007 Amount (Rs.)
Tax impact of amounts charged off to Profit and Loss account but allowable in future years under Income Tax				
Provision for Bad & Doubtful Debts	22,610,974	-	(3,580,049)	19,030,925
Other disallowances as per the Income tax Act, 1961	11,229,991	3,338,815	1,199,691	15,768,497
Total Deferred Tax Assets	33,840,965	3,338,815	(2,380,358)	34,799,422
Tax impact of amounts to be charged off to Profit and Loss account in future years but allowable under in Income Tax				
Depreciation	82,763,762	-	(19,067,027)	63,696,735
Deferred Revenue Expenditure	1,950,905	-	(967,236)	983,669
Total Deferred Tax Liabilities	84,714,667	-	(20,034,263)	64,680,404
Net Deferred Tax Assets / (Liabilities)	(50,873,702)	3,338,815	17,653,905	(29,880,982)

5. The Company has during the year adopted Accounting Standard 15 (revised 2005) 'Employee Benefits'. Accordingly, the transitional adjustment aggregating to Rs.6,580,422 (net of deferred tax asset Rs. 3,338,815) has been charged against the general reserves as at April 1, 2006. The details of the transitional adjustment is as follows –

Leave Encashment for employees	Rs. 4,206,328
Gratuity for Employees	Rs. 5,712,909

The Company has classified the various benefits provided to employees as under -

I. Defined Contribution Plans – Provident Fund

During the year, the Company has recognised the following amounts in the Profit and Loss Account

	(Rs.)
- Employers' Contribution to Provident Fund *	14,174,125

II. State Plans

- Employers' Contribution to Employee's State Insurance
- Employers' Contribution to Employee's Pension Scheme 1995.

During the year, the Company has recognised the following amounts in the Profit and Loss Account

	(Rs.)
- Employers' Contribution to Employee's State Insurance *	14,051
- Employers' Contribution to Employee's Pension Scheme 1995 *	4,899,805
* Included in Contribution to Provident and Other Funds under Employees' Cost (Refer Schedule N)	

III. Defined Benefit Plans

- Contribution to Gratuity Funds – Employee's Gratuity Fund,
- Leave Encashment for employees – (Earned leave)

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined 'benefit' plans based on the following assumptions –

	Leave Encashment	Employee's Gratuity Fund
Discount Rate (per annum)	7.5%	7.5%
Rate of increase in Compensation levels	6.5%	6.5%
Expected Rate of Return on Plan Assets	Nil	9%
Expected Average remaining working lives of employees (years)	26.41	26.41

(A) Changes in the Present Value of Obligation	Leave Encashment	(Rs.) Employee's Gratuity Fund
Present Value of Obligation as at April,1, 2006	13,302,251	18,132,110
Interest Cost	997,669	1,359,908
Past Service Cost	Nil	Nil
Current Service Cost	4,445,764	4,970,359
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Benefits paid	(2,336,187)	(1,616,737)
Actuarial (gain)/ loss on obligations	(858,140)	(1,998,652)
Present Value of Obligation as at March 31, 2007	15,551,357	20,846,988

(B) Changes in the Fair value of Plan Assets	Leave Encashment	(Rs.) Employee's Gratuity Fund
Fair Value of Plan Assets as at April 1, 2006	Nil	12,419,201
Expected Return on Plan Assets	N.A	1,117,728
Actuarial Gains and Losses	N.A.	(57,798)
Contributions	Nil	Nil
Benefits Paid	Nil	(1,616,737)
Fair Value of Plan Assets at March 31,2007	Nil	11,862,394

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets	Leave Encashment	(Rs.) Employee's Gratuity Fund
Present Value of funded Obligation as at March 31, 2007	15,551,357	20,846,988
Fair Value of Plan Assets as at the end of the period	Nil	11,862,394
Funded Status	(15,551,357)	(8,984,594)
Present Value of unfunded Obligation as at March 31, 2007	Nil	Nil
Unrecognized Actuarial (gains) / losses	Nil	Nil
Unfunded Net Asset / (Liability) Recognized in Balance Sheet	(15,551,357)	(8,984,594)

(D) Expense recognised in the Profit and Loss Account	Leave Encashment	(Rs.) Employee's Gratuity Fund
Current Service Cost	4,445,764	4,970,359
Past Service Cost	Nil	Nil
Interest Cost	997,669	1,359,908
Expected Return on Plan Assets	Nil	(1,117,728)
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Net actuarial (gain)/ loss recognized in the period	(858,140)	(1,940,854)
Total Expenses recognized in the Profit & Loss Account	4,585,293 **	3,271,685 **

** included in Contribution to Provident and Other Funds (Refer Schedule N)

(E) Constitution of Plan Assets	Leave Encashment	(Rs.) Employee's Gratuity Fund
Total of the Plan Assets	Nil	11,862,394*

* The contribution is made to LIC and the split of Planned Assets has not been provided by LIC.

(F) Estimated amount of contribution to be paid to the plan within the next year is Rs 6,000,000/-

6. EMPLOYEE STOCK OPTION PLAN – ESOP 2006

The Company instituted the Employee Stock Option Plan – (TVTN ESOP 2006), to grant equity – based incentives to its eligible employees. The TVTN ESOP 2006 had been approved by the board of directors in their meeting held on 21st August 2006 and by shareholders in their meetings held on 28th September 2006, for grant of 29,00,000 options representing one

share for each option upon exercise by the employees of the company at a exercise price determined by Board/Remuneration Committee. The equity shares covered under the scheme shall vest over a period of four years; vesting shall vary based on the meeting of the performance Criteria. The Optionee may exercise their vested options at any moment after the earliest applicable vesting date and prior to the completion of ten years from the grant date.

Pursuant to the scheme, the Remuneration Committee has on December 1, 2006 granted 3,71,250 options to employees of the Company and on 1st March 2007 further granted 70,000 options. 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.

Accordingly the Company under the intrinsic value method has recognized the excess of the market price over the exercise price of the option amounting to Rs.744,248 as an expense during the year. Further, the liability Outstanding as at the March 31, 2007 in respect of Employees Stock Options Outstanding is Rs 744,248. The balance deferred compensation expense Rs 5,649,502 will be amortized over the remaining vesting period of Options.

The movement in the options granted to employees during the year ended March 31, 2007 under the ESOP 2006 is set out below:

	First Grant	Second Grant
Date of Grant	December, 1, 2006	March 1, 2007
Market value on date of grant of the Underlying equity shares	Rs 74.35	Rs. 134.85
Exercise Price (50% of options)	Rs. 74.35	Rs. 134.85
(balance 50% of options)*	Rs. 44.35	Rs. 104.85
Vesting Period	4 Years	4 Years
Options granted (Nos)	3, 71,250	70,000
Options forfeited (Nos)	15,000	—
Options exercised (Nos)	Nil	Nil
Options Expired (Nos)	Nil	Nil
Options outstanding at the year end (Nos) **	3,56,250	70,000
Options Exercisable at the year end	Nil	Nil

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

** weighted average remaining contractual life of 3.71 years.

The fair value of the options granted during the year under the TVTN ESOP -2006 is estimated on the date of grant using the Black- Scholes model with the following assumptions.

	TVTN ESOP 2006	TVTN ESOP 2006
Risk Free Interest Rates	7.35%	7.87%
Expected Life*	10 Years	10 Years
Expected Volatility**	48.28%	55.44%
Expected Dividend	1.01%	0.56%

* Expected life is taken as the aggregate of the vesting and exercise period.

** Expected volatility is determined on the basis of the “share price – volume data” available at www.nseindia.com.

7. Earning per share

Description	Year Ended March 31, 2007	Year Ended March 31, 2006
Net profit after Tax (Rs.) (a)	310,957,600	277,728,228
Number of equity share outstanding at the end of the year /weighted average of number of equity Shares used in computing basic earning per share (Nos) (b)	58,000,000	58,000,000
Nominal Value per Share (Rs.)	5	5
Basic and Diluted earnings per share (a/b) (Rs.)	5.36	4.79

Note: Potential conversion of the stock options granted is anti- dilutive and accordingly, has not been considered in the calculation of Diluted earnings per share.

8. Information pursuant to the provisions of paragraph 3, and 4 of Part-II of Schedule-VI to the Companies Act, 1956:-

	2006-2007 Rs.	2005-2006 Rs.
(a) Value of imports on CIF basis		
Capital goods	50,453,472	49,920,781
(b) Income in Foreign Currency (Accrued basis)		
Income from Broadcasting	43,256,241	15,696,623



T.V. Today Network Limited

(c) Expenditure in Foreign Currency (Accrued basis)

Travelling	8,962,489	9,308,988
Production Cost	60,965,809	44,695,298
Repair & Maintenance	3,640,136	—
Other Expenses	3,192,100	5,971,245

(d) Dividend in Foreign Currency

Amount Remitted in Foreign Currency	1,578,447	2,700,000
Non resident Shareholders (Nos)	10	1
Number of shares held by them on which the dividends were due	2,104,594	3,600,000
Year to which the dividends relates	2005-2006	2004-2005

(e) Auditors Remuneration

Statutory Audit (excluding service tax)	1,250,000	1,250,000
Tax Audit (excluding service tax)	100,000	100,000
Other Services	600,000	600,000
Out of Pocket Expenses	77,656	73,602

9. Quantitative Information for 2006-2007:

Particulars	Opening stock		Purchase		Sales		Closing Stock	
	Qty.	Amount (Rs)	Qty.	Amount (Rs)	Qty.	Amount (Rs)	Qty.	Amount (Rs)
Tapes	-	-	500	286,060	500	888,890	-	-
	-	-	(460)	(287,500)	(460)	(817,776)	-	-

Note: Previous year figures are in italics and bracket

10. The Company has utilized the gross public issue proceeds on issue of 10,000,000 equity shares of Rs. 5/ each, issued at a premium of Rs. 90/- each in the following manner:

	As at March 31, 2007 Rs.	As at March 31, 2006 Rs.
Gross Public Issue Proceeds	950,000,000	950,000,000
Less : Purchase of Fixed Assets	(664,469,887)	(503,697,926)
Less : Corporate Advertisement Expenditure	(60,000,000)	(60,000,000)
Unutilised Public Issue Proceeds in deposits	225,530,113	386,302,074

11. As identified and certified by the Company, Related Party Disclosures as per the requirement of Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

(i). Name of the related party and nature of related party relationship where control exists:

(a) Key Management Personnel (KMP):

- Mr. Aroon Purie (Managing Director)

(b) Entities Controlling the Company (Holding Companies):

- World Media Private Limited ^
- Living Media India Limited

(c) Subsidiary Companies :

