

NETWORK18 MEDIA & INVESTMENTS LTD
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2011



Rs. in lakhs

Particulars	Consolidated		Standalone	
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
	(Audited)	(Audited)	(Audited)	(Audited)
1. Revenue	148,408.23	127,534.88	3,990.66	3,296.20
(a) Revenue from operations	146,776.66	126,506.59	3,990.66	3,296.20
(b) Other Operating Income	1,631.57	1,028.29	-	-
2. Expenditure	150,778.12	142,430.84	5,661.83	4,908.63
(a) Operating expenditure	107,520.39	95,117.24	4,265.94	3,679.01
(b) Material Consumed	3,032.33	2,636.37	-	-
(c) Staff costs (including Stock Options Chargeout)	34,052.91	31,595.26	1,344.54	1,178.64
(d) Depreciation and non cash write offs	6,172.50	13,081.97	51.36	50.98
3. Profit(Loss) from operations before Interest and other Income	(2,369.89)	(14,895.96)	(1,671.17)	(1,612.43)
4. Other Income	20,600.59	15,051.02	2,731.19	2,321.28
5. Profit (Loss) before interest and exceptional items and tax	18,230.70	155.06	1,060.02	708.85
6. Interest & Financial Charges	22,584.16	21,262.98	8,164.93	5,249.42
7. Profit after Interest but before Exceptional items	(4,353.46)	(21,107.91)	(7,104.91)	(4,540.57)
8. (a) Exceptional Item (see note 13)	1,080.34	-	-	-
(b) Exceptional expenses - Option Premium Paid	-	6,581.14	-	-
9. Prior Period and Extra Ordinary Items	(19.69)	(34.94)	(67.55)	(86.96)
10. Profit (Loss) after Prior Period and Extra Ordinary Items, before tax	(5,414.11)	(27,654.11)	(7,037.36)	(4,453.61)
11. Provision for Taxation	3,313.50	960.24	(124.60)	0.75
12. Net Profit (Loss) for the year	(8,727.61)	(28,614.35)	(6,912.76)	(4,454.36)
13. Minority Interest	(5,059.19)	(15,170.73)	-	-
14. Share in loss (Profit) of associates	-	-	-	-
15. Net Profit (Loss) after tax and minority interest	(3,668.42)	(13,443.62)	(6,912.76)	(4,454.36)
16. Paid-up Equity Share Capital (Face value Rs. 5/-)	5,944.78	5,717.04	5,944.78	5,717.04
17. Reserves excluding revaluation reserves as per balance sheet	83,217.39	85,472.81	83,217.39	85,472.81
18. EPS (Not annualised)				
(a) Basic EPS before and after Extraordinary items for the year and for the previous year (not to be annualized)	(3.17)	(13.59)	(5.97)	(4.50)
(b) Diluted EPS before and after Extraordinary items for the year and for the previous year (not to be annualized)	(3.17)	(13.59)	(5.97)	(4.50)
19. Aggregate of Public shareholding				
(a) Number of Shares	50,360,270	53,954,272	50,360,270	53,954,272
(b) Percentage of Shareholding	42.35%	47.19%	42.35%	47.19%
(c) Face Value per share (Rs.)	5/-	5/-	5/-	5/-
20. Promoter and Promoter group shareholding				
a) Pledged/Encumbered				
-Number of shares	30,683,109	22,210,125	30,683,109	22,210,125
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	44.77%	36.78%	44.77%	36.78%
-Percentage of shares (as a % of the total share capital of the Company)	25.81%	19.42%	25.81%	19.42%
b) Non-encumbered				
-Number of shares	37,852,262	38,176,420	37,852,262	38,176,420
-Percentage of shares (as a % of the total shareholding of promoter and promoter group)	55.23%	63.22%	55.23%	63.22%
-Percentage of shares (as a % of the total share capital of the Company)	31.84%	33.39%	31.84%	33.39%

NETWORK18 MEDIA & INVESTMENTS LIMITED

Disclosure of assets and liabilities as per clause 41(1)(aa) of the listing agreement for the year ended 31-March-2011

