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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

Harmony, Plot No. 6

Sector-1, Khanda Colony,

New Panvel (W), Mumbai - 410 206

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting you this Seventh Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March 2006.

1. Financial Results

The financial results of the Company for the year ended 31st March 2006 are summarized below for your consideration.

(Rs. in crores)

Particulars	Year Ended	
	31 st Mar'06	31 st Mar'05
Income from operations and other income	167.89	146.45
Profit before finance, Amortisation, Depreciation and Tax	60.98	42.17
Interest and Finance Charges	0.11	0.09
Depreciation	17.64	15.87
Misc. Expenses Written off	0.61	0.73
Profit before tax	42.62	25.48
Provision for Tax	14.85	9.06
Net Profit	27.77	16.42
Balance amount brought forward	51.71	42.76
Profit Available for appropriation	79.48	59.18
Transferred to General Reserve	7.50	2.50
Proposed Dividend (As last Year)	4.35	4.35
Corporate Dividend Tax	0.61	0.62
Balance Carried forward	67.02	51.71

2. Performance

During the year, your Company's revenue from operations has been Rs. 159.55 crores compared to Rs. 139.06 crores last year, an increase of appx 15%. Profit before tax has been Rs. 42.62 crores compared to Rs. 25.48 crores last year, registering a growth of 67% over the last year. Profit after tax has been Rs. 27.77 crores compared to Rs. 16.42 crores last year, registering a substantial growth of 69% over the last year. Increase in revenue and profit was mainly due to increased sales and better operational efficiency and cost control.

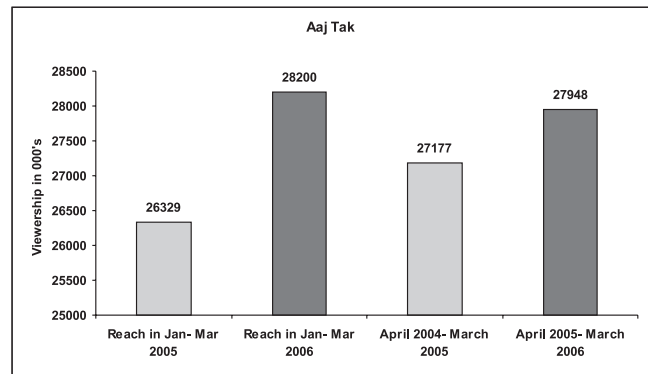
During the year, Aaj Tak continued to maintain its leadership position for the 5th consecutive year despite increased competition from the existing as well as from a new channel launched during the year. This could be achieved due to its fair and unbiased reporting,

introduction of innovative current affairs programmes catering to different segments of society, new sales and distribution strategy and a motivated team of well-qualified professionals.

Aaj Tak

Aaj Tak, with a viewership of Appx 28 million during the year, continues to be No.1 news channel in the Hindi genre.

During the year, the viewership of 'Aajtak' news channel has been 27.95 million compared to 27.17 million last year, registering a growth of approximately 3%. During the quarter January-March 2006, the viewership of Aaj Tak was 28.20 million compared to 26.33 million during the same quarter last year, registering a growth of 7%.



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:

BBC- Reuters (C Voter/Globescan research) 2006

- Aaj Tak - The most trusted media brand across all print and electronic news sources

Indian Telly Awards 2005

- Best Hindi News Channel – Aaj Tak

Indian Television Academy Awards 2005

- Best News Channel – Aaj Tak
- Best Anchor for a Talk/Chat Show – Prabhu Chawla for Seedhi Baat

Promax BDA India Awards 2005-06

- Gold – Best Print Ad for Aaj Tak
- Gold - Best Public Service Announcement for Aaj Tak
- Silver – Best Script for Aaj Tak
- Silver – Best News and Current Affairs Promo for Headlines Today

Business Superbrands 2004-06

- Selected Business Superbrand by Superbrands India

RAPA Awards 2005

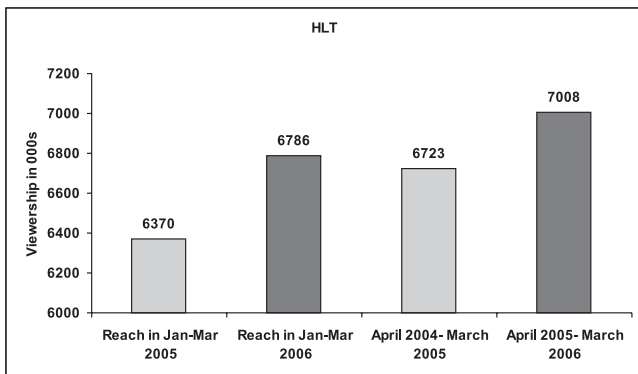
- Best Talk Show for Seedhi Baat;
- Best Film-based programme for Cinema.

New York Festivals 2005

- Finalist Certificate – Best Insert Category for the police bribery case story.

Headlines Today

During the year under review, a number of English News and current affairs channels were launched viz. CNN-IBN, Times Now, etc. As a result, market share of all the existing English news channels including Headlines Today were seriously affected. Despite increased competition from the new players, Headlines Today registered 4% growth in viewership from 6.72 million in 2004-05 to 7.01 million in 2005-06.



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

TEZ

In order to provide crispy news to the time conscious people, your Company has launched a new 24x7 Hindi News channel, "Tez" in August, 2005. The launch of "Tez" would enable the Company to consolidate and increase its combined market share in the Hindi News genre. The channel has already made its place in the Hindi News genre. During the year ended March 31, 2006, Tez has achieved a remarkable reach of 5.80 million viewers in the Country. (Source: TAM-TG:CS 4+years- All India Market)

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 2005-06. Total amount of dividend outgo for the financial year shall be Rs. 4.96 crores (including Corporate Dividend Tax amounting to Rs. 0.61 crores).

4. Directors

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Rajan Bharti Mittal and Mr. Rajeev Thakore, Directors are 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. Rajan Bharti Mittal and Mr. Rajeev Thakore as directors on the Board of the Company.

5. Director's Responsibility Statement

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

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- they have selected such accounting policies and applied them consistently and made 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 2005-06 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

During the year, your Company had incorporated a wholly owned subsidiary Company, TV Today Network (Business) Ltd. As required under Section 212 of the Companies Act, 1956, the Audited Statement of Accounts, alongwith the report of the Board of Directors and the Auditor's Report thereon of the said subsidiary Company for the year ended on 31st March, 2006 is annexed.

7. 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.

8. 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.

9. 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, 2006 requiring comment from the Board of Directors.

10. Corporate Governance

Your Company has implemented the requirements under revised Clause 49 of the listing agreement which has been made effective from 1st January, 2006, as applicable to your Company and shall ensure continued compliance of the same. Your Company lays strong emphasis on transparency, disclosure and independent supervision to increase various stakeholder's value.

The report on Corporate Governance for the financial year 2005-06 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.

11. Management Discussion and Analysis

Separate report on Management Discussion & Analysis is appended here with.

12. 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. 57,971,303
ii) Expenditure in foreign currency (Accrued basis)	
(a) Traveling Expenses	: Rs. 9,308,988
(b) Production Cost	: Rs. 44,695,298
(c) Repair and Maintenance	: Rs. NIL
(d) Others	: Rs. 5,971,245
(d) Income in foreign currency (Accrued basis)	: Rs. 15,696,623

13. 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.