- T.V. Today Network (Business) Limited

(d) Fellow Subsidiary Companies :

- Thomson Press (India) Ltd*.
- Living Media International Ltd.
- Radio Today Broadcasting Limited

(e) Companies under common control :

- Integrated Databases India Limited ^

(f) Others:

- Vasant Valley School

* was company under common control & became fellow subsidiary w.e.f. 29.11.2006

^ There are no transactions during the year

(II). Transactions with related parties during the year in the ordinary course of business:

Name of Transaction	Amount Rs.					
Name of Transaction	Holding Company	Companies under common	Subsidiary Company control	Fellow Subsidiaries	KMP	Total
Purchase of Ad space/ material*	10,339,939 (12,619,531)	-	-	- ** (4,096,848)	-	10,339,939 (16,716,379)
Income from Broadcasting operations*	6,572,037 (31,468,018)	-	-	- *** (6,595)	-	6,572,037 (31,474,613)
Sale of recorded tapes*	1,000,000 (920,000)	-	-	-	-	1,000,000 (920,000)
Management fee	600,000 (600,000)	400,000# (1,200,000)	-	800,000#	-	1,800,000 (1,800,000)
Purchase of fixed Assets	216,000	-	-	-	-	216,000
Sale of fixed Assets(at Sale value)	-	-	-	-	-	-
SMS charges	415,062 (1,560,628)	-	-	-	-	415,062 (1,560,628)
Screen Rent	2,310,000	-	-	-	-	2,310,000
Rent payment made to related parties for use of common facilities/ utilities	4,619,505 (5,152,331)	-	-	-	-	4,619,505 (5,152,331)
Rent charged to related parties for use of common facilities/ utilities	334,638 (375,579)	-	-	724,644^ (3,268,544)@	-	1,059,282 (3,644,123)
Remuneration / fee paid	-	-	-	-	14,141,706 (4,558,774)	14,141,706 (4,558,774)
Misc Inter-Company service received from related parties & other charges paid	4,658,452 (3,617,182)	6,52,147# (631,420)	-	562,136****	-	5,872,735 (4,248,602)
Misc Inter-Company services rendered to related parties & other charges received	670,607 (718,565)	-	(48,149)	156,465^ (2,403,129)@	-	827,072 (3,169,843)

(*) The figures include Sales Tax / Service Tax as applicable

(**) Includes transaction with:

- Radio Today Broadcasting (Delhi) Limited Rs. NIL (Previous Year Rs. 1,622,722)
- Radio Today Broadcasting (Mumbai) Limited Rs. NIL (Previous Year Rs. 1,399,205).

(***) Includes transaction with:

- Radio Today Broadcasting (Delhi) Limited Rs. NIL (Previous Year Rs. 6,595).

(****) Includes transaction with:

- Thomson Press (India) Ltd Rs. 553,865 (Previous Year Rs. Nil)

(^) Represents transactions with Radio Today Broadcasting Limited (Previous year Rs. Nil)

(@) Represents transactions with Radio Today Broadcasting (Delhi) Limited

(#) Represents transactions with Thomson Press (India) Limited.

Note:

1. Previous year figures are in bracket
2. Other Related Party transactions:

The Company is using certain 2 MB telephone leased obtained from Mahanagar Telephone Nigam Limited. These facilities were originally obtained in the name of Living Media India Limited and are pending transfer in the name of the Company.



(III). Outstanding Balances pertaining to Related Parties

Amount Rs.

Name of the Related Party	Amount outstanding as at March 31, 2007	Amount outstanding as at March 31, 2006
Living Media India Limited	1,759,546	8,363,810
Total Holding Company	1,759,546	8,363,810
Thomson Press India Limited	-	(925,322)
Total Companies under common Control	-	(925,322)
Radio Today Broadcasting Limited	727,437	-
Thomson Press India Limited	(383,862)	-
Total Fellow Subsidiary Companies	343,575	-
Aroon Purie	(9,381,608)	(2,958,774)
Total Director	(9,381,608)	(2,958,774)

Figures in brackets represent amount payable.

12. Segment Reporting:

a) Primary Segment:

The Company operates predominantly in only one business segment viz. 'News broadcasting operations' and there are no significant reportable business segments.

b) Secondary Segment:

The Company caters to the predominantly to the needs of Indian market and there are no significant reportable geographical segments.

13. Operating Leases

The Company has cancelable lease arrangements mainly for leasing of office premises and company leased accommodations for its employees. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The operating lease payments recognized in the Profit & Loss account amount to Rs.58,946,232 (Previous Year: Rs. 54,165,461), net of sublease rental received Rs.4,501,070 (Previous Year Rs.3, 952,498).

14. As per the information available with the company, during the year, there have been no transactions with the enterprises covered under the Micro, Small & Medium Enterprises Development Act, 2006.

15. Previous year's figures have been regrouped/ reclassified wherever necessary to make them comparable to current year's figures.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007 Amount (Rs.)		For the Year Ended March 31, 2006 Amount (Rs.)	
Cash flows from operating activities				
Net profit before taxation and after Employees Stock				
Compensation Expense	481,072,814		426,249,538	
Adjustments for:				
Depreciation	170,150,137		176,443,444	
Deferred Revenue Expenditure written off	2,901,917		6,078,247	
Employees stock Compensation Expense	744,248		-	
Provision for Gratuity	3,271,685		-	
Provision for Leave Encashment	3,432,567		1,821,850	
Provision for Doubtful Debts & Advances	26,731,650		30,596,316	
Bad debts & Advances written off	109,210		803,395	
Provision no longer required written back	(50,504,636)		(25,600,885)	
Provision for Wealth Tax	1,516,591		1,505,641	
Loss on sale of Fixed Assets	3,115,855		1,362,355	
Fixed Assets written off	-		28,265,545	
Interest received on deposits	(58,968,868)		(45,143,001)	
Dividend Income	(5,440,519)		(6,887,964)	
Interest Paid	116,184		35,278	
Profit on sale of investments	(12,798,471)		(177,283)	
Operating profit before working capital changes	565,450,364		595,352,476	
Change in Sundry Debtors	(134,635,904)		(99,326,634)	
Change in Other Current Assets	1,251,924		(15,219,738)	
Change in Current Liabilities & Provisions	110,548,045		8,893,153	
Cash generated from operations	542,614,429		489,699,257	
Income taxes paid	(163,954,919)		(184,728,602)	
Wealth tax paid	(1,507,090)		(330,619)	
Net cash from operating activities		377,152,420		304,640,036
Cash flows from investing activities				
Purchase of investments	(610,398,811)		(513,941,002)	
Sale of investments	470,418,574		425,186,188	
Purchase of fixed assets	(135,700,758)		(162,100,692)	
Dividend received	5,440,519		6,887,964	
(Increase) in Capital Work in Progress	(21,132,596)		(35,875,858)	
Proceeds from sale of Fixed Assets	5,346,398		5,470,200	
Interest received on deposits	46,112,664		44,100,889	
Net cash from investing activities		(239,914,010)		(230,272,311)
Cash flows from financing activities				
Proceeds from Cash Credits (Net)	(3,388,584)		34,853,549	
Interest paid	(116,184)		(35,278)	
Dividend & Corporate Dividend Tax paid	(49,600,875)		(49,600,875)	
Net cash used in financing activities		(53,105,643)		(14,782,604)
Net increase in cash and cash equivalents		84,132,767		59,585,121
Cash and cash equivalents at beginning of year		717,353,735		657,768,614
Cash and cash equivalents at end of year (see Note 1)		801,486,502		717,353,735

Note : 1

Cash and cash equivalents at end of year

Cash in hand	487,209	628,742
Cheques in hand	-	567,977
Balance with scheduled banks -		
- Current Accounts	6,107,655	6,628,910
- Dividend Account	505,535	319,254
- Deposit Accounts- (including Unutilized Public Issue Proceeds Rs. 225,530,113 : Previous year Rs. 386,302,074)	793,951,647	709,208,852
Balance with non-scheduled banks		
- Current Accounts	434,456	-
Cash and cash equivalents	801,486,502	717,353,735

Note : 2

Figures in brackets indicate cash outflow

Note : 3

The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date The notes referred to above forms an integral part of the Cash Flow statement

Usha Rajeev

For and on behalf of the Board

Partner

Membership No. F-87191

For & on behalf of

Price Waterhouse

Chartered Accountants

Sd/-

S N Sridhar

GM - Legal &

Company Secretary

Sd/-

Anil Mehra

Director

Sd/-

Aroon Purie

Chairman &
Managing Director

Place : New Delhi

Date : June 1, 2007



BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(A) REGISTRATION DETAILS

REGISTRATION NUMBER	:	103001
STATE CODE	:	55
BALANCE SHEET DATE	:	March 31, 2007

(B) CAPITAL RAISED DURING THE YEAR (Amount in Rs. '000)

PUBLIC ISSUE	:	NIL
RIGHTS ISSUE	:	NIL
BONUS ISSUE	:	NIL
PRIVATE PLACEMENT	:	NIL

(C) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.'000)

TOTAL LIABILITIES	:	3,099,996
TOTAL ASSETS	:	3,099,996

SOURCES OF FUNDS

PAID- UP CAPITAL	:	290,000
EMPLOYEE STOCK OPTIONS	:	744
RESERVE & SURPLUS	:	2,255,389
SHARE APPLICATION	:	-
SECURED LOANS	:	43,438
UNSECURED LOANS	:	-
DEFERRED TAX LIABILITY- NET	:	29,881

APPLICATION OF FUNDS

NET FIXED ASSETS	:	976,134
INVESTMENTS	:	550,756
NET CURRENT ASSETS	:	1,089,668
MISCELLANEOUS EXPENDITURE	:	2,894
ACCUMULATED LOSSES	:	-

(D) PERFORMANCE OF THE COMPANY (Amount in Rs. '000)

TURNOVER	:	2,024,410
TOTAL EXPENDITURE	:	1,543,337
PROFIT/(LOSS) BEFORE TAX	:	481,073
PROFIT/(LOSS) AFTER TAX	:	310,958
EARNINGS PER SHARE IN RS.	:	5.36
DIVIDEND RATE %	:	15

(E) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

ITEM CODE NUMBER	:	-
PRODUCT DISCRIPTION	:	TELECAST & BROADCAST

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARY COMPANY

Name of the Subsidiary Company	T.V. Today Network (Business) Ltd.
1. Financial Year of the Company ended on	31.03.2007
2. Holding Company's Interest:	
(i) Equity Shares of Rs. 10/- each	
(a) Number of Shares Fully Paid	1,50,000
(b) Extent of Holding	100%
3. Net aggregate amount of profit/(Loss) of the Subsidiary, so far as they concern members of T.V. Today Network Limited.	
(i) For the said financial year of the Subsidiary:	
(a) Dealt with in the accounts of Holding Company:	Nil
(b) Not dealt with in the accounts of the Holding Company:	Rs. 42,127/-
(ii) For the previous financial years of the Subsidiary since it has become the Holding Company's subsidiary	Rs. (67,730/-)

As the financial year of the Subsidiary Company coincide with the financial year of the Holding Company, Section 212(5) of the Companies Act, 1956, is not applicable..