Particulars	(Rs. In Lacs)			
	Year ended 31.03.2011	Year ended 31.03.2010	Year ended 31.03.2011	Year ended 31.03.2010
	Consolidated		Standalone	
SHAREHOLDERS FUND:				
(a) Capital	23,568.13	21,143.61	21,371.35	21,143.61
(b) Stock Options Outstanding	1,940.41	3,746.26	1,554.26	2,181.92
(c) Reserves and Surplus	112,036.35	119,786.28	95,102.24	90,444.89
Share application money	40.14	7,977.76	3.68	-
Loan Funds	177,321.87	211,107.95	47,593.43	50,823.72
Deferred Tax Liability	211.44	99.96	-	-
Minority Interest	78,473.07	71,620.97	-	-
Total	393,591.41	435,482.79	165,624.95	164,594.14
APPLICATION OF FUNDS				
Fixed Assets	21,400.12	55,981.30	269.30	251.47
Goodwill (On Consolidation)	132,871.34	125,171.63	-	-
Investments	68,121.86	83,779.35	128,795.33	109,780.09
Deferred Tax Assets	1,025.52	892.02	-	-
Current Assets, Loans and Advances				
(a) Inventories	35,389.47	4,414.54	-	17.55
(b) Sundry Debtors	52,456.81	44,012.84	1,696.68	1,739.15
(c) Cash and Bank balances	46,217.15	80,980.80	9,424.34	9,653.77
(d) Unfilled revenue	503.81	3,866.51	-	-
(e) Loans and Advances	65,929.50	63,730.21	16,036.13	41,429.19
Total	200,496.74	197,004.91	27,157.16	52,839.66
Less: Current Liabilities and Provisions				
(a) Liabilities	59,633.02	57,661.96	1,886.47	1,801.10
(b) Provisions	2,935.06	2,969.42	1,140.39	1,448.04
Total	62,568.09	60,631.38	3,026.87	3,249.16
Net Current Assets	137,928.66	136,373.53	24,130.29	49,590.51
Miscellaneous Expenditure (Not Written Off or adjusted)	1,382.78	1,136.06	545.18	(0.00)
Profit and Loss Account				
Total	393,591.42	435,482.80	165,624.97	164,594.12

NETWORK18 MEDIA & INVESTMENTS LTD
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 MARCH, 2011



SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED (STANDALONE)		
Particulars	Year ended 31.03.2011 (Audited)	Year ended 31.03.2010 (Audited)
Segment Revenue		
a) Event Management	2,144.96	2,012.95
b) Sports Management	1,542.61	1,198.25
c) Advisory Services	303.09	85.00
Total	3990.66	3296.20
d) Other unallocable revenue		
Net Sales/Income from Operations	3,990.66	3,296.20
Segment Results		
Profit(Loss) before tax and interest from each segment wise		
a) Event Management	(284.34)	183.26
b) Sports Management	(315.31)	(378.53)
c) Advisory Services	(37.76)	(138.80)
Total	(637.41)	(334.07)
Less : 1) Interest	8,164.93	5,249.42
2) Other un-allocable Expenses	1,036.16	1,191.40
3) Other un-allocable Income	(2,926.14)	(2,321.28)
Total profit before tax	(6,912.36)	(4,453.61)
Provision for tax	0.40	0.75
Profit after tax	(6,912.76)	(4,454.36)
Capital employed (Segment Assets-Segment Liabilities)		
a) Event Management	659.66	642.67
b) Sports Management	164.61	45.71
c) Advisory Services	402.66	(5.36)
d) Unallocated	116,804.59	113,087.39

Notes:

- The above financial results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on May 30, 2011.
- The Statutory Auditors have audited the above standalone and consolidated financial results of the Company for the year ended March 31, 2011.
- This statement of financial results has been prepared by applying the accounting policies as adopted in the last Audited Annual Financial Statements for the year ended March 31, 2010.

4A The Board of Directors of Company have on July 7, 2010 approved a draft Scheme of Arrangement ("the Scheme") with an overall objective of simplifying the corporate structure of the Network18 Group. The Scheme envisages the transfer of "Business News Operations" comprising of 'CNBC TV18', 'CNBC Awaaz' channels and teleport business from Television Eighteen India Limited ("TV18"), a subsidiary of the Company, to another subsidiary -viz. bn18 Broadcast Limited. The remaining TV18 (post demerger of "Business News Operations" of TV18) along with its investments shall be merged with the Company. The Company will issue 13 equity shares for every 100 equity shares of TV18 to the shareholders of TV18 as consideration of the merger of remaining TV18 with Network18.

The Scheme further envisages demerger of 'Web Undertaking' of Web18 Software Services Limited into Network18 Media & Investments Limited and merger of Television Eighteen Commoditiescontrol.com Limited, Care Websites Private Limited, RVT Investments Private Limited and Network18 India Holdings Private Limited into Network18 Media & Investments Limited. The Scheme has been sanctioned by the Hon'ble High Court of Delhi on April 26, 2011. As per the Scheme sanctioned by the Hon'ble High Court of Delhi, the appointed date for the proposed restructuring is April 1, 2010 and the effective date shall be when the certified copies of the High Court Orders are filed with the jurisdictional Registrar of Companies, which is still pending. Accordingly, no effect of the proposed restructuring has been given in these financial statements.

4B The Board of Directors approved another Scheme of Arrangement on July 7, 2010 between the Company and Infomedia18 Limited wherein the Yellow pages and Magazine publishing businesses of Infomedia18 Limited ("Infomedia18") shall be demerged into Network18. The Company will issue 14 equity shares for every 100 equity shares of Infomedia18 to the shareholders of Infomedia18 as consideration of the said demerger. The equity and preference shareholders of the company, in their meetings held on December 21, 2010 and December 22, 2010, respectively, have approved the scheme, which is now subject to Honorable High Court and other requisite approvals. Accordingly, no effect of the restructuring has been given in these results.