14. Acknowledgment

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 Date : May 29, 2006	Sd/- Anil Mehra <i>Director</i>	Sd/- Aroon Purie <i>Chairman & Managing Director</i>
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Annexure to Directors' Report

Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 (as amended) and forming part of Directors' Report for the year ended on March 31, 2006

S. No.	Name	Designation	Remuneration Rs.	Qualification	Experience (years)	Date of Joining	Age (years)	Last Employment, held before joining the Company	Share holding
1	Mr. G. Krishnan	Executive Director & CEO	11,360,673	B. Com. (Hon) M & B Management	32	01.10.2000	52	Executive Director-Living Media India Limited	20*
2	Mr. Q. W. Naqvi	News Director-Aaj Tak	6,304,941	M.A.	25	06.02.2004	51	Director-QS Media Guru (P) Limited	Nil
3	Mr. Rajnish Rikhy	Vice President-(Ad-Sales)	5,063,543	B. Com, L.L.B & M.B.A	26	12.07.2004	46	Vice President(R)-BCCL New Delhi	Nil
4	Mr. Rahul Kulshrestha	Director-Technical & Operation	7,673,329	B. Com., Course in System Analysis & Design	22	01.05.2000	43	Technical Consultant-Living Media India Limited	Nil
5	Mr. Ramkripal Singh	Sr. Executive Producer	2,510,856	B. Sc. , L.L.B & P.G.D.J	28	15.10.2004	53	Senior Editor-Navbharat Times	Nil
6	Mr. Neeraj Issar	Head (Creative)	2,511,418	B. Com, Dip in Advertising & PR and Dip. In Film & T.V. Production.	18	01.04.2005	38	Creative/ Programming Head-Entertainment Television Channel	Nil
7	Mr. S. Srinivasan	Executive Producer	2,542,822	B. Sc.	26	01.05.2000	44	Editor-Current Affairs-Eenadu Television	Nil

* Holding shares as Nominee of Living Media (India) Limited, Promoter Company.

Notes:

1. Remuneration includes Salary, House Rent Allowance, commission, company's contribution to Provident Fund and Perquisites. Value of perquisites have been calculated on the basis of Income Tax Act, 1961.
2. Information about qualification and last employment are based on particulars furnished by the employees concerned.

For and on behalf of the Board of Directors

Place : New Delhi
Date : May 29, 2006

Sd/-
Anil Mehra
Director

Sd/-
Aroon Purie
Chairman &
Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

The Indian Entertainment and media industry has outperformed the Indian Economy and is one of the fastest growing sectors in India. Besides economic and personal income linked factors, there are host of other factors that are contributing to this high growth rate, namely-

- a) Low media penetration in lower socio-economic classes (SEC);
- b) Low ad spends;
- c) Liberalising foreign investment regime.

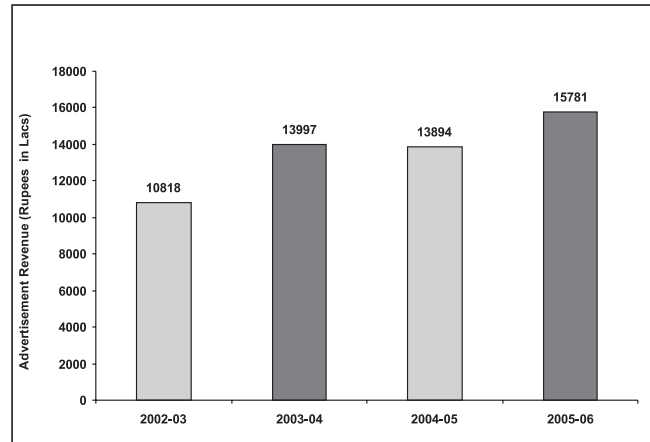
The Indian television market is on the threshold of a major technological change. New distribution technologies- such as digital cable, DTH and IPTV- are planning to hit the market soon. Infact, all spheres of the industry viz. content, broadcasting, distribution and regulation are witnessing technological changes. During the year, the Government of India announced the Downlinking Policy with the objective of laying down guidelines to regulate channels beamed into India from outside India and consolidated the Uplinking Guidelines by allowing FII's and NRI's besides FDI within the 26% foreign investment in the news and current affairs. Globally, TV on mobile grew by leaps and bounds. And India was no exception to the rule. TV-enabled mobile handsets are gaining popularity in India. Broadcasters are tying up with telecom providers to provide their channels on mobile handsets.

Television in India has dominated the entertainment and media industry and has the potential to do so even in the future. There are an estimated 185 million homes in India. But television today reaches out to only 100 million-odd homes. As per FICCI-PWC report, the Indian television industry is estimated to be INR 148 billion of which the largest chunk continues to be the television distribution segment. This report further projects that the Indian television industry is expected to grow at an annual compounded rate of 24 percent per annum over the next five years to reach the estimated size of INR 427 billion.

Television advertising is also expected to grow significantly over the next five years. Economic growth is encouraging Indian Companies to increase their ad spends. This is benefiting the television broadcasting industry, since their revenues are increasing, inspite of a stagnant share in the overall ad pie. As per the latest report of FICCI-PWC, the TV advertising is expected to grow to a level of INR 105,000 million. Ad spend on the channel's broadcasting news and current affairs exhibited a growth of 35% in 2005-06 at Rs. 675 crores. On the other hand the viewership share of the news channels went up from 3% in 2003-04 to 4.42% in 2004-05 to 4.97% in 2005-06, registering a growth of 12 %.

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 consecutively for the past five years 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 has also been well received and has the great potential to contribute to the revenue growth of the Company in the coming years.

For the viewers of Delhi and NCR, your Company is in the process of launch of a Metro Centric Hindi news and current affairs channel "Delhi Aaj Tak" which will give crisp and fast local news and tap the local advertising to contribute to the revenue growth of the Company.

Your Company's strategy to have one combined rate card for Aaj Tak, Headlines Today and Tez has also been well received by the advertisers. Your Company's dedicated advertisers have shown keen interest in the new combined rate card to be present in three channels at an optimum price. As a result, your Company's English channel, Headlines Today and Hindi channel, Tez has also registered a growth in the number of advertisers. Your Company has also announced a combined rate card for Aaj Tak, Headlines Today, Tez and Delhi Aaj Tak.

During the year, your Company has entered the US market by tying up distribution arrangement with Echostar LLC, the largest cable and DTH operator in US, for distribution of Aaj Tak and Headlines Today. Your Company is pleased to inform that both the channels have been well received in US which will enable your Company to tap both subscription and advertising revenue in the US Market.

Your Company is also in the process of obtaining regulatory clearances for distribution of its channels in UK, Canada etc and expect to launch distribution of its channels in the said territories in 2006-07. For this purpose, your Company has changed its satellite from the present INSAT 2E to PAS 10 which has a wide beam, better signal and wide coverage covering Europe, Australia, New Zealand, Canada, Middle East and South Africa.



Your Company is also in the process of encryption of all its existing as well as any new channel proposed to be launched. For this purpose, your Company has invested in 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 Hon'ble Delhi High Court, in one of the petition filed by cable operators, has directed the Ministry of Information and Broadcasting, Government of India to implement CAS in all the four metros of Delhi, Chennai, Kolkatta and Mumbai. Although, Govt of India has sought from the Hon'ble Court 220 days time for implementation of CAS, which will be some time in November, 2006, this time Govt. of India has shown keen interest in implementing CAS and resolve the addressibility issue once for all. CAS implementation will enable your Company to go pay for the existing as well as the proposed new channels. Your company is already geared up for going pay any time and the positive action from the Government will not only accelerate your Company's plan to go pay in the current year but also will enable your Company to have an additional source of income in the form subscription revenue besides the advertising revenue. Besides this, your Company is also exploring the possibility of revenue generation by launching its channels in the upcoming new distribution platforms like, DTH, Broadband, Triply Play, IPTV, Mobile Telephony etc. Your company will also exploit the potential for launching new channels in the business and general news genre. However, with more news channels having been launched recently and some in pipeline, your Company is likely to face intense competition from these channels, which may have an impact on Company's revenue growth in the coming years.

Risk and Concerns

The delay in implementation of CAS, demand of heavy carriage fee by the MSO's/Cable operators for carriage of channels in the Cable platform, delay in digitalisation at the last mile operator's end and changes in the viewers habits could impact the Company's revenue. The expected launch of slew of news and current affairs channels, both in Hindi and English, could also have an adverse effect on the Company's revenue in the coming years.

Human Resources

During the year ended 31st March 2006, your Company had 711 employees on its rolls. Your Company considers its Human capital as one of the key elements of sustainable competitive advantage and shareholder value creation as the contribution

of Human Capital is of immense importance in the 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 and regularly invests in augmenting its human resources with the latest techniques for enhanced productivity through focused and structured training programmes. Human Resource Development has been receiving high priority and the 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, Efforts are made in securing adequacy and effectiveness of the laid down systems and policies. 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 : May 29, 2006

Sd/-
Anil Mehra
Director

Sd/-
Aroon Purie
Chairman &
Managing Director

REPORT ON CORPORATE GOVERNANCE

1. Company's Philosophy

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, practicing 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

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

b) Number of Board Meetings

During the financial year ended March 31, 2006 the Board met five times on 16th June, 2005, 28th July, 2005, 19th October 2005, 31st January, 2006 & 31st March, 2006.