For and on behalf of the Board

S.N.Sridhar
GM-Legal &
Company Secretary

Anil Mehra
Director

Aroon Purie
Director

Place: New Delhi
Date : June 1, 2007



Report of the Auditors to the Board of Directors of TV Today Network Limited on the Consolidated Financial Statements of TV Today Network Limited and its Subsidiary

1. We have audited the attached consolidated Balance Sheet of TV Today Network Limited and its Subsidiary as at March 31, 2007, the consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 'Consolidated

Financial Statements' issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of TV Today Network Limited and its Subsidiary included in the consolidated financial statements.

4. On the basis of the information and explanations given to us and on consideration of the separate audit reports on individual audited financial statements of TV Today Network Limited and its aforesaid Subsidiary, in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the consolidated Balance Sheet, of the consolidated state of affairs of TV Today Network Limited and its Subsidiary as at March 31, 2007;
 - (ii) in the case of the consolidated Profit and Loss Account, of the consolidated results of operations of TV Today Network Limited and its Subsidiary for the year ended on that date; and
 - (iii) in the case of the consolidated Cash Flow Statement, of the consolidated cash flows of TV Today Network Limited and its Subsidiary for the year ended on that date.

Sd/-
USHA RAJEEV
Membership No. F-87191
Partner

Place: New Delhi
Dated: June 1, 2007

For & on behalf of
PRICE WATERHOUSE
Chartered Accountants

BALANCE SHEET (CONSOLIDATED) AS AT MARCH 31, 2007

	Schedule	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
I. Sources of Funds			
(1) Shareholders' Funds:			
(a) Capital	A	290,000,000	290,000,000
(b) Employee Stock Options Outstanding	A (a)	744,248	—
(c) Reserves and surplus	B	2,255,363,655	2,001,837,175
(2) Loan Funds:			
(a) Secured loans	C	43,437,549	46,826,133
(3) Deferred Tax Liability - Net	R[B(2)]	29,880,982	50,873,702
TOTAL		2,619,426,434	2,389,537,010
II. Application of Funds			
(1) Fixed Assets			
(a) Gross : block	D	1,604,721,292	1,489,991,562
(b) Less: Depreciation		725,418,055	567,776,693
(c) Net block		879,303,237	922,214,869
(d) Capital work - in - progress		96,830,817	75,698,221
		976,134,054	997,913,090
(2) Investments			
	E	549,256,043	396,477,335
(3) Current assets, Loans and Advances			
(a) Sundry debtors	F	654,419,408	539,817,811
(b) Cash and bank balances	G	803,006,056	718,805,365
(c) Loans and advances	H(a)	107,055,920	116,019,509
(d) Other Current Assets	H(b)	7,249,629	7,416,137
		1,571,731,013	1,382,058,822
Less: Current Liabilities and Provisions			
(a) Liabilities	I	402,365,855	334,011,349
(b) Provisions	J	78,222,814	58,696,798
		480,588,669	392,708,147
Net Current Assets		1,091,142,344	989,350,675
(4) (a) Miscellaneous expenditure to the extent not written off or adjusted			
	K	2,893,993	5,795,910
TOTAL		2,619,426,434	2,389,537,010
SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS		R	

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.

Usha Rajeev
Partner

Membership No. F-87191
For & on behalf of
Price Waterhouse
Chartered Accountants

For and on behalf of the Board

Sd/-
S.N. Sridhar
GM - Legal &
Company Secretary

Sd/-
Anil Mehra
Director

Sd/-
Aroon Purie
Chairman &
Managing Director

Place : New Delhi
Date : June 1, 2007



PROFIT AND LOSS ACCOUNT (CONSOLIDATED) FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	For the Year Ended March 31, 2007 Amount (Rs.)	For the Year Ended March 31, 2006 Amount (Rs.)
INCOME			
Revenue	L	1,889,082,881	1,595,536,151
Other Income	M	135,418,894	83,387,252
		<u>2,024,501,775</u>	<u>1,678,923,403</u>
EXPENDITURE			
Employee Cost	N	444,475,049	310,409,268
Production Cost	O	208,761,114	167,011,974
Administrative and Other Costs	P	715,109,238	591,653,541
Finance Charges	Q	1,223,756	1,103,076
Depreciation	D	170,150,137	176,443,444
Preliminary Expenses		—	41,685
Deferred Revenue Expenditure written off	K	2,901,917	6,078,247
		<u>1,542,621,211</u>	<u>1,252,741,235</u>
Profit before taxation and Employee Compensation Expense		481,880,564	426,182,168
Employee Stock Compensation Expense [Refer Note 4 schedule R (B)]		<u>744,248</u>	<u>—</u>
Profit after Employee Compensation Expense		481,136,316	426,182,168
Current Tax [Including Rs. 244,826 provided for earlier years; Previous year net of Rs. 4,023,631 reversed pertaining to earlier years]		177,927,147	170,391,001
Deferred Tax		(17,653,905)	(33,204,121)
Fringe Benefit Tax		<u>9,863,347</u>	<u>11,334,430</u>
Tax Expenses		170,136,589	148,521,310
PROFIT AFTER TAXATION		310,999,727	277,660,858
Balance brought forward		<u>670,204,155</u>	<u>517,144,172</u>
Profit available for appropriation		981,203,882	794,805,030
Proposed Dividend		43,500,000	43,500,000
Corporate Dividend Tax on Proposed Dividend		7,392,825	6,100,875
Transfer to General Reserves		100,000,000	75,000,000
Balance carried forward to Balance Sheet		830,311,057	670,204,155
Earnings Per Share of nominal value of Rs. 5 each. [Refer Note 5 Schedule R(B)]		5.36	4.79

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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.

Usha Rajeev

For and on behalf of the Board

Partner

Membership No. F-87191

For & on behalf of

Price Waterhouse

Chartered Accountants

Sd/-

S.N. Sridhar

GM - Legal &

Company Secretary

Sd/-

Anil Mehra

Director

Sd/-

Aroon Purie

Chairman &

Managing Director

Place : New Delhi

Date : June 1, 2007

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
SCHEDULE - A		
SHARE CAPITAL		
Authorised		
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
	370,000,000	370,000,000
Issued, Subscribed and Paid-up		
58,000,000 (Previous year- 58,000,000) Equity shares of Rs. 5/- each fully paid up	290,000,000	290,000,000
32,300,000 (Previous year- 32,300,000) Equity shares of Rs.5/- each are held by Living Media India Limited, the holding company, and its nominees		
SCHEDULE A (a)		
[Refer Note 4 Schedule R(B)]		
Employee Stock Options Outstanding		
Stock options granted during the year	6,393,750	-
Less: Deferred employee compensation expense	5,649,502	-
TOTAL	744,248	-
SCHEDULE - B		
RESERVES AND SURPLUS		
Securities Premium	1,206,633,020	1,206,633,020
General Reserve		
Opening Balance	125,000,000	50,000,000
Add: Additions during the year	100,000,000	75,000,000
	225,000,000	125,000,000
Profit & Loss Account		
Balance transferred from the Profit and Loss Account	830,311,057	670,204,155
Less: Employee benefit transition liability as per revised AS-15 [Refer Note 3 Schedule R(B)]	6,580,422	-
	823,730,635	670,204,155
TOTAL	2,255,363,655	2,001,837,175
SCHEDULE - C		
SECURED LOANS		
From Bank - Cash Credit	43,437,549	46,826,133
TOTAL	43,437,549	46,826,133

[Cash Credit facilities have been secured against first charge by way of hypothecation of the whole of the book-debts, outstanding monies, receivables, both present & future belonging to the company]

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007
**SCHEDULE - D
FIXED ASSETS**

[Refer Notes (d), (e) and (f) of Schedule R (A)]

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 31-3-2006 Rs.	Additions Rs	Deletions/ Adjustments Rs.	As at 31-3-2007 Rs.	As at 31-3-2006 Rs.	For the year Rs.	Deletions/ Adjustments Rs.	As at 31-3-2007 Rs.	As at 31-3-2007 Rs.	As at 31-3-2006 Rs.
Leasehold Land*	120,359,050	-		120,359,050	-	3,297,838	-	3,297,838	117,061,212	120,359,050
Leasehold Improvements	73,885,446	717,019	-	74,602,465	32,018,061	10,022,261	-	42,040,322	32,562,143	41,867,385
Plant & Machinery	1,079,006,290	108,739,344	8,220,782	1,179,524,852	454,723,729	127,113,848	7,387,931	574,449,646	605,075,206	624,282,561
Computers	47,320,418	7,716,489	1,285,554	53,751,353	23,375,778	7,691,806	1,284,545	29,783,039	23,968,314	23,944,640
Office Equipments	32,261,736	1,835,129	1,240,718	32,856,147	13,112,124	3,130,795	618,202	15,624,717	17,231,430	19,149,612
Furniture & Fixtures	26,364,093	151,751	-	26,515,844	6,487,434	1,678,277	-	8,165,711	18,350,133	19,876,659
Vehicles	52,783,000	10,030,540	10,223,988	52,589,552	11,211,743	5,104,517	3,218,097	13,098,163	39,491,389	41,571,257
Intangible Assets										
- Production Software	54,726,096	6,510,500	-	61,236,596	24,293,943	11,379,243	-	35,673,186	25,563,410	30,432,153
- Computer Software	3,285,433	-	-	3,285,433	2,553,881	731,552	-	3,285,433	-	731,552
TOTAL	1,489,991,562	135,700,772	20,971,042	1,604,721,292	567,776,693	170,150,137	12,508,775	725,418,055	879,303,237	922,214,869
Capital work-in-progress (includes capital advances amounting to Rs. 6,753,369 Previous year Rs. 1,658,483)									96,830,817	75,698,221
TOTAL									976,134,054	997,913,090
PREVIOUS YEAR	1,399,020,778	171,869,016	80,898,232	1,489,991,562	437,242,167	176,443,444	45,908,918	567,776,693	997,913,090	-

*Depreciation for the year Includes Rs. 1,648,919 pertaining to earlier year.