5 The Compensation / Remuneration Committee of the Board of Directors has granted 1,00,000 options under the Employee Stock Option Plan 2007 during the year ended March 31, 2011.

6 The Company received 10 complaints from the PCCPS holders and nil complaints from the equity shareholders during the year ended March 31, 2011, all of which have been redressed. There were no pending complaints at the beginning and at the end of the year.

7 The Company raised Rs. 20,389.90 lakhs through Rights Issue of PCCPS. Of that amount, Rs. 19,797.78 lakhs has been utilized till March 31, 2011 for the objects it was raised and the balance funds are temporarily invested in mutual funds and banks.

8 During the year ended March 31, 2011, 35,54,924 Equity Shares were allotted pursuant to exercise of options under ESOP Schemes of the company and 10,00,000 Equity shares were issued on the conversion of Secured Optionally Fully Convertible Debentures.

9 The Company has carried out its tax computation in accordance with Accounting Standard (AS 22) - "Taxes on Income" issued by the Institute of Chartered Accountants of India. In view of losses and no virtual certainty, no deferred tax assets have been recognised.

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- 10** The Statutory Auditors have qualified their report on standalone accounts in respect of (a) remuneration paid to the Managing Director, being in excess of the limits prescribed in Schedule XIII of the Companies Act, 1956 (b) non provision for other than temporary diminution in the value of long term investments /advances (c) grant in the earlier year of an interest free share application money of Rs 12760 lakhs to a wholly owned subsidiary .

Management response to the above : (a) The Central Government has partially accepted the Company's application for approval of the remuneration paid and the company has filed a representation requesting for reconsideration of the matter and approval is awaited (b) No provision is necessary keeping in view the long term involvement of the company with the investee companies and in view of the proposed reorganisation referred to in 4 above (c) the amount was paid to a wholly owned subsidiary towards share application money .

- 11** The Statutory Auditors have qualified their report on consolidated accounts in respect of (a) non provision for 'other than temporary' diminution in the value of long term investments and no impairment loss, if any being recognised for Goodwill on consolidation. (b) non provision for liability, if any , which may arise as a result of Income tax demand of Rs 53 million being received by a subsidiary (c) remuneration being paid to the Managing Director in excess of limits prescribed under Schedule XIII .

Management response to the above : (a) No provision is necessary keeping in view the long term involvement of the company with the investee companies and in view of the proposed reorganisation referred to in 4 above (b) Based on legal advice received the company is confident of a favourable resolution of the matter (c) Central Government has partially accepted the Company's application for approval of the remuneration paid and the company has filed a representation requesting for reconsideration of the matter and approval is awaited .

- 12** Current year consolidated figures are not comparable with the previous year figures due to (a) non consolidation with effect from July 1, 2010 of the financials of The Indian Film Company Limited, Guernsey (TIFC), since the group has disinvested its stake in that entity in the current year. TIFC is now consolidated as the Joint Venture of a subsidiary. Consolidated group financials for the period ended June 30,2010 included TIFC Revenues of Rs 901 lakhs and losses of Rs 74 lakhs .For the year ended March 31,2010 the group financials included TIFC Revenues of 8890 lakhs, profits of 169 lakhs and assets of Rs 43263 lakhs (b) non consolidation of the financials of Film Investment Managers Limited, Mauritius (FILM) with effect from July 1,2010 since the entity is held for disposal since that date. Consolidated group financials for the period ended June 30,2010 included FILM revenues of Rs 1 lakhs and losses of Rs 57 lakhs .For the year ended March 31,2010 , the group financials included FILM revenues of Rs 27 lakhs , loss of Rs 5 lakhs and assets of Rs 183 lakhs (c) the consolidation this year of two subsidiaries of a downstream 50% not consolidated in the previous year . The group's share of total assets and total revenues in these subsidiaries was Rs 66.45 lakhs as at March 31,2010 and Rs 129.36 lakhs for the year ended on that date .

- 13** Infomedia 18 Limited (Infomedia), a subsidiary company, has entered into a Share Purchase Agreement ("SPA") with Knowledgeworks Global Private Limited (a Cenveo Inc company) on May 4, 2010 to sell its entire equity stake in its 4 subsidiaries, which are engaged in the Publishing BPO business. Accordingly, the consolidated financial results include loss before tax from discontinuing operations of Rs. 4,665.06 lakhs for the year ended March 31, 2011 and loss after tax from discontinuing operations of Rs. 4,718.55 lakhs for the year ended March 31, 2011 respectively. Pursuant to the SPA, the sale of all the subsidiaries of Infomedia has been completed during the year ended March 31, 2011. The net loss on account of sale of these subsidiaries aggregates to Rs.1,155.94 lakhs for the year ended March 31, 2011. The aforementioned loss net of a reversal of an impairment provision of Rs. 75.60 lakhs for the year ended March 31, 2011 has been disclosed as an exceptional item.

- 14** Previous year figures have been regrouped, wherever necessary, to confirm to current year's presentation.

Place : Noida
Dated: 30 May, 2011

For NETWORK18 MEDIA & INVESTMENTS LTD

Raghav Bahl
Managing Director