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	
						Chairmanship	Membership
Aroon Purie	Promoter - Chairman & Managing Director	5	5	Yes	6	—	—
Anil Mehra	Non-Executive Director	5	5	Yes	5	1	2
Anil Vig	Non-Executive Director	5	3	Yes	1	—	—
Rajan Bharti Mittal	Independent Director	5	4	No	4	—	3
Rajeev Thakore	Independent Director	5	3	No	1	—	—
Rakesh Kumar Malhotra	Independent Director	5	1	Yes	1	—	1

Note : 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) Non-Executive Directors' compensation

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

e) 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.

All Board Members and Senior Management Personnel to whom the code of conduct is applicable have affirmed compliance with the code. Managing Director has given a certificate of compliance of the code of conduct to the Board of Directors.

3. Audit Committee

a) Composition

The Audit Committee comprises of three Non-Executive Directors, namely, Mr. Rakesh Kumar Malhotra as Chairman and Mr. Anil Mehra & Mr. Rajeev Thakore as members. Two-thirds of the members including the Chairman are Independent Directors.

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, & provisions of 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 three times during the year on June 15, 2005; July 25, 2005; and January 31, 2006.

The attendance record of the members as follows:

Name of the Director	Status	No. of Meetings held	No. of Meetings attended
Mr. Rakesh Kumar Malhotra	Chairman	3*	3
Mr. Anil Mehra	Member	3*	3
Ms. Rajeev Thakore	Member	3*	3

* During the year, 4 meetings of Audit Committee were convened but meeting dated October 19, 2005 could not be held due to lack of quorum of Independent Director and was adjourned.



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 & discuss their findings, observations, suggestions, internal control system, scope of audit and other related matters.

4. Remuneration Committee

During the year, Board has not adopted the non-mandatory requirement of setting up of a Remuneration Committee for deliberation of remuneration of executive directors considering the size of the Company and the nature of its business.

5. Remuneration of Director

No remuneration has been paid to Directors except to Mr. Aroon Purie, Chairman & Managing Director who is entitled to remuneration by way of commission @1% of the net profits of the Company, in addition to the facility of. a Chauffeur 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 45,58,774/-.

6. Shareholders/Investors Grievance and Share Transfer Committee

i) Composition

The committee comprises of Mr. Anil Mehra, Mr. Aroon Purie and Mr. Anil Vig. Mr. Anil Mehra, a Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee.

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, 40 complaints were received, all of which have resolved alongwith 11 complaints which was pending at the beginning of the year. No complaint was pending as at the end of the financial year.

7. Disclosures

- (i) The details of related party transaction with the company is given in Note No. 9 of Schedule Q Para B of the Notes to Accounts. 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.
- (ii) 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.
- (iii) The Company has not since opted for whistle blower policy.
- (iv) All mandatory requirement as applicable to the Company are being complied with.

8. Means of Communication

- a) At present quarterly/half yearly reports are not being sent to each household of shareholders.
- b) 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 and are also being filed through EDIFAR with SEBI. The same is also being sent to the institutional investors and to the analysts.
- c) Management Discussion and Analysis forms a part of the Annual Report.

9. General Body Meetings

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

Financial Year	Date	Time	Venue	Any Special Resolution
2004-05	25.08.2005	10.00 A.M.	M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujrati Samaj), 2 Raj Nivas Marg, Delhi-110054	No
2003-04	27.08.2004	3.30 P.M.	FICCI Auditorium, Federation House Tansen Marg, New Delhi-110001	No
2002-03	30.09.2003	11.30 A.M.	Videocon Tower, E-1, Jhandewalan Extn., New Delhi-110 055	Yes (1) U/s 314(1) of the Companies Act 1956 (2) U/s 94 of the Companies Act 1956 (3) U/s 81(1A) of the Companies Act 1956 (4) U/s 31 of the Companies Act 1956

b) Postal Ballot

For the financial year 2005- 2006, there has been no ordinary or special resolution passed by the company's shareholders through postal ballot.

No special resolution is proposed to be conducted through postal ballot at the ensuing Annual General Meeting.

10. General shareholder information

a) Annual General Meeting

Date : September 28, 2006

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 2006- 07 ends on March 31, 2007. The tentative dates for approval of un-audited financial results are as follows:

Quarter ending June 30, 2006	:	last week of July, 2006
Quarter ending September 30, 2006	:	last week of October, 2006
Quarter ending December 31, 2006	:	last week of January, 2007
Quarter ending March 31, 2007	:	last week of April, 2007 (un audited) / last week of June, 2007 (audited)

c) Book Closure

The register of members and share transfer records of the company shall remain closed from 19th September 2006 to 28th September 2006 (both days inclusive).

d) Dividend Payment Date : 3rd October, 2006

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
The Stock Exchange, Mumbai	532515
National Stock Exchange of India Ltd.	TV Today

Listing fee for the financial year ended March 31, 2006, as payable to the aforesaid Stock Exchanges, has been paid. The ISIN number allotted to the company for dematerialisation of shares is as under:

NSDL - INE 038F01029

CDSL - INE 038F01029

f) Market Price Data

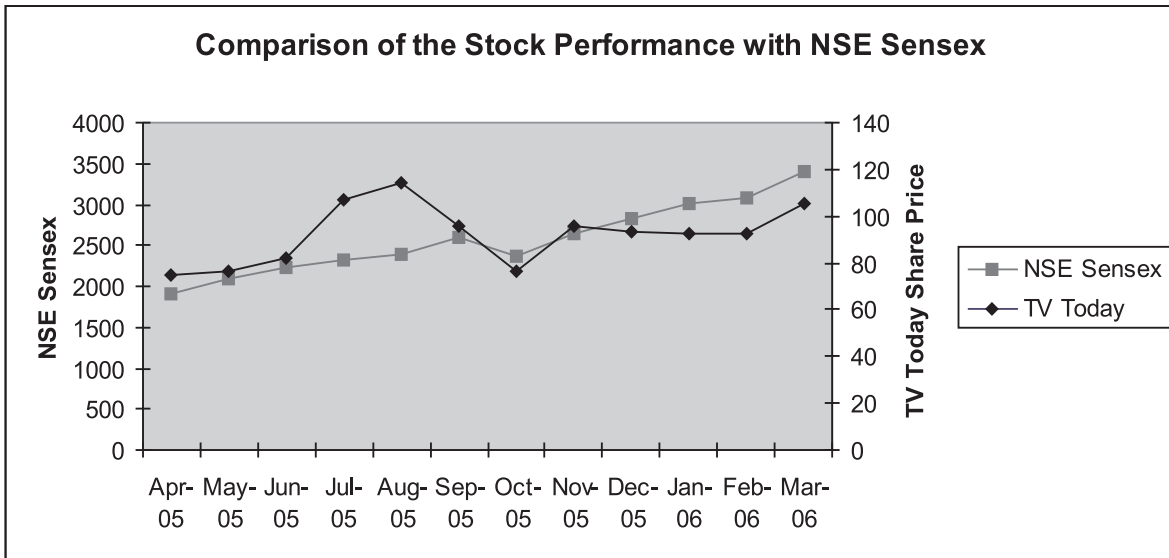
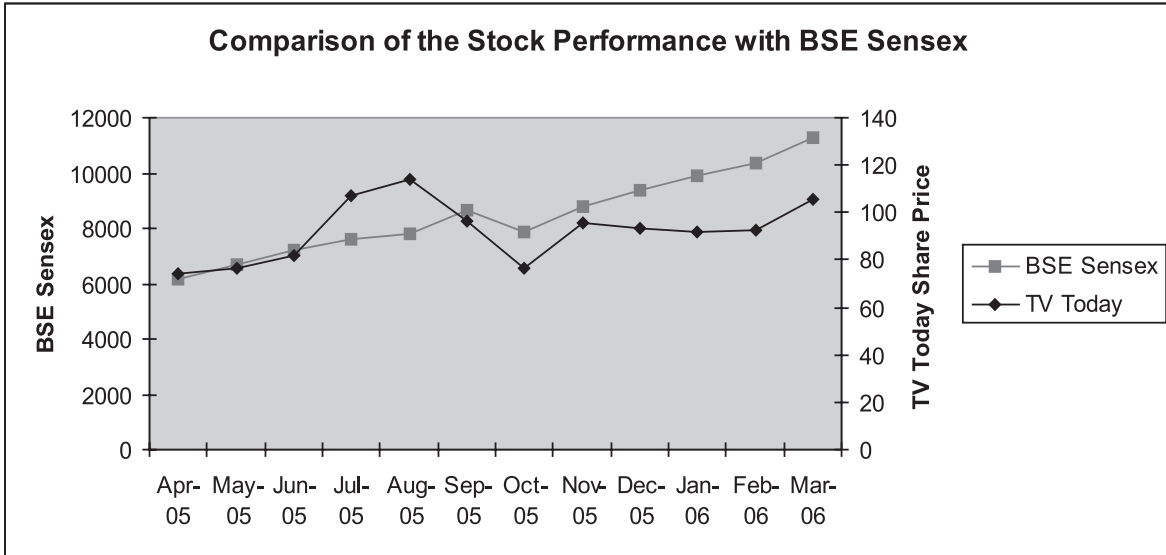
The High/Low of the market price of the Company's equity shares traded on The Stock Exchange, Mumbai and National Stock Exchange, during the financial year ended 31st March 2006 were as follows:

(In Rupees)

Month	BSE		NSE	
	High	Low	High	Low
April 2005	88.00	70.50	81.90	72.65
May 2005	84.25	73.05	84.25	73.00
June 2005	92.80	73.50	92.70	73.00
July 2005	125.50	81.45	125.30	81.00
August 2005	118.50	102.25	118.20	102.65
September 2005	117.00	91.15	117.85	90.25
October 2005	101.50	74.00	102.00	68.95
November 2005	104.80	76.05	104.50	76.20
December 2005	102.50	82.35	102.80	90.60
January 2006	105.85	86.15	105.75	90.55
February 2006	96.60	85.00	96.60	82.90
March 2006	112.35	86.10	112.40	86.50



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



h) Registrar & Share Transfer Agent

M/s. MCS Limited

Harmony, Plot No.6

Sector-1, Khanda Colony,

New Panvel (W), Mumbai 410206.

(Category-I Registrar registered with SEBI).

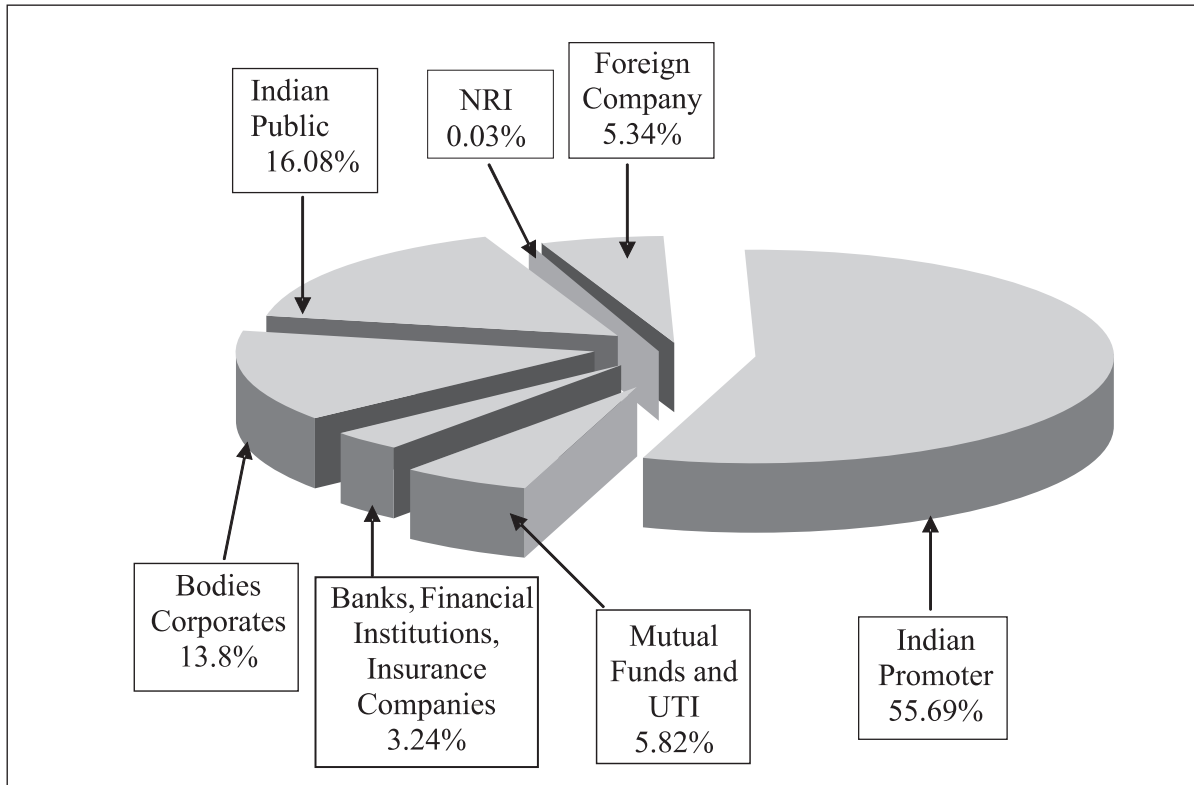
i) Share Transfer Systems

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.

The Shareholders/Investors Grievance and Share Transfer Committee, **meets at least once in a fortnight** to consider and approves the transfer requests.

j) Distribution of shareholding as on 31st March 2006



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

As on 31st March 2006, 43.61% of the Company's total equity shares representing 25,294,193 shares were held in dematerialized form and 56.38% equity shares representing 32,701,106 shares were held in physical form and 0.01% equity shares representing 4701 shares are kept in abeyance. 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 – tvtodayipo@aahtak.com

o) **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, 2006, 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.

Sd/-
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: July 17, 2006

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 2005-06 and that there has been no instances of violation of the Code.

Place: New Delhi
Date : May 29, 2006

Sd/-
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, 2006 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. However in the current year, the management has physically verified all the fixed assets and no 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, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations 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 2006 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	585,766	Assessment Year 03-04	CIT Appeals
Income-tax Act, 1961	Income tax	15,271,286	Assessment Year 03-04	CIT Appeals

- x. The company has no accumulated losses as at 31 March, 2006 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 2006 out of public issue raised in the earlier year (Refer Note 8 of Schedule R (B)) and the same has been verified by us.

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, 2006 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2006 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, 2006;
 - (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: May 29, 2006



T.V. Today Network Limited

BALANCE SHEET AS AT MARCH 31, 2006

	Schedule	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
I. Sources of Funds			
(1) Shareholders' Funds:			
(a) Capital	A	290,000,000	290,000,000
(b) Reserves and surplus	B	2,001,904,545	1,773,777,192
(2) Loan Funds:			
(a) Secured loans	C	46,826,133	11,972,583
Deferred Tax Liability - Net	R[B(4)]	50,873,702	84,077,823
TOTAL		2,389,604,380	2,159,827,598
II. Application of Funds			
(1) Fixed Assets			
(a) Gross block	D	1,489,991,562	1,399,020,778
(b) Less: Depreciation		567,776,693	437,242,167
(c) Net block		922,214,869	961,778,611
(d) Capital work-in-progress		75,698,221	39,822,363
		997,913,090	1,001,600,974
(2) Investments			
	E	397,977,335	309,045,238
(3) Current Assets, Loans and Advances			
(a) Sundry debtors	F	539,817,811	446,434,880
(b) Cash and bank balances	G	717,353,735	657,768,614
(c) Loans and advances	H(a)	116,019,509	109,099,820
(d) Other Current Assets	H(b)	7,416,137	6,374,025
		1,380,607,192	1,219,677,339
Less: Current Liabilities and Provisions			
(a) Liabilities	I	333,992,349	315,911,020
(b) Provisions	J	58,696,798	66,459,090
		392,689,147	382,370,110
Net Current Assets			
		987,918,045	837,307,229
(4) (a) Miscellaneous expenditure to the extent not written off or adjusted			
	K	5,795,910	11,874,157
TOTAL		2,389,604,380	2,159,827,598