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
SCHEDULE - E		
Investments (unquoted) - at cost		
[Refer Note(i) on Schedule R(A)]		
Long Term		
Trade Investments		
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	11,000,000
Non trade investments		
In Mutual Funds		
3,265,139 units (Previous Year 3,265,139) of Prudential ICICI Institutional FMP-15 month Plan series-XXV	35,000,000	35,000,000
4,000,000 units (Previous Year 4,000,000) of HSBC Fixed Term Series-1- Growth	40,000,000	40,000,000
1,000,000 units (Previous Year 1,000,000) of HSBC Fixed Term Series-6- Growth	10,000,000	10,000,000
2,500,000 units (Previous Year 2,500,000) of ABN AMRO Fixed Term Plan-Series1- Regular Growth	25,000,000	25,000,000
2,000,000 units (Previous Year 2,000,000) of Principal PNB Fixed Maturity Plan- 385 Days - Series-1	20,000,000	20,000,000
1,000,000 units (Previous Year 1,000,000) of Deutsche Fixed Term fund-Series-5- Growth Option	10,000,000	10,000,000
2,000,000 units (Previous Year 2,000,000) of TATA Fixed Horizon Fund Series-3 Scheme G- Growth	20,000,000	20,000,000
1,500,000 units (Previous Year 1,500,000) of Kotak FMP Series-14 Growth	15,000,000	15,000,000
5,310,100 units (Previous Year Nil units) of UTI Fixed Maturity Plan-YFMP-08/6	53,101,000	-
5,000,000 units (Previous Year Nil units) of HDFC 26M FMP	50,000,000	-
3,000,000 units (Previous Year Nil units) of Birla Fixed Term Plan Series	30,000,000	-
4,000,000 units (Previous Year Nil units) of Principal PNB Fixed Maturity Plan 540 Days	40,000,000	-
4,000,000 units (Previous Year Nil units) of Prudential ICICI FMP Series-34-16 month FMP	40,000,000	-
3,000,000 units (Previous Year Nil units) of JMM Mutual Fund 15 Month FMP growth	30,000,000	-
5,000,000 units (Previous Year Nil units) of SBI SDFS 15 Months fund	50,000,000	-
4,000,000 units (Previous Year Nil units) of LIC MF SERIES-20	40,000,000	-
Current, Non Trade		
In Mutual Funds		
Nil (Previous Year 3,047,734) of Reliance Fixed Maturity Fund-Quarterly Plan-III- Series-II- Dividend option	-	30,477,335
Nil (Previous Year 5,000,000 units) of JM Fixed Maturity Fund Yearly Plan- YSB2- Series- Growth Option (144)	-	50,000,000
Nil (Previous Year 3,000,000 units) of UTI-Fixed Maturity Plan- (YFMP/02/05)- Growth Plan	-	30,000,000
Nil units (Previous Year 5,000,000) of UTI-Fixed Maturity Plan- YFMP- 07/5)- Growth Plan	-	50,000,000
Nil (Previous Year 5,000,000 units) of Prudential ICICI Plan 1 Year Plus- Growth (Direct)	-	50,000,000
3,001,080 units (Previous Year Nil units) of UTI-Quarterly QFMP 02/07	30,010,801	-
14,424 units (Previous Year Nil) Templeton India Liquid Plus (TILP)	144,242	-
TOTAL	549,256,043	396,477,335



FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
SCHEDULE - F		
SUNDRY DEBTORS (Unsecured)		
Outstanding for a period exceeding six months		
- Considered good	17,248,871	17,615,290
- Considered doubtful	<u>32,986,702</u>	<u>44,894,945</u>
	50,235,573	62,510,235
Other Debts		
- Considered good	637,170,537	522,202,521
- Considered doubtful	<u>16,795,555</u>	<u>10,852,102</u>
	653,966,092	533,054,623
TOTAL	704,201,665	595,564,858
Less: Provision for doubtful debts	<u>49,782,257</u>	<u>55,747,047</u>
	<u>654,419,408</u>	<u>539,817,811</u>
SCHEDULE - G		
CASH AND BANK BALANCE		
Cash in hand	489,009	628,742
Cheques in hand	-	567,977
Balance with scheduled banks		
- Current Accounts	6,154,285	8,080,540
- Dividend Account	505,535	319,254
- Deposit Accounts- (including Unutilized Public Issue Proceeds Rs. 225,530,113 ; Previous year Rs. 386,302,074)	795,422,771	709,208,852
Balance with non-scheduled banks*		
- Current Accounts	<u>434,456</u>	<u>-</u>
TOTAL	803,006,056	718,805,365
* Bank of Nova Scotia NY 03111-11; Maximum amount outstanding Rs. 6,123,101		
SCHEDULE - H		
a) LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advance Income Tax (Net of Provision for Income Tax previous year Rs.467,923,908)		9,605,079
Advance Fringe benefit Tax (Net of Provision for FBT Rs. 21,197,777 previous Year Rs. 11,334,430)	1,621,857	1,198,487
Advances recoverable in cash or in kind or for value to be received	<u>105,434,063</u>	<u>105,215,943</u>
	107,055,920	116,019,509
Considered doubtful	6,207,522	11,427,566
Less: Provision for doubtful Advance	<u>6,207,522</u>	<u>11,427,566</u>
TOTAL	107,055,920	116,019,509
* Includes amounts due from Director Rs Nil (Previous Year Rs Nil) and maximum outstanding balance at any time during the year of Rs 1,611,430 (Previous Year Rs. 1,244,000)		
* Includes amounts due from Company Secretary Rs Nil (Previous Year Rs Nil) and maximum outstanding balance at any time during the year Rs. Nil (Previous Year Rs. Nil)		
b) OTHER CURRENT ASSETS		
(Unsecured, considered good, unless otherwise stated)		
Interest receivable	<u>7,249,629</u>	<u>7,416,137</u>
TOTAL	7,249,629	7,416,137

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2007

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
SCHEDULE - I		
CURRENT LIABILITIES		
Sundry Creditors*		
- Due to others	285,930,438	252,418,997
Other Liabilities	90,413,314	63,856,422
Advances from Customers	3,779,279	2,679,931
Security Deposits	21,737,289	14,736,745
Un-Claimed Dividend **	505,535	319,254
TOTAL	402,365,855	334,011,349

*As per the information available with the Company no amount is due to any Small Scale Industrial Undertaking and Micro & Small enterprises

** No amount is payable to Investor Protection Fund.

SCHEDULE - J
PROVISIONS

Provision for Income Tax (Net of Advance Income tax)	1,610,576	-
Provision for Gratuity [Refer Note (j) Schedule R(A)]	8,984,595	-
Provision for Leave Encashment	16,734,818	9,095,923
Proposed Dividend	43,500,000	43,500,000
Corporate Dividend Tax on Proposed dividend	7,392,825	6,100,875
TOTAL	78,222,814	58,696,798

SCHEDULE - K
MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Deferred Revenue Expenditure

Opening Balance	5,795,910	11,874,157
Less : Amortization for the year	2,901,917	6,078,247
TOTAL	2,893,993	5,795,910



FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR MARCH 31, 2007

	For the Year Ended March 31, 2007 Amount (Rs.)	For the Year Ended March 31, 2006 Amount (Rs.)
SCHEDULE - L REVENUE		
Income from Broadcasting Operations	1,885,897,339	1,594,718,374
Income from other operations	3,185,542	817,777
	<u>1,889,082,881</u>	<u>1,595,536,151</u>
SCHEDULE - M OTHER INCOME		
Interest on Bank Deposit (Gross of Tax deducted at source Rs. 13,043,290 Previous Year Rs. 9,889,829)	59,060,570	45,143,001
Other Interest Income	—	1,456,500
Dividend Income (from non trade investment)	5,440,519	6,887,964
Miscellaneous Income	2,121,110	727,935
Fees from training	5,493,588	3,393,684
Gain on sale of Investment (Net) (from non trade investment)	12,798,471	177,283
Provisions/Balances no longer required written back	50,504,636	25,600,885
	<u>135,418,894</u>	<u>83,387,252</u>
SCHEDULE -N EMPLOYEE COST		
Salaries, Wages and Allowances	397,204,798	278,942,648
Contribution to Provident and Other Funds	29,712,712	23,295,538
Staff And Workers' Welfare	3,415,833	3,612,308
Managerial Remuneration	14,141,706	4,558,774
	<u>444,475,049</u>	<u>310,409,268</u>
SCHEDULE - O PRODUCTION COST		
Reporting Expenses	31,909,103	27,847,472
Up linking Charges	5,850,489	6,801,396
Assignment Charges	1,820,747	841,488
Production Expenses	65,718,370	46,036,275
Subscription	18,048,090	19,232,418
Consumables	4,978,181	4,314,353
Transponder Lease Rentals	62,946,889	51,922,093
Programme Procurement	17,203,185	9,728,979
Purchase of Tapes	286,060	287,500
	<u>208,761,114</u>	<u>167,011,974</u>

FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR MARCH 31, 2007

	For the Year Ended March 31, 2007 Amount (Rs.)	For the Year Ended March 31, 2006 Amount (Rs.)
SCHEDULE - P		
ADMINISTRATIVE AND OTHER COST		
Advertising, Distribution and Sales Promotion	344,718,795	174,256,251
Communication Expenses	33,346,798	37,087,887
Travelling and Conveyance	57,188,691	68,344,648
Car Hire Charges	29,439,418	26,982,956
Rent [Refer Note 8 Schedule R (B)]	58,946,229	54,165,461
Legal and Professional Charges	8,920,942	10,124,899
Electricity and Water	24,200,288	21,464,069
Vehicle Running and Maintenance	7,069,610	7,749,340
Insurance	11,245,784	8,788,599
Agency Incentive	23,915,741	24,291,142
Housekeeping	24,729,977	23,332,251
Repairs and Maintenance		
- Plant & Machinery (Net of Insurance claim)	28,476,959	32,888,862
- Building	-	1,445
- Other	7,861,554	7,629,991
Newspapers and Periodicals	686,402	9,100,730
Business Promotion	3,812,465	8,729,525
Foreign Exchange Fluctuation (net)	93,357	126,499
Printing and Stationary	3,662,904	4,384,853
Freight and Courier	2,239,999	2,058,651
Guard Services	3,617,617	3,349,471
Rates and Taxes	2,218,365	2,197,943
Bad Debts & Advances written off	109,210	803,395
Provision for Doubtful Debts & Advances	26,731,650	30,596,316
Loss (Net) on Sale of Fixed Assets	3,115,855	1,362,355
Fixed Assets retired and written off	-	28,265,545
Technical Consultancy Fees	808,000	979,664
Software Expenses	5,087,871	-
Miscellaneous Expenses (Includes prior period expenditure of Rs. 828,214; Previous Year Rs. 912,777)	2,864,757	2,590,793
	<u>715,109,238</u>	<u>591,653,541</u>
SCHEDULE - Q		
INTEREST & FINANCE CHARGES		
Interest		
- Cash Credit	12,575	35,278
- Others	103,609	-
Guarantee Commission	97,143	309,651
Finance Charges	1,010,429	758,147
	<u>1,223,756</u>	<u>1,103,076</u>



SCHEDULE - R

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

A. SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Preparation

The consolidated financial statements are prepared under the historical cost convention, on the accrual basis of accounting and reporting requirements of Accounting Standard 21 'Consolidated Financial Statements' issued by the Institute of Chartered Accountants of India, consolidated as per note (b) below for the year ended March 31, 2007.

b. Principles of consolidation

These accounts represent consolidated accounts of the Company and its wholly owned subsidiary, incorporated in India as follows:

Entity	Relationship	Shareholding as at March 31, 2007
T.V. Today Network (Business) Limited	Subsidiary	100%

c. Accounting Convention

The financial statements are prepared under the historical cost convention, on a going concern basis in accordance with the generally accepted accounting principles and the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the company.

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

d. Fixed Assets

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

The signals of the television channels of the Company are received by the affiliates by use of digital satellite receivers. These assets are generally installed at the affiliates and the user charges / license fees recovered, if any, are reflected in Income from other operation in the Profit & Loss Account. The digital satellite receivers are reflected as 'Plant and Machinery' in the Fixed Assets Schedule.

e. Intangible Assets

Acquired Intangible Assets are stated at their original cost and include all expenses relating to acquisition and installation.

f. Depreciation

- 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.
- Depreciation on Intangibles;
(Computer / Production Software): Depreciated on Straight Line basis over estimated useful life of the software on a case to case basis.

g. 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.
- Revenue from other operations is recognized as per terms of agreement, when risk and rewards of ownership are substantially transferred to buyer.
- Interest on are recognized when the ultimate collection is reasonably certain.

h. Inventory

Inventory consists of blank videotapes used in the sale of recorded tapes and is valued at lower of cost or net realizable value. Cost is taken on First In First Out (FIFO) basis.

Blank videotapes which are not used in the sale of Recorded Tapes, are charged off as expense in the books at the time of their purchase.

i. Investments

Long-term investments are stated at cost unless there is a permanent decline in the carrying value thereof, in which case, it is provided for. Current Investments are stated at lower of cost or market value.

j. Employee benefits

The contribution for employee Provident Fund is made to Regional Provident Fund Commissioner and the Company's contributions thereto is charged to revenue every year. The Company's contribution to State plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 are charged to revenue every year.

The Company has Defined Benefit plans namely leave encashment for employees and Gratuity for all employees, the liability for which is determined on the basis of an actuarial valuation at the end of the year using the projected unit credit method. Gratuity Fund is recognized by the income tax authorities and is administered and managed by the Life Insurance Corporation of India ("LIC").

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

In the year of transition, the difference between transitional liability and the liability that would have been recognized at the beginning of the financial year under the Company's previous accounting policy is adjusted against the opening revenue reserves and opening deferred tax liability of the financial year in accordance with Accounting Standard AS 15 (revised 2005) 'Employee Benefits'. [Refer Note 3 Schedule R (B)].

k. Foreign currency transaction

- 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 in respect of revenue and expense items are recognized in the Profit and Loss Account.
- Monetary Assets & 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.

l. Miscellaneous Expenditure

- Expenditure incurred in the initial period of operations on market launch, including advertising & brand building has been considered as deferred revenue expenditure and charged off over a period of 5 years from the year in which such expenditure is incurred.
- Expenditure incurred in the financial year 2002-03 which was related to indirect expenditure for expansion for its new television channel titled "Headlines Today" has been considered as deferred revenue expenditure in accordance with the Guidance Note on "Treatment of Expenditure during Construction Period" of the Institute of Chartered Accountants of India to be charged off over a period of 5 years from the year in which such expenditure is incurred on a pro-rata basis.

m. Taxes on Income

Tax expense for the year, comprising current tax and deferred tax is included in determining the net profit for the year. Deferred tax is recognized for all deductible timing differences and deferred tax assets are carried forward to the extent there is reasonably certainty that sufficient future taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

n. 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.

o. 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 includes 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.

p. 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.

q. 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 accounting principles in accordance with the guidelines of Securities and Exchange Board of India and guidance note issued by the Institute of Chartered Accountant of India.

r. Provisions

Provisions are recognized when the company has a present obligation as a results of past event and it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

B. NOTES TO ACCOUNTS

1. Capital Commitments / Contingent Liabilities :

- (a) Estimated amounts of contract remaining to be executed on capital account, net of advances, not provided for Rs. 5,242,218 (Previous year Rs. 13,666,265)
- (b) During the year, with respect to the disputed statement of claim dated 28th September 2004 received from Prasar Bharti towards Uplinking charges of Rs. 21,420,430 for the period February 1995 plus 18% interest per annum thereon from March 1998 onwards, the Arbitrator has proceeded with the hearings but issues have not been framed so far. No arbitration proceedings has been commenced with respect to the claim of Prasar Bharti towards Uplinking charges for the period April 1998 to March 2000 by the Arbitrator. Accordingly, no statement of claim for the latter has been filed with the arbitrator. In the opinion of the management, based on the facts of the case, the liability aggregating Rs. 10,643,605 made in these books in earlier years against the claim is considered adequate.
- (c) The Company has received legal notice of claim / lawsuit filed against it in respect of programmes aired on the Channels. In the opinion of the management, no liability is likely to arise on account of such claim / lawsuit.
- (d) The Company has received demand notices from Income Tax department amounting to Rs. 22,403,226 (Previous Year Rs. 15,857,052), The company has contested the same and in the opinion of the management, no liability is likely to arise on account of such demand notices.

2. Deferred Taxes

The deferred tax liability as at March 31, 2006 comprises of the following:

Amount Rs.

DEFERRED TAX ASSETS/LIABILITIES	As at March 31, 2006 Amount (Rs.)	Adjustment of Employee Benefit on account of Revised AS-15	Charged / Credited during the year	As at March 31, 2007 Amount (Rs.)
Tax impact of amounts charged off to Profit and Loss account but allowable in future years under Income Tax				
Provision for Bad & Doubtful Debts	22,610,974	-	(3,580,049)	19,030,925
Other disallowances as per the Income tax Act, 1961	11,229,991	3,338,815	1,199,691	15,768,497
Total Deferred Tax Assets	33,840,965	3,338,815	(2,380,358)	34,799,422
Tax impact of amounts to be charged off to Profit and Loss account in future years but allowable under in Income Tax				
Depreciation	82,763,762	-	(19,067,027)	63,696,735
Deferred Revenue Expenditure	1,950,905	-	(967,236)	983,669
Total Deferred Tax Liabilities	84,714,667	-	(20,034,263)	64,680,404
Net Deferred Tax Assets / (Liabilities)	(50,873,702)	3,338,815	17,653,905	(29,880,982)

3. The Company has during the year adopted Accounting Standard 15 (revised 2005) 'Employee Benefits'. Accordingly, the transitional adjustment aggregating to Rs.6,580,422 (net of deferred tax asset Rs. 3,338,815) has been charged against the general reserves as at April 1, 2006. The details of the transitional adjustment is as follows –

Leave Encashment for employees	Rs. 4,206,328
Gratuity for Employees	Rs. 5,712,909

The Company has classified the various benefits provided to employees as under -

I. Defined Contribution Plans – Provident Fund

During the year, the Company has recognised the following amounts in the Profit and Loss Account

(Rs.)

- Employers' Contribution to Provident Fund *	14,174,125
---	------------

II. State Plans

- a. Employers' Contribution to Employee's State Insurance
- b. Employers' Contribution to Employee's Pension Scheme 1995.

During the year, the Company has recognised the following amounts in the Profit and Loss Account

(Rs.)

- Employers' Contribution to Employee's State Insurance *	14,051
- Employers' Contribution to Employee's Pension Scheme 1995 *	4,899,805

* Included in Contribution to Provident and Other Funds under Employees' Cost
(Refer Schedule N)

III) Defined Benefit Plans

- a. Contribution to Gratuity Funds – Employee's Gratuity Fund,
- b. Leave Encashment for employees – (Earned leave)

In accordance with Accounting Standard 15 (revised 2005), actuarial valuation was done in respect of the aforesaid defined 'benefit' plans based on the following assumptions –

	Leave Encashment	Employee's Gratuity Fund
Discount Rate (per annum)	7.5%	7.5%
Rate of increase in Compensation levels	6.5%	6.5%
Expected Rate of Return on Plan Assets	Nil	9%
Expected Average remaining working lives of employees (years)	26.41	26.41

(A) Changes in the Present Value of Obligation

(Rs.)

	Leave Encashment	Employee's Gratuity Fund
Present Value of Obligation as at April 1, 2006	13,302,251	18,132,110
Interest Cost	997,669	1,359,908
Past Service Cost	Nil	Nil
Current Service Cost	4,445,764	4,970,359
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Benefits paid	(2,336,187)	(1,616,737)
Actuarial (gain)/ loss on obligations	(858,140)	(1,998,652)
Present Value of Obligation as at March 31, 2007	15,551,357	20,846,988

(B) Changes in the Fair value of Plan Assets

(Rs.)

	Leave Encashment	Employee's Gratuity Fund
Fair Value of Plan Assets as at April 1, 2006	Nil	12,419,201
Expected Return on Plan Assets	N.A	1,117,728
Actuarial Gains and Losses	N.A.	(57,798)
Contributions	Nil	Nil
Benefits Paid	Nil	(1,616,737)
Fair Value of Plan Assets at March 31,2007	Nil	11,862,394

(C) Reconciliation of Present Value of Defined Benefit Obligation and the Fair value of Assets

(Rs.)

	Leave Encashment	Employee's Gratuity Fund
Present Value of funded Obligation as at March 31, 2007	15,551,357	20,846,988
Fair Value of Plan Assets as at the end of the period	Nil	11,862,394
Funded Status	(15,551,357)	(8,984,594)
Present Value of unfunded Obligation as at March 31, 2007	Nil	Nil
Unrecognized Actuarial (gains) / losses	Nil	Nil
Unfunded Net Asset / (Liability) Recognized in Balance Sheet	(15,551,357)	(8,984,594)

(D) Expense recognised in the Profit and Loss Account

(Rs.)