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

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/-
Sanjay Jain
GM - Finance

Sd/-
Anil Mehra
Director

Sd/-
Aroon Purie
Chairman &
Managing Director

Place : New Delhi
Date : May 29, 2006

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

	Schedule	For the Year Ended March 31, 2006 Amount (Rs.)	For the Year Ended March 31, 2005 Amount (Rs.)
INCOME			
Revenue	L	1,595,536,151	1,390,688,224
Other Income	M	83,387,252	73,776,864
		<u>1,678,923,403</u>	<u>1,464,465,088</u>
EXPENDITURE			
Decrease (Increase) in Inventories		-	32,250
Employee Cost	N	309,170,847	252,054,844
Production Cost	O	165,458,638	211,682,971
Administrative and Other Costs	P	594,419,834	578,881,069
Finance Charges	Q	1,102,855	946,434
Depreciation		176,443,444	158,683,925
Preliminary Expenses written off		-	182,340
Deferred Revenue Expenditure written off	K	6,078,247	7,137,050
		<u>1,252,673,865</u>	<u>1,209,600,883</u>
PROFIT BEFORE TAXATION		426,249,538	254,864,205
Tax Expenses			
Current Tax [Net of Rs.4,023,631 reversed, pertaining to previous year, (Previous year Rs. Nil), In the previous year, amount provided for earlier years - Rs. 3,200,812]		170,391,001	86,799,507
Deferred Tax		(33,204,121)	3,831,896
Fringe Benefit Tax		11,334,430	-
		<u>148,521,310</u>	<u>90,631,403</u>
PROFIT AFTER TAXATION		277,728,228	164,232,802
Balance brought forward		517,144,172	427,623,714
Profit available for appropriation		794,872,400	591,856,516
Proposed Dividend		43,500,000	43,500,000
Tax on Proposed Dividend		6,100,875	6,212,344
Transfer to General Reserves		75,000,000	25,000,000
Balance carried forward to Balance Sheet		670,271,525	517,144,172
Earnings Per Share [Refer Note 5 of Schedule R(B)]		4.79	2.83

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

Sd/- S N Sridhar GM - Legal & Company Secretary	Sd/- Sanjay Jain GM - Finance	Sd/- Anil Mehra Director	Sd/- Aroon Purie Chairman & Managing Director
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Place : New Delhi
Date : May 29, 2006



FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2006

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 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.		
SCHEDULE - B RESERVES AND SURPLUS		
Securities Premium		
Opening Balance	1,206,633,020	1,206,633,020
Closing Balance	1,206,633,020	1,206,633,020
General Reserve		
Opening Balance	50,000,000	25,000,000
Add: Additions during the year	75,000,000	25,000,000
	125,000,000	50,000,000
Profit & Loss Account		
Balance transferred from the Profit and Loss Account	670,271,525	517,144,172
TOTAL	2,001,904,545	1,773,777,192
SCHEDULE - C SECURED LOANS		
From Banks - Cash Credit Account (Book balance)	46,826,133	11,972,583
TOTAL	46,826,133	11,972,583

[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, 2006

**SCHEDULE - D
FIXED ASSETS**

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

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 31-3-2005 Rs.	Additions Rs	Deletions/ Adjustments Rs.	As at 31-3-2006 Rs.	For the year Rs.	Deletions/ Adjustments Rs.	As at 31-3-2006 Rs.	As at 31-3-2005 Rs.
Land	-	120,359,050	-	120,359,050	-	-	120,359,050	-
Plant & Machinery	1,104,757,316	39,345,986	65,097,012	1,079,006,290	135,593,566	38,795,820	624,282,561	746,831,333
Vehicles	52,541,761	7,943,075	7,701,836	52,783,000	4,938,501	1,363,846	41,571,257	44,904,673
Computers	51,290,297	847,488	4,817,367	47,320,418	8,219,342	3,710,127	23,944,640	32,423,734
Office Equipments	33,753,370	1,578,960	3,070,594	32,261,736	3,740,878	1,974,625	19,149,612	22,407,499
Furniture & Fixtures	25,586,647	988,869	211,423	26,364,093	1,695,103	64,500	19,876,659	20,729,816
Leasehold Improvements	73,079,858	805,588	-	73,885,446	10,009,152	-	41,867,385	51,070,949
Intangible Assets								
- Production Software	54,726,096	-	-	54,726,096	11,151,867	-	30,432,153	41,584,020
- Computer Software	3,285,433	-	-	3,285,433	1,095,035	-	731,552	1,826,587
TOTAL	1,399,020,778	171,869,016	80,898,232	1,489,991,562	176,443,444	45,908,918	922,214,869	961,778,611
Capital work-in-progress (includes capital advances amounting to Rs. 1,658,483 Previous year Rs. 39,822,363)								
TOTAL							75,698,221	39,822,363
PREVIOUS YEAR	1,166,176,868	250,474,431	17,630,521	1,399,020,778	158,683,925	2,643,192	437,242,167	-
							997,913,090	1,001,600,974



FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2006

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
SCHEDULE - E		
Investments (unquoted) - at cost		
[Refer Note(g) on Schedule R(A) and Note 3 on Schedule R(B)]		
Long Term		
Trade Investments		
Radio Today Broadcasting Limited 11,00,000/- equity shares (Previous Year Nil) of Rs. 10/- per share fully paid-up	11,00,000	—
In Subsidiary		
T.V. Today Network (Business) Limited 1,50,000 equity shares (Previous Year Nil) of Rs. 10/- each fully paid-up	1,50,000	—
Non Trade Investments		
In Mutual Funds		
3,265,139 units (Previous Year Nil) of Prudential ICICI Institutional FMP-15 month Plan series-XXV	35,00,000	—
4,00,000 units (Previous Year Nil) of HSBC Fixed Term Series-1- Growth	40,00,000	—
1,00,000 units (Previous Year Nil) of HSBC Fixed Term Series-6- Growth	10,00,000	—
2,50,000 units (Previous Year Nil) of ABN AMRO Fixed Term Plan-Series1- Regular Growth	25,00,000	—
2,00,000 units (Previous Year Nil) of Principal PNB Fixed Maturity Plan- 385 Days - Series-1	20,00,000	—
1,00,000 units (Previous Year Nil) of Deutsche Fixed Term fund- Series- 5- Growth Option	10,00,000	—
2,00,000 units (Previous Year Nil) of TATA Fixed Horizon Fund Series-3 Scheme G- Growth	20,00,000	—
1,50,000 units (Previous Year Nil) of Kotak FMP Series-14 Growth	15,00,000	—
Current, Non trade		
In Mutual Funds		
Nil (Previous Year 44,039 units) of Templeton India Treasury Management Account Weekly - Dividend	—	54,793,967
Nil (Previous Year 1,211,679 units) of Templeton Floating Rate Income fund STP	—	12,125,844
Nil (Previous Year 5,949,955 units) of HSBC Cash Fund Institutional weekly Dividend	—	62,125,427
Nil (Previous Year 5,000,000 units) of Reliance Fixed Term Scheme- Qtr Plan-VIII Dividend option	—	50,000,000
3,047,734 units (Previous Year Nil) of Reliance Fixed Maturity Fund- Quarterly Plan-III- Series-II- Dividend option	30,477,335	—
5,00,000 units (Previous Year 5,000,000 units) of JM Fixed Maturity Fund Yearly Plan- YSB2- Series- Growth Option (144)	50,00,000	50,000,000
3,00,000 units (Previous Year 3,000,000 units) of UTI-Fixed Maturity Plan- (YFMP/02/05)- Growth Plan	30,00,000	30,000,000
5,00,000 units (Previous Year Nil) of UTI-Fixed Maturity Plan- YFMP- 07/5)- Growth Plan	50,00,000	—
5,00,000 units (Previous Year 5,000,000 units) of Prudential ICICI Plan 1 Year Plus- Growth (Direct)	50,00,000	50,000,000
TOTAL	397,977,335	309,045,238

[Aggregate amount of unquoted investments as on 31st March, 2006 is Rs. 397,977,335; Previous year Rs. 309,045,238]

FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2006

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
SCHEDULE - F		
SUNDRY DEBTORS (Unsecured)		
Outstanding for a period exceeding six months		
- Considered good	17,615,290	12,106,998
- Considered doubtful	44,894,945	42,654,142
	<u>62,510,235</u>	<u>54,761,140</u>
Other Debts		
- Considered good	522,202,521	434,327,882
- Considered doubtful	10,852,102	20,343,239
	<u>533,054,623</u>	<u>454,671,121</u>
Total	595,564,858	509,432,261
Less: Provision for doubtful debts	55,747,047	62,997,381
	<u>539,817,811</u>	<u>446,434,880</u>
SCHEDULE - G		
CASH AND BANK BALANCE		
[Refer Note 8 on Schedule R(B)]		
Cash in hand	628,742	287,533
Cheques in hand	567,977	-
Balance with scheduled banks		
- Current Accounts	6,628,910	6,979,801
- Dividend Account	319,254	147,884
- Deposit Accounts- (including Unutilized Public Issue Proceeds Rs. 386,302,074 : Previous year Rs. 612,498,872)	709,208,852	650,353,396
TOTAL	<u>717,353,735</u>	<u>657,768,614</u>
SCHEDULE - H		
a) LOANS & ADVANCES		
(Unsecured, considered good, unless otherwise stated)		
Advance Tax	490,061,904	305,333,302
Less: Provision for Income Tax/Fringe benefit Tax	479,258,338	297,532,907
Advance tax net of Provision for Tax	10,803,566	7,800,395
Advances recoverable in cash or in kind or for value to be received *	105,215,943	101,299,425
	<u>116,019,509</u>	<u>109,099,820</u>
Considered doubtful	11,427,566	1,783,132
Less: Provision for doubtful Advance	11,427,566	1,783,132
TOTAL	<u>116,019,509</u>	<u>109,099,820</u>
* Includes amounts due from Director Rs. Nil (Previous Year Rs. Nil) and maximum outstanding balance at any time during the year of Rs. 1,244,000 (Previous Year Rs. 1,090)		
* Includes amounts due from Company Secretary Rs. Nil (Previous Year Rs. Nil) and maximum outstanding balance at any time during the year Nil (Previous Year Rs. 15,500)		
b) OTHER CURRENT ASSETS		
(Unsecured, considered good, unless otherwise stated)		
Interest receivable	7,416,137	6,374,025
TOTAL	<u>7,416,137</u>	<u>6,374,025</u>



T.V. Today Network Limited

FORMING PART OF THE BALANCE SHEET FOR THE YEAR ENDED MARCH 31, 2006

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
SCHEDULE - I		
CURRENT LIABILITIES		
Sundry Creditors *		
- Due to others	255,079,928	239,292,355
Other Liabilities	63,856,422	61,959,235
Security Deposits	14,736,745	14,511,546
Unclaimed Dividend	319,254	147,884
TOTAL	333,992,349	315,911,020

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

SCHEDULE - J PROVISIONS

Provision for Gratuity [Refer Note (h) on Schedule R(A)]	-	9,584,141
Provision for Leave Encashment	9,095,923	7,274,074
Proposed Dividend	43,500,000	43,500,000
Corporate Dividend Tax	6,100,875	6,100,875
TOTAL	58,696,798	66,459,090

SCHEDULE - K MISCELLANEOUS EXPENDITURE

(to the extent not written off or adjusted)

Preliminary Expenses

Opening Balance	-	182,340
Less : Amortization for the year	-	182,340
Closing Balance	-	-

Deferred Revenue Expenditure

Opening Balance	11,874,157	19,011,207
Less : Amortization for the year	6,078,247	7,137,050
Closing Balance	5,795,910	11,874,157
TOTAL	5,795,910	11,874,157

FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

	For the Year Ended March 31, 2006 Amount (Rs.)	For the Year Ended March 31, 2005 Amount (Rs.)
SCHEDULE - L REVENUE		
Income from Broadcasting Operations	1,594,718,374	1,389,885,002
Income from other operations	817,777	803,222
TOTAL	1,595,536,151	1,390,688,224
SCHEDULE - M OTHER INCOME		
Interest on Bank Deposit (Gross of Tax deducted at source Rs. 9,889,829/-; Previous Year Rs. 7,267,896/-)	45,143,001	34,902,240
Other Interest Income	1,456,500	—
Dividend Income	6,887,964	10,995,781
Miscellaneous Income	727,935	385,841
Fee from training	3,393,684	—
Gain on sale of Investment (Net)	177,283	61,458
Provisions / Balances no longer required written back	25,600,885	27,431,544
TOTAL	83,387,252	73,776,864
SCHEDULE - N EMPLOYEE COST		
Salaries, Wages and Allowances	278,942,648	225,976,963
Contribution to Provident and Other Funds	22,057,117	18,856,034
Staff and Workers' Welfare	3,612,308	4,656,784
Managerial Remuneration	4,558,774	2,565,063
TOTAL	309,170,847	252,054,844
SCHEDULE - O PRODUCTION COST		
Reporting Expenses	27,847,472	35,890,181
Uplinking Charges	6,801,396	8,590,555
Assignment Charges	841,488	14,855,661
Production Expenses	44,482,939	56,900,278
Subscription	19,232,418	21,887,621
Consumables	4,314,353	9,614,706
Transponder Lease Rentals	51,922,093	53,735,090
Programme Procurement	9,728,979	10,046,379
Purchase of Tapes	287,500	162,500
TOTAL	165,458,638	211,682,971



T.V. Today Network Limited

FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

	For the Year Ended March 31, 2006 Amount (Rs.)	For the Year Ended March 31, 2005 Amount (Rs.)
SCHEDULE - P		
ADMINISTRATIVE AND OTHER COST		
Advertising and Sales Promotion	174,256,251	139,907,507
Communication Expenses	37,087,887	38,210,125
Travelling and Conveyance	68,344,648	101,088,455
Car Hire Charges	26,982,956	26,976,571
Rent	54,165,461	52,411,482
Legal and Professional Charges	10,105,899	7,933,163
Electricity and Water	21,464,069	18,293,900
Vehicle Running and Maintenance	7,749,340	6,265,399
Insurance	8,788,599	9,251,446
Agency Incentive	24,291,142	14,759,186
Housekeeping	24,570,672	21,353,797
Repairs and Maintenance		
- Plant & Machinery	32,888,862	30,313,314
- Building	1,445	284,707
- Other	7,629,991	44,624,793
Newspapers and Periodicals	9,100,730	8,508,451
Business Promotion	8,729,525	9,260,387
Foreign Exchange Fluctuation (net)	126,499	733,660
Printing and Stationery	4,384,853	5,857,935
Freight and Courier	2,058,651	3,244,507
Guard Services	3,349,471	3,002,699
Rates and Taxes	2,197,943	554,903
Bad Debts	803,395	-
Provision for Doubtful Debts & Advances	30,596,316	29,614,412
Loss (Net) on Sale of Fixed Assets	1,362,355	1,642,114
Fixed Assets retired and written off	28,265,545	-
Technical Consultancy Fees	2,533,000	1,576,763
Miscellaneous Expenses	2,584,329	3,211,393
(Includes prior period expenditure of Rs. 912,777 ; Previous Year Rs. 1,383,679)		
TOTAL	594,419,834	578,881,069

SCHEDULE - Q INTEREST & FINANCE CHARGES

Interest		
-Others	35,278	153,911
Guarantee Commission	309,651	337,941
Finance Charges	757,926	454,582
TOTAL	1,102,855	946,434

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 "Service Fee" 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 Improvements are written off over the period of the lease.
- 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 is provided as follows:
 - 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:** Ad Sale 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.

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. **Retirement benefits**

Liability towards Leave Encashment has been provided as per actuarial valuation based on Projected Unit Credit Method at the year-end. The valuation of the liability is made on the basis of certain assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on investments. During the year, the said estimated rate of return has been realigned with the existing market rate of interest the impact of which on the charge for the year is not readily ascertainable.

Liability towards Employee Gratuity is determined on actuarial valuation, based on which the Company makes annual contributions to a gratuity fund administered and managed by the Life Insurance Corporation of India ("LIC").