	Leave Encashment	Employee's Gratuity Fund
Current Service Cost	4,445,764	4,970,359
Past Service Cost	Nil	Nil
Interest Cost	997,669	1,359,908
Expected Return on Plan Assets	Nil	(1,117,728)
Curtailment Cost / (Credit)	Nil	Nil
Settlement Cost / (Credit)	Nil	Nil
Net actuarial (gain)/ loss recognized in the period	(858,140)	(1,940,854)
Total Expenses recognized in the Profit & Loss Account	4,585,293 **	3,271,685 **

** included in Contribution to Provident and Other Funds (Refer Schedule N)

(E) Constitution of Plan Assets

(Rs.)

	Leave Encashment	Employee's Gratuity Fund
Total of the Plan Assets	Nil	11,862,394*

* The contribution is made to LIC and the split of Planned Assets has not been provided by LIC.

(F) Estimated amount of contribution to be paid to the plan within the next year is Rs 6,000,000/-
4. EMPLOYEE STOCK OPTION PLAN – ESOP 2006

The Company instituted the Employee Stock Option Plan – (TVTN ESOP 2006), to grant equity – based incentives to its eligible employees. The TVTN ESOP 2006 had been approved by the board of directors in their meeting held on 21st August 2006 and by shareholders in their meetings held on 28th September 2006, for grant of 29,00,000 options representing one share for each option upon exercise by the employees of the company at a exercise price determined by Board/Remuneration Committee. The equity shares covered under the scheme shall vest over a period of four years; vesting shall vary based on the meeting of the performance Criteria. The Optionee may exercise their vested options at any moment after the earliest applicable vesting date and prior to the completion of ten years from the grant date.

Pursuant to the scheme, the Remuneration Committee has on December 1, 2006 granted 3,71,250 options to employees of the Company and on 1st March 2007 further granted 70,000 options. 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.

Accordingly the Company under the intrinsic value method has recognized the excess of the market price over the exercise price of the option amounting to Rs.744,248 as an expense during the year. Further, the liability Outstanding as at the March 31, 2007 in respect of Employees Stock Options Outstanding is Rs. 744,248. The balance deferred compensation expense Rs 5,649,502 will be amortized over the remaining vesting period of Options.

The movement in the options granted to employees during the year ended March 31, 2007 under the ESOP 2006 is set out below:

	First Grant	Second Grant
Date of Grant	December 1, 2006	March 1, 2007
Market value on date of grant of the Underlying equity shares	Rs 74.35	Rs. 134.85
Exercise Price (50% of options)	Rs. 74.35	Rs. 134.85
(balance 50% of options)*	Rs. 44.35	Rs. 104.85
Vesting Period	4 Years	4 Years
Options granted (Nos)	3, 71,250	70,000
Options forfeited (Nos)	15,000	—
Options exercised (Nos)	Nil	Nil
Options Expired (Nos)	Nil	Nil
Options outstanding at the year end (Nos) **	3,56,250	70,000
Options Exercisable at the year end	Nil	Nil

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

** weighted average remaining contractual life of 3.71 years.

The fair value of the options granted during the year under the TVTN ESOP -2006 is estimated on the date of grant using the Black- Scholes model with the following assumptions.

	TVTN ESOP 2006	TVTN ESOP 2006
Risk Free Interest Rates	7.35%	7.87%
Expected Life*	10 Years	10 Years
Expected Volatility**	48.28%	55.44%
Expected Dividend	1.01%	0.56%

* Expected life is taken as the aggregate of the vesting and exercise period.

** Expected volatility is determined on the basis of the “share price – volume data” available at www.nseindia.com.

5. Earning per share

Description	Year Ended March 31, 2007	Year Ended March 31, 2006
Net profit after Tax (Rs.) (a)	31,099,727	277,660,858
Number of equity share outstanding at the end of the year/ weighted average of number of equity Shares used in computing basic earning per share (Nos) (b)	58,000,000	58,000,000
Nominal Value per Share (Rs.)	5	5
Basic and Diluted earnings per share (a/b) (Rs.)	5.36	4.79

Note: Potential conversion of the stock options granted is anti- dilutive and accordingly, has not been considered in the calculation of Diluted earnings per share.

6. As identified and certified by the Company, Related Party Disclosures as per the requirement of Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

(I). Name of the related party and nature of related party relationship where control exists:

(a) Key Management Personnel (KMP):

- Mr. Aroon Purie (Managing Director)

(b) Entities Controlling the Company (Holding Companies):

- World Media Private Limited ^
- Living Media India Limited



T.V. Today Network Limited

(c) Fellow Subsidiary Companies :

- Thomson Press (India) Ltd*.
- Living Media International Ltd.
- Radio Today Broadcasting Limited

(d) Companies under common control :

- Integrated Databases India Limited ^

(e) Others:

- Vasant Valley School

* was company under common control & became fellow subsidiary w.e.f. 29.11.2006

^ There are no transactions during the year

(II). Transactions with related parties during the year in the ordinary course of business:

Amount Rs.

Name of Transaction	Holding Company	Companies under common control	Subsidiary Company	Fellow Subsidiaries	KMP	Total
Purchase of Ad space/ material*	10,339,939 (12,619,531)	-	-	- ** (4,096,848)	-	10,339,939 (16,716,379)
Income from Broadcasting operations*	6,572,037 (31,468,018)	-	-	- *** (6,595)	-	6,572,037 (31,474,613)
Sale of recorded tapes*	1,000,000 (920,000)	-	-	-	-	1,000,000 (920,000)
Management fee	600,000 (600,000)	400,000# (1,200,000)	-	800,000#	-	1,800,000 (1,800,000)
Purchase of fixed Assets	216,000	-	-	-	-	216,000
Sale of fixed Assets(at Sale value)	-	-	-	-	-	-
SMS charges	415,062 (1,560,628)	-	-	-	-	415,062 (1,560,628)
Screen Rent	2,310,000	-	-	-	-	2,310,000
Rent payment made to related parties for use of common facilities/ utilities	4,619,505 (5,152,331)	-	-	-	-	4,619,505 (5,152,331)
Rent charged to related parties for use of common facilities/ utilities	334,638 (375,579)	-	-	724,644^ (3,268,544)@	-	1,059,282 (3,644,123)
Remuneration / fee paid	-	-	-	- 14,141,706 (4,558,774)	14,141,706 (4,558,774)	
Misc Inter-Company service received from related parties & other charges paid	4,658,452 (3,617,182)	6,52,147# (631,420)	-	562,136****	-	5,872,735 (4,248,602)
Misc Inter-Company services rendered to related parties & other charges received	670,607 (718,565)	-	-	156,465^ (2,403,129) @	-	827,072 (3,121,694)

(*) The figures include Sales Tax / Service Tax as applicable

(**) Includes transaction with:

- Radio Today Broadcasting (Delhi) Limited Rs. NIL (Previous Year Rs. 1,622,722)
- Radio Today Broadcasting (Mumbai) Limited Rs. NIL (Previous Year Rs. 1,399,205).

(***) Includes transaction with:

- Radio Today Broadcasting (Delhi) Limited Rs.NIL (Previous Year Rs. 6,595).

(****)Includes transaction with:

- Thomson Press (India) Ltd Rs. 553,865 (Previous Year Rs. Nil)

(^) Represents transactions with Radio Today Broadcasting Limited (Previous year Rs. Nil)

(@) Represents transactions with Radio Today Broadcasting (Delhi) Limited

(#) Represents transactions with Thomson Press (India) Limited.

Note:

1. Previous year figures are in bracket
2. Other Related Party transactions:

The Company is using certain 2 MB telephone leased obtained from Mahanagar Telephone Nigam Limited. These facilities were originally obtained in the name of Living Media India Limited and are pending transfer in the name of the Company.

(III). Outstanding Balances pertaining to Related Parties

Amount Rs.

Name of the Related Party	Amount outstanding as at March 31, 2007	Amount outstanding as at March 31, 2006
Living Media India Limited	1,759,546	8,363,810
Total Holding Company	1,759,546	8,363,810
Thomson Press India Limited	-	(925,322)
Total Companies under common Control	-	(925,322)
Radio Today Broadcasting Limited	727,437	-
Thomson Press India Limited	(383,862)	-
Total Fellow Subsidiary Companies	343,575	-
Aroon Purie	(9,381,608)	(2,958,774)
Total Director	(9,381,608)	(2,958,774)

Figures in brackets represent amount payable.

7. Segment Reporting:

a) Primary Segment:

The Company operates predominantly in only one business segment viz. 'News broadcasting operations' and there are no significant reportable business segments.

b) Secondary Segment:

The Company caters to the predominantly to the needs of Indian market and there are no significant reportable geographical segments.

8. Operating Leases

The Company has cancelable lease arrangements mainly for leasing of office premises and company leased accommodations for its employees. Terms of lease include terms of renewal, increase in rents in future periods and terms of cancellation. The operating lease payments recognized in the Profit & Loss account amount to Rs.58,946,232 (Previous Year: Rs. 54,165,461), net of sublease rental received Rs.4,501,070 (Previous Year Rs.3, 952,498).

9. Previous year's figures have been regrouped/ reclassified wherever necessary to make them comparable to current year's figures.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007	For the Year Ended March 31, 2006
Cash flows from operating activities		
Net profit before taxation and after Employees stock Compensation Expense	481,136,316	426,182,168
Adjustments for:		
Depreciation	170,150,137	176,443,444
Deferred Revenue Expenditure written off	2,901,917	6,078,247
Employees stock Compensation Expense	744,248	-
Provision for Gratuity	3,271,685	-
Provision for Leave Encashment	3,432,567	1,821,850
Provision for Doubtful Debts & Advances	26,731,650	30,596,316
Bad debts written off	109,210	803,395
Provision no longer required written back	(50,504,636)	(25,600,885)
Provision for Wealth Tax	1,516,591	1,505,641
Loss on sale of Fixed Assets	3,115,855	1,362,355
Fixed Assets written off	-	28,265,545
Interest received on deposits	(59,060,570)	(45,143,001)
Dividend Income	(5,440,519)	(6,887,964)
Interest Paid	116,184	35,278
Profit on sale of investments	(12,798,471)	(177,283)
Operating profit before working capital changes	565,422,164	595,285,106
Change in Sundry Debtors	(134,635,904)	(99,326,634)
Change in Other Current Assets	1,251,924	(15,219,738)
Change in Current Liabilities & Provisions	110,573,045	8,912,153
Cash generated from operations	542,611,229	489,650,887
Income taxes paid	(163,975,497)	(184,728,602)
Wealth tax paid	(1,507,090)	(330,619)
Net cash from operating activities	377,128,642	304,591,666
Cash flows from investing activities		
Purchase of investments	(610,398,811)	(512,441,002)
Sale of investments	470,418,574	425,186,188
Purchase of fixed assets	(135,700,758)	(162,100,692)
Dividend received	5,440,519	6,887,964
(Increase) in Capital Work in Progress	(21,132,596)	(35,875,858)
Proceeds from sale of Fixed Assets	5,346,398	5,470,200
Interest received on deposits	46,204,366	44,100,889
Net cash from investing activities	(239,822,308)	(228,772,311)
Cash flows from financing activities		
Proceeds from Cash Credits (Net)	(3,388,584)	34,853,549
Interest paid	(116,184)	(35,278)
Dividend & Corporate Dividend Tax paid	(49,600,875)	(49,600,875)
Net cash used in financing activities	(53,105,643)	(14,782,604)
Net increase in cash and cash equivalents	84,200,691	61,036,751
Cash and cash equivalents at beginning of year	718,805,365	657,768,614
Cash and cash equivalents at end of year (see Note 1)	803,006,056	718,805,365