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.
- Foreign currency denominated 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 period, comprising current tax and deferred tax is included in determining the net profit for the period. In the year of transition the accumulated deferred tax asset at the beginning of the period has been recognized with a corresponding credit to the opening reserves in accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

Deferred tax assets are recognized for all deductible timing differences and 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 by 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 earnings considered in ascertaining the Company's 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.

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.

B. NOTES ON 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. 13,666,265 (Previous year Rs. 118,939,881)
- (b) During the year, with respect to the disputed statement of claim dated 28th September 2004 received last year 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. 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	
	2005-06	2004-05
Commission	4,558,774	2,565,063

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

	For the year ended March 31, 2006	For the year ended March 31, 2005
Profit before taxation	426,249,538	254,864,205
Add: Depreciation as per books	176,443,444	158,683,925
Add: (Profit)/Loss on sale of assets (including loss on Fixed Assets written off)	29,627,900	1,642,114
Excess of expenditure over income in respect of earlier years	NIL	NIL
Depreciation under section 350 of the Companies Act, 1956	(176,443,444)	(158,683,925)
Add: Managerial remuneration	4,558,774	2,565,063
Profits for the purposes of Managing Directors' commission as per the Companies Act, 1956	460,436,212	259,071,382
Maximum remuneration payable to Managing Director being 5% of the above profits after providing managerial remuneration	21,925,534	12,336,732
Actual remuneration payable to the Managing Director- Commission	4,558,774	2,565,063
Total	4,558,774	2,565,063

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

(Amount Rs.)

Particulars	For the year ended 31st March 2006			For the year ended 31st March 2005		
	Units Purchase During the year	Purchase At Cost	Units Sold	Units Purchase During the year	Purchase At Cost	Units Sold
HDFC Cash Management Fund-Saving Plan-Weekly Dividen Reinvestment	-	-	-	5,819,818	61,856,474	5,819,818
HSBC Cash Fund-institutional -Weekly Dividend	174,827	1,826,835	6,124,782	5,949,955	62,125,428	-
Alliance Cash Manager-IP -Weekly Dividend	-	-	-	6,179,244	61,829,126	6,179,244
Reliance Fixed Term Scheme -Monthly Plan-9-Dividend Option	-	-	-	6,021,960	60,219,600	6,021,960
Reliance Fixed Term Scheme -Monthly Plan-15-Dividend Option	-	-	-	1,505,775	15,057,750	1,505,775
Reliance Fixed Term Scheme -Qtr Plan-7-Dividend Option	-	-	5,000,000	5,000,000	50,000,000	-
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	30,477,335	-	-	-	-
Templeton Floating Rate Income fund STP	19,223	192,610	1,230,902	6,200,475	62,051,071	4,988,796
Templeton India Treasury Management Account Regular Plan	1,567	1,949,666	45,605	44,039	54,793,966	-
JM Fixed Maturity PI-QSA5-Dividend	-	-	5,000,000	5,000,000	50,000,000	-
UTI -Fixed Maturity Plan -YFMP/02/05 Dividend Plan	-	-	-	3,000,000	30,000,000	-
JM Fixed Maturity fund-Yearly Plan-YSB2	5,000,000	50,000,000	-	-	-	-
Prudential ICICI Plan 1 year Plus-Growth	-	-	-	5,000,000	50,000,000	-
UTI -Fixed Maturity Plan -YFMP/07/05 Growth Plan	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	-	-	-	-
Radio Today Broadcasting Ltd. 11,00,000/- equity shares of Rs. 10/ per share fully paid-up	-	11,000,000	-	-	-	-
TV Today Network (Business) Ltd 1,50,000 equity shares of Rs. 10/- each fully paid-up	-	1,500,000	-	-	-	-
Total		513,941,002			557,933,415	



T.V. Today Network Limited

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

	As at April 1, 2005, Amount (Rs.)	Charged / Credited during the year Amount (Rs.)	As at March 31, 2006 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	21,805,120	805,854	22,610,974
Other disallowances as per the Income tax Act, 1961	12,243,607	(1,013,616)	11,229,991
Total Deferred Tax Assets	34,048,727	(207,762)	33,840,965
Tax impact of amounts to be charged off to Profit and Loss account in future years but allowable under Income Tax			
Depreciation	115,198,860	(32,435,098)	82,763,762
Deferred Revenue Expenditure	2,927,690	(976,785)	1,950,905
Total Deferred Tax Liabilities	118,126,550	(33,411,883)	84,714,667
Net Deferred Tax Assets / (Liabilities)	(84,077,823)	33,204,121	(50,873,702)

- "Depreciation" on the additions in "Vehicles" during the financial year 2001 – 2002 has been claimed at the special rate prescribed for the said year for "commercial vehicles".

5. Earnings per share

	2005-2006	2004-2005
(a) Weighted average number of Equity Shares outstanding during the year	58,000,000	58,000,000
(b) Net Profit after tax available for Equity Shareholders (Rs.)	277,728,228	164,232,802
(c) Basic and Diluted Earnings Per Share (Rs.)	4.79	2.83
(d) Nominal Value Per Share (Rs.)	5	5

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

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

	2005-06 Rs.	2004-05 Rs.
(a) Value of imports on CIF basis		
Capital goods	49,920,781	93,572,133
Components & Spare parts	8,050,522	2,102,097
(b) Income in Foreign Currency (Accrued basis)		
Subscription Income	15,696,623	488,534
Footage Sale	—	69,240
(c) Expenditure in Foreign Currency (Accrued basis)		
Travelling	9,308,988	11,113,348
Production Cost	44,695,298	62,822,055
Repair & Maintenance	—	25,738,866
Other Expenses	5,971,245	4,893,937
(d) Auditors Remuneration		
Statutory Audit (excluding service tax)	1,250,000	1,250,000
Tax Audit (excluding service tax)	100,000	100,000
Other Services	650,000	600,000
Out of Pocket Expenses	23,602	—

7. Quantitative Information for 2005-06:

Particulars	Opening Stock		Purchases		Sales		Closing Stock	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Tapes	—	—	460	287,500	460	817,776	—	—
	(43)	(32,250)	(250)	(1,62,500)	(293)	(798,222)	(—)	(—)

Note: Previous year figures are in italics and in bracket

8. 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 31st March-06 Rs.	As at 31st March-05 Rs.
Gross Public Issue Proceeds	950,000,000	950,000,000
Less : Purchase of Fixed Assets	(503,697,926)	(277,501,128)
Less : Corporate Advertisement Expenditure	(60,000,000)	(60,000,000)
Unutilised Public Issue Proceeds in deposits	386,302,074	612,498,872

9. 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) Directors and their relatives:

- Mr. Aroon Purie (Managing Director)

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

- World Media Private Limited[^]
- Living Media India Limited

(c) Subsidiary Company :

- T.V. Today Network (Business) Limited

(d) Fellow Subsidiary Companies:

- Radio Today Broadcasting (Delhi) Limited*
- Radio Today Broadcasting (Calcutta) Limited*
- Radio Today Broadcasting (Mumbai) Limited*
- Radio Today Broadcasting Limited[^]

(e) Companies under common control :

- Thomson Press (India) Ltd.
- Integrated Data Bases India Limited[^]

(f) Others

- Vasant Valley School[^]

* Ceases to be fellow subsidiary w.e.f. December 31, 2005.

[^] There are no transaction during the year.



T.V. Today Network Limited

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

Nature of Transaction	Holding Companies	Companies under common control	Subsidiary Company	Fellow Subsidiaries	Directors
	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)	Amount (Rs.)
Purchase of Ad space/ material*	12,619,531 (14,510,772)	—	—	4,096,848** (8,720,484)	—
Income from Broadcasting operations*	31,468,018 (19,380,473)	— (2,856,935)	—	6,595*** (18,476,480)	—
Sale of recorded tapes*	920,000 (861,000)	—	—	—	—
Management fee	600,000 (600,000)	1,200,000 (1,200,000)	—	—	—
Purchase of fixed Assets	— (10,987,977)	—	—	—	—
Sale of fixed Assets(at Sale value)	— (300,949)	—	—	— (584,048)^	—
SMS charges	1,560,628 (2,622,800)	—	—	—	—
Creative charges	— (2,461,081)	—	—	—	—
Rent payment made to related parties for use of common facilities/ utilities	5,152,331 (13,978,514)	—	—	—	—
Rent charged to related parties for use of common facilities/ utilities	375,579 (164,378)	—	—	3,268,544^ (2,497,092)	—
Remuneration / fee paid	—	—	—	—	4,558,774 (2,565,063)
Misc Inter-Company service received from related parties & other charges paid	3,617,182 (5,612,818)	631,420 (1,373,451)	—	—	—
Misc Inter-Company services rendered to related parties & other charges received	718,565 (1,088,241)	—	48,149	2,403,129^ (3,797,818)	—

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

(**) Includes transaction with:

- Radio Today Broadcasting (Delhi) Limited Rs. 1,622,722 (Previous Year Rs. 3,993,883).
- Radio Today Broadcasting (Mumbai) Limited Rs. 1,399,205 (Previous Year Rs. 3,457,314).