Note : 1

Cash and cash equivalents at end of year

Cash in hand	489,009	628,742
Cheques in hand	-	567,977
Balance with scheduled banks -		
- Current Accounts	6,154,285	8,080,540
- Dividend Account	505,535	319,254
- Deposit Accounts- (including Unutilized Public Issue Proceeds Rs. 225,530,113 : Previous year Rs. 386,302,074)	795,422,771	709,208,852
Balance with non-scheduled banks		
- Current Accounts	434,456	
Cash and cash equivalents	803,006,056	718,805,365

Note : 2

Figures in brackets indicate cash outflow

Note : 3

The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date

The Schedules referred to above form an integral part of the Cash Flow Statement.

Usha Rajeev

Partner

Membership No. F-87191

For & on behalf of

Price Waterhouse

Chartered Accountants

Place : New Delhi

Date : June 1, 2007

For and on behalf of the Board

Sd/-

S.N. Sridhar

GM - Legal &

Company Secretary

Sd/-

Anil Mehra

Director

Sd/-

Aroon Purie

Chairman &

Managing Director

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Second Annual Report with the Audited Statement of Accounts for the year ended 31st March 2007.

1. Financial Results

During the financial year 2006-2007, the Company is yet to gear up all its activities and earned an income of Rs. 91,702 (Rupees Ninety One Thousand Seven Hundred Two only) mainly on interest on Bank Deposits (Gross of Tax Deducted at source Rs 20,578) as compared to loss of Rs. 67,370 (Rupees Sixty Seven Thousand Three Hundred and Seventy only) incurred last year towards preliminary and pre-operative expenses. Hence, the Company has incurred a loss of Rs. 25,243 (Rupees Twenty Five Thousand Two Hundred and Forty Three only) after adjustment of current tax and last year's losses during the period under review.

2. Dividend

Since no operations of the Company were commenced during the period, your directors do not recommend a Dividend for the current year.

3. Operations

The operations have not been started in the current year.

4. Directors' Responsibility Statement

In terms of the provisions of Section 217 (2AA) of the Companies Act, 1956, your Directors state that: -

- i) In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) The Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- iii) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) The Directors had prepared the annual accounts on a going concern basis.

5. Auditors

The auditors of your company M/s. Price Waterhouse, Chartered Accountants, retire at the close of forthcoming Annual General Meeting and being eligible, offer themselves for reappointment.

6. Compliance Certificate by Company Secretary in Practice

The Company has obtained compliance certificate in terms of Proviso to Section 383A (1) of the Companies Act, 1956, from Company Secretary in practice, which is appended hereto and forming part of this Directors Report.

7. Directors

In accordance with the requirement of Section 256 of the Companies Act, 1956 and the Articles of Association of your company, Mr. Anil Mehra, Director of the Company, retires by rotation at the Second Annual General Meeting and being eligible offers himself for re-appointment.

8. Personnel

Since no employee was employed during the current financial year, the provisions of Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended, are not applicable in the current year.

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

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, are not applicable in the current year.

10. Acknowledgement

Your directors wish to thank all our valued clients, bankers, shareholders and Business associates for co-operation and encouragement extended to the Company.

For and on behalf of the Board Of Directors

Place : New Delhi
Date : June 1, 2007

Sd/-
Aroon Purie
Director

Sd/-
Anil Mehra
Director



FORM
[SEE RULE 3]

COMPLIANCE CERTIFICATE

Co. No. : 55- 142634
Nominal Capital: Rs. 15, 00,000
The Members,
TV Today Network (Business) Ltd,
Videocon Tower,
1-E, Jhandewalan Extension,
New Delhi - 110005

We have examined the registers, records, books and papers of **M/s. TV Today Network (Business) Ltd,** (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended March 31, 2007. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid period:

1. The Company has kept and maintained all registers as stated in Annexure 'A' to this certificate, as per the provisions of the Act and the rules made there under and all entries have been duly recorded.
2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company, being a public limited company, has the minimum prescribed paid up capital.
4. The Board of Directors duly met four times on May 29, 2006, July 17, 2006, October 23, 2006 and January 29, 2007 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.
5. The Company did not close its Register of Members during the financial year.
6. The Annual General Meeting for the financial year ended on March 31, 2006 was held on September 28, 2006 after giving due notice to the members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. No Extra-ordinary General Meeting of the members of the Company was held during the financial year.
8. The Company has not advanced any loans to its Directors, persons, firms, or companies referred to in Section 295 of the Act.
9. The Company has not entered into a contract falling within the purview of Section 297 of the Act, during the financial year.
10. The Company was not required to make any entry in the register maintained under Section 301(1) of the Act. However, entries were made in the said register under section 301(3) of the Act, during the financial year.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, members or the Central Government.
12. The Company has not issued any duplicate share certificates during the financial year.
13. The Company:
 - a. has not received any request for share transfer etc. during the financial year.
 - b. has not made any allotment of shares during the financial year.
 - c. has not deposited any amount in a separate bank account as no dividend was declared during the financial year.
 - d. was not required to post dividend warrants to any member of the Company as no dividend was declared during the financial year.
 - e. was not required to transfer the amounts in Unpaid Dividend Account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund .
 - f. has complied with the requirements of Section 217 of the Act.
14. The Board of Directors of the Company is duly constituted and there was no change in the Board, during the financial year.
15. The Company has not appointed any Managing Director or Whole-time Director or a Manager, during the financial year.
16. The Company has not appointed any sole-selling agent during the financial year.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act, during the financial year.
18. The Directors have disclosed their interest in other firms and or companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not issued any shares, debentures or other securities during the financial year.

Annexure-A

20. The Company has not bought back any shares during the financial year.
21. There was no redemption of preference shares or debentures during the financial year.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares or bonus shares pending registration of transfer of shares.
23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.
24. The Company has not borrowed any amount from financial institutions, Banks, Directors, members, public & others during the financial year.
25. The Company has not made any investments or given any loans or advances or given any guarantee or provided any security to other bodies corporate during the financial year and consequently, no entry was required to be made in the relevant registers.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one State to another during the financial year.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the Company during the financial year.
30. The Company has not altered its Articles of Association during the financial year.
31. As per the information provided and explanations given by the Company, there was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.
32. As per the information provided and explanations given by the Company, it has not received any money as security from its employees, as per the provisions of Section 417 (1) of the Act, during the financial year.
33. The provisions of Provident Fund Act are not applicable to the Company.

Registers maintained by the Company

Statutory Registers

1. Register of Members u/s. 150.
2. Register and Returns u/s. 163.
3. Minutes Book of Meetings.
4. Books of Accounts u/s. 209.
5. Register of Contracts u/s. 301.
6. Register of Directors u/s. 303.
7. Register of Directors' Shareholding u/s. 307.

Others Registers

1. Attendance Register for Board Meeting
2. Register of Common Seal

Annexure-B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Directors, Central Government or other authorities during the period ended March 31, 2007

1. Statutory Report in Form 22 u/s 165 in respect of Statutory General Meeting held on August 31, 2006, was filed vide Challan No.A03838638 dated September 07, 2006.
2. Compliance Certificate for the financial year ended March 31, 2006 pursuant to proviso to sub section (1) of Section 383A was filed vide Challan No. P00459636 dated October 25, 2006.
3. Balance Sheet for the year ended March 31, 2006 u/s 220 was filed vide Challan No. P00459289 dated October 25, 2006. However, the Company had re-filed the Balance Sheet vide Challan No. P00657924 dated October 27, 2006. (Date of Annual General Meeting – September 28, 2006)
4. Annual Return u/s. 159 in respect of the Annual General Meeting held on September 28, 2006 was filed vide Challan No. P02387827 dated November 27, 2006. However, the Company had re-filed its annual return with additional fee vide Challan No. P03848090 dated December 20, 2006.

Date : June 1, 2007

Place : New Delhi.

For **Ajay Jain & Co.**

Company Secretaries

Ajay K Jain

FCS 1551

C. P.: 3357



AUDITORS' REPORT TO THE MEMBERS OF T.V. TODAY NETWORK (BUSINESS) LIMITED

1. We have audited the attached Balance Sheet of TV Today Network (Business) Limited, as at March 31, 2007 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, 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. The Company does not have any fixed assets and hence clause (i) 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.
 - 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.
(b) 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.
 - iv. The Company has not purchased any inventory and fixed assets and has not sold any goods and services during the year. Hence, clause (iv) 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.

- v. According to the information and explanations given to us, there have been no contracts or arrangements referred to in Section 301 of the Act during the year to be entered in the register required to be maintained under that Section. Accordingly, commenting on transactions made in pursuance of such contracts or arrangements does not arise.
- 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. As the company is not listed on any stock exchange or the paid-up capital and reserves of the company as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) 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 to the company for the current year.
- 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/services of the company.
- ix. The Company has not incurred any statutory liability during the year and hence clause (ix) 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.
- x. As the company is registered for a period less than five years, clause (x) 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 to the company for the current 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. The company has not obtained any term loans.
- 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. 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, 2007 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2007 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, 2007;
- (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..

Sd/-

USHA RAJEEV
Partner

Membership No. F-87191

For & on behalf of
PRICE WATERHOUSE
Chartered Accountants

Place: New Delhi
Dated: June 1, 2007



T.V. Today Network (Business) Limited

BALANCE SHEET AS AT MARCH 31, 2007

	Schedule	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
I. Sources of Funds			
(1) Shareholders' Funds:			
Capital	A	1,500,000	1,500,000
TOTAL		1,500,000	1,500,000
II. Application of Funds			
(1) Current assets, loans and advances			
(a) Cash and bank balances	B	1,519,554	1,451,630
		1,519,554	1,451,630
Less: Current liabilities and provisions			
(a) Sundry Creditors [Refer Note 3 Schedule G (B)]		44,000	19,000
(b) Provisions	C	797	-
Net Current Assets		1,474,757	1,432,630
(2) Profit and Loss Account	D	25,243	67,370
TOTAL		1,500,000	1,500,000
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	G		

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

Usha Rajeev
Partner
Membership No. F-87191
For & on behalf of
Price Waterhouse
Chartered Accountants

Place : New Delhi
Date : June 1, 2007

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

For and on behalf of the Board

Aroon Purie
Director

Anil Mehra
Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	Schedule	For the Year Ended March 31, 2007 Amount (Rs.)	For the Year Ended March 31, 2006 Amount (Rs.)
INCOME			
Other Income	E	91,702	-
		91,702	-
EXPENDITURE			
Administrative and Other Costs	F	28,200	25,464
Finance Charges		-	221
Preliminary Expenses		-	41,685
		28,200	67,370
PROFIT (LOSS) BEFORE TAXATION		63,502	(67,370)
Tax Expenses			
Current Tax		21,375	-
PROFIT /(LOSS) AFTER TAXATION		42,127	(67,370)
Balance brought forward		(67,370)	-
Loss carried forward to Balance Sheet		(25,243)	(67,370)
Earnings Per Share [Refer Note 2 Schedule G(B)]		0.28	(0.45)
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	G		

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.

Usha Rajeev
Partner
Membership No. F-87191
For & on behalf of
Price Waterhouse
Chartered Accountants

For and on behalf of the Board

Aroon Purie
Director

Anil Mehra
Director

Place : New Delhi
Date : June 1, 2007



T.V. Today Network (Business) Limited

FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2007

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
SCHEDULE - A		
SHARE CAPITAL		
Authorised		
150,000 Equity Shares of Rs. 10/- each	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>
Issued, Subscribed and Paid-up		
150,000 Equity shares of Rs. 10/- each fully paid up	1,500,000	1,500,000
	<u>1,500,000</u>	<u>1,500,000</u>
150,000 Equity Shares of Rs. 10/- each are held by T.V. Today Network Ltd., the holding company		
SCHEDULE -B		
CASH AND BANK BALANCE		
Cash in Hand	1,800	-
Balance with Scheduled Bank		
- Current Account	46,630	1,451,630
- Deposit Accounts	1,471,124	-
TOTAL	<u>1,519,554</u>	<u>1,451,630</u>
SCHEDULE - C		
PROVISIONS		
Provisions for Income tax	21,375	-
Less: Advance Income tax	20,578	-
TOTAL	<u>797</u>	<u>-</u>
SCHEDULE D		
Profit & Loss account		
Balance transferred from the Profit and Loss Account	(25,243)	(67,370)
TOTAL	<u>(25,243)</u>	<u>(67,370)</u>

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2007

	For the Year Ended March 31, 2007 Amount (Rs.)	For the Year Ended March 31, 2006 Amount (Rs.)
SCHEDULE- E		
OTHER INCOME		
Interest on Bank Deposits(Gross of Tax Deducted at Source Rs. 20,578)	91,702	-
	<u>91,702</u>	<u>-</u>
SCHEDULE - F		
ADMINISTRATIVE AND OTHER COST		
Legal & professional charges	25,000	19,000
Rates & Taxes	3,200	-
Miscellaneous Expenses	-	6,464
	<u>28,200</u>	<u>25,464</u>



SCHEDULE - G

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

I. SIGNIFICANT ACCOUNTING POLICIES

a. Accounting Convention

The financial statements are prepared under the historical cost convention, on a going concern basis in accordance with the generally accepted accounting principles and the mandatory accounting standards issued by the Institute of Chartered Accountants of India and the provisions of the Companies Act, 1956 as adopted consistently by the company.

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

b. Earnings per Share

The earnings considered in ascertaining the Company's EPS comprises the net profit/loss after tax and includes 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.

c. Preliminary Expenditure

Preliminary expenses incurred are recognized as expense.

d. Taxes on Income

Tax expense for the Year, comprising current tax is included in determining the net profit for the year.

Deferred tax is recognized for all deductible timing differences and deferred tax assets are carried forward to the extent there is reasonable and/or virtual certainty, as the case may be that sufficient future taxable profit will be available against which such deferred tax assets can be realized.

Deferred tax assets and liabilities are measured at the tax rates that have been enacted or substantively enacted as on the balance sheet date.

B. NOTES TO ACCOUNTS

1. Related Party Disclosures (as identified and certified by the Company) as per the requirement of Accounting Standard 18 issued by the Institute of Chartered Accountants of India:

(I) Name of the related party and nature of related party relationship where control exists:

(a) Entities Controlling the Company (Holding Companies):

- Living Media India Limited ^
- T.V.Today Network Limited

(b) Companies under common control :

- Thomson Press (India) Ltd.
- Radio Today Broadcasting Limited

^ There are no transactions during the period.

(II) Transactions with related parties during the year in the ordinary course of business:

Name of Transaction	Holding Company Amount (Rs.)
Company formation expenses & Misc Inter-Company charges paid	Nil (48,149)

Note : Previous year figures are in bracket.

(III) There are no outstanding balances pertaining to Related Parties as on 31st March, 2007.

2. Earnings per share

	2006-2007	2005-2006
(a) Net Profit/ (Loss) after tax (Rs.)	42,127	(67,370)
(b) Number of equity share outstanding at the end of the year /weighted average number of equity shares outstanding during the Year.	150,000	150,000
(c) Nominal Value Per Share (Rs.)	10	10
(d) Basic and Diluted Earnings Per Share (Rs.) (a/b)	0.28	(0.45)

The Company does not have any outstanding dilutive potential equity shares.

3. As per information available with the company, amounts outstanding to Small Scale Industrial Undertaking as at the year end is Rs. Nil.
4. No Deferred tax asset has been recognized on the brought forward losses of the company as there is no virtual certainty of its realization.
5. Information pursuant to the provisions of paragraph 3, and 4 of part- II of Schedule –VI to the Companies Act, 1956:-

	2006-07 (Rs.)	2005-06 (Rs.)
Auditors Remuneration	25,000 *	19,000 *
Statutory Audit	25,000 *	19,000 *

* Includes service tax & out of pocket expense

6. Previous year's figures have been regrouped/reclassified wherever necessary to make them comparable to current year's figures.



T.V. Today Network (Business) Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2007

	For the year ended March 31, 2007	For the year ended March 31, 2006
Cash flows from operating activities		
Net Profit (loss) before taxation	63,502	(67,370)
Adjustments for:		
Interest received on Deposits	(91,702)	-
Operating profit before working capital changes	(28,200)	(67,370)
Change in Current Liabilities & Provisions	25,000	19,000
Cash generated from operations	(3,200)	(48,370)
Income Tax Paid	(20,578)	-
Net cash from operating activities	(23,778)	(48,370)
Cash flows from investing activities		
Interest received from deposits	91,702	-
Net cash from Investing activities	91,702	-
Cash flows from financing activities		
Proceeds from Issue of Share Capital	-	1,500,000
Net cash from financing activities	-	1,500,000
Net increase in cash and cash equivalents	67,924	1,451,630
Cash and cash equivalents at beginning of period	1,451,630	-
Cash and cash equivalents at end of period (see Note 1)	1,519,554	1,451,630

Note: 1

Cash and cash equivalents at end of Year

Cash in hand	1,800	
Balance with Scheduled Banks:		
Current Accounts	46,630	1,451,630
Deposit Accounts	1,471,124	
Cash and cash equivalents	1,519,554	1,451,630

Note :2

Figures in brackets indicate cash outflow

Note : 3

The above Cash flow statement has been prepared under the indirect method setout in AS-3 issued by the Institute of Chartered Accountants of India.

This is the Cash Flow Statement referred to in our report of even date

Usha Rajeev
Partner
Membership No. F-87191
For & on behalf of
Price Waterhouse
Chartered Accountants

Place : New Delhi
Date : June 1, 2007

The notes referred to above form an integral part of the Cash Flow Statement

For and on behalf of the Board

Aroon Purie
Director

Anil Mehra
Director

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(A) REGISTRATION DETAILS

REGISTRATION NUMBER	:	142634
STATE CODE	:	55
BALANCE SHEET DATE	:	March 31, 2007

(B) CAPITAL RAISED DURING THE YEAR (Amount in Rs. '000)

PUBLIC ISSUE	:	NIL
RIGHTS ISSUE	:	NIL
BONUS ISSUE	:	NIL
PRIVATE PLACEMENT	:	1,500

(C) POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (Amount in Rs.'000)

TOTAL LIABILITIES	:	1,545
TOTAL ASSETS	:	1,545

SOURCES OF FUNDS

PAID- UP CAPITAL	:	1,500
RESERVE & SURPLUS	:	NIL
SHARE APPLICATION	:	NIL
SECURED LOANS	:	NIL
UNSECURED LOANS	:	NIL
DEFERRED TAX LIABILITY- NET	:	NIL

APPLICATION OF FUNDS

NET FIXED ASSETS	:	NIL
INVESTMENTS	:	NIL
NET CURRENT ASSETS	:	1,475
MISCELLANEOUS EXPENDITURE	:	-
ACCUMULATED LOSSES	:	25

(D) PERFORMANCE OF THE COMPANY (Amount in Rs. '000)

TURNOVER	:	92
TOTAL EXPENDITURE	:	28
PROFIT/(LOSS) BEFORE TAX	:	64
PROFIT/(LOSS) AFTER TAX	:	42
EARNINGS PER SHARE IN RS.	:	0.28
DIVIDEND RATE %	:	Nil

(E) GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

ITEM CODE NUMBER	:	-
PRODUCT DISCRIPTION	:	TELECAST & BROADCAST

TV TODAY NETWORK LIMITED

AHMEDABAD

2C, Suryarath Building
2nd Floor, Behind White House
Panchwati, Off C G Road
Ahmedabad – 380006
Ph: +91 79 26404646, 26408346
Fax: +91 79 26408484

BANGALORE

201- 204, Richmond Towers
2nd Floor, 12 Richmond Road
Bangalore – 560025
Ph: +91 80 22212448, 22210810
Fax: +91 80 22218335

CHANDIGARH

304, 3rd Floor, SCO No.139-141,
Sector – 17C,
Chandigarh – 160017
Ph: +91 172 2712358
Fax: +91 172 2700126

CHENNAI

98-A, Dr. Radhakrishnan Salai
2nd Floor, Mylapore,
Chennai – 600004
Ph: +91 44 28478548, 28478525-44
Fax: +91 44 28472178

HYDERABAD

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