(***) Includes transaction with :

- Radio Today Broadcasting (Delhi) Limited Rs. 6,595 (Previous Year Rs. 8,186,768).
- Radio Today Broadcasting (Mumbai) Limited Rs. Nil (Previous Year Rs. 7,949,072).

(^) Represents transactions with Radio Today Broadcasting (Delhi) 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

Name of the Related Party	Amount outstanding as at March 31, 2006 Amount (Rs.)	Amount outstanding as at March 31, 2005 Amount (Rs.)
Living Media India Limited	8,363,810	(19,974,982)
Total Holding Company	8,363,810	(19,974,982)
Thomson Press India Limited	(925,322)	(314,638)
Total Companies under common Control	(925,322)	(314,638)
Radio Today Broadcasting (Delhi) Limited	-	15,738,081
Radio Today Broadcasting (Mumbai) Limited	-	4,441,577
Radio Today Broadcasting (Calcutta) Limited	-	1,058,958
Total Fellow Subsidiary Companies	-	21,238,616
Aroon Purie	(2,958,774)	(1,677,764)
Total Director	(2,958,774)	(1,677,764)

Figures in brackets represent amount payable.

10. 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.

11. Operating Leases - Other than non-cancellable

The Company has entered into lease transactions during the current financial year mainly for leasing of office premises and company leased accommodations for its employees for periods up-to 10 years. 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. 47,398,865 (Previous Year: Rs. 18,506,612) for the leases, which commenced on or after April 1, 2001.

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



T.V. Today Network Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2006

	For the Year Ended March 31, 2006 Amount (Rs.)	For the Year Ended March 31, 2005 Amount (Rs.)
Cash flows from operating activities		
Net profit before taxation, and extraordinary item	426,249,538	254,864,205
Adjustments for:		
Depreciation	176,443,444	158,683,925
Preliminary Expenses written off	—	182,340
Deferred Revenue Expenditure written off	6,078,247	7,137,050
Provision for Gratuity	—	2,704,386
Provision for Leave Encashment	1,821,850	1,922,560
Provision for Doubtful Debts & Advances	30,596,316	29,614,412
Bad debts written off	803,395	—
Provision no longer required written back	(25,600,885)	(27,431,544)
Provision for Wealth Tax	1,505,641	334,200
Loss on sale of Fixed Assets	1,362,355	1,642,114
Fixed Assets retired and written off	28,265,545	—
Interest received on deposits	(45,143,001)	(34,902,240)
Dividend Income	(6,887,964)	(10,995,781)
Interest	35,278	153,911
Profit on sale of investments	(177,283)	(61,458)
Operating profit before working capital changes	595,352,476	383,848,080
Change in Sundry Debtors	(99,326,634)	(40,682,366)
Change in inventory	—	32,250
Change in Other Current Assets	(15,219,738)	(24,359,964)
Change in Current Liabilities & Provisions	8,893,153	(4,451,768)
Cash generated from operations	489,699,257	314,386,232
Income taxes paid	(184,728,602)	(81,091,513)
Wealth tax paid	(330,619)	—
Net cash from operating activities	304,640,036	233,294,719
Cash flows from investing activities		
Purchase of investments	(513,941,002)	(557,933,415)
Sale of investments	425,186,188	248,949,636
Purchase of fixed assets	(162,100,692)	(250,474,431)
Dividend received	6,887,964	10,995,781
(Increase) in Capital Work in Progress	(35,875,858)	(24,850,266)
Proceeds from sale of fixed assets	5,470,200	3,490,242
Interest received on deposits	44,100,889	36,058,498
Net cash from investing activities	(230,272,311)	(533,763,955)
Cash flows from financing activities		
Proceeds from Cash Credits (Net)	34,853,549	19,312,395
Interest paid	(35,278)	(153,911)
Dividend & Corporate Dividend Tax paid	(49,600,875)	(49,184,907)
Net cash used in financing activities	(14,782,604)	(30,026,423)
Net increase in cash and cash equivalents	59,585,121	(330,495,659)
Cash and cash equivalents at beginning of year	657,768,614	988,264,273
Cash and cash equivalents at end of year (see Note 1)	717,353,735	657,768,614

Note : 1

Cash and cash equivalents at end of year

Cash in hand	628,742	287,533
Cheques in hand	567,977	—
Balance with scheduled banks -		
– Current Accounts	6,628,910	6,979,801
– Dividend Account	319,254	147,884
– Deposit Accounts- (including Unutilized Public Issue Proceeds Rs. 386,302,074 : Previous year Rs. 612,498,872)	709,208,852	650,353,396
Cash and cash equivalents	717,353,735	657,768,614

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
Partner

For and on behalf of the Board

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

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

Sd/-
Sanjay Jain
GM - Finance

Sd/-
Anil Mehra
Director

Sd/-
Aroon Purie
Chairman &
Managing Director

Place : New Delhi
Date : May 16, 2006

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(A) REGISTRATION DETAILS

REGISTRATION NUMBER	:	103001
STATE CODE	:	55
BALANCE SHEET DATE	:	March 31, 2006

(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	:	2,782,294
TOTAL ASSETS	:	2,782,294

SOURCES OF FUNDS

PAID-UP CAPITAL	:	290,000
RESERVES AND SURPLUS	:	2,001,905
SHARE APPLICATION	:	-
SECURED LOANS	:	46,826
UNSECURED LOANS	:	-
DEFERRED TAX LIABILITY - NET	:	50,874

APPLICATION OF FUNDS

NET FIXED ASSETS	:	997,913
INVESTMENTS	:	397,977
NET CURRENT ASSETS	:	987,918
MISCELLANEOUS EXPENDITURE	:	5,796
ACCUMULATED LOSSES	:	—

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

TURNOVER	:	1,678,923
TOTAL EXPENDITURE	:	1,252,674
PROFIT/(LOSS) BEFORE TAX	:	426,249
PROFIT/(LOSS) AFTER TAX	:	277,728
EARNINGS PER SHARE IN RS	:	4.79
DIVIDEND RATE %	:	15

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

ITEM CODE NUMBER	:	-
PRODUCT DESCRIPTION	:	TELECAST & BROADCAST



T.V. Today Network Limited

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 31.03.2006
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 Ltd.
 - (i) For the said financial year of the Subsidiary:
 - (a) Dealt with in the accounts of Holding Company
 - (b) Not dealt with in the accounts of Holding Company (67,370/-)
 - (ii) For the previous financial years of the Subsidiary since it has become the Holding Company's subsidiary **(NOT APPLICABLE)***

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.

* The Subsidiary, T.V. Today Network (Business) Limited was incorporated on November 17, 2005. Accordingly, information relating to previous year is not applicable.

For and on behalf of the Board

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

Sd/-
Sanjay Jain
GM-Finance

Sd/-
Anil Mehra
Director

Sd/-
Aroon Purie
Chairman &
Managing Director

Place: New Delhi
Date : 29th May, 2006

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, 2006, 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, 2006;
 - (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: May 29, 2006

For & on behalf of
PRICE WATERHOUSE
Chartered Accountants



BALANCE SHEET (CONSOLIDATED) AS AT MARCH 31, 2006

	Schedule	As at March 31, 2006 Amount (Rs.)
I. Sources of Funds		
(1) Shareholders' Funds:		
(a) Capital	A	290,000,000
(b) Reserves and surplus	B	2,001,837,175
(2) Loan Funds:		
(a) Secured loans	C	46,826,133
Deferred Tax Liability - Net	R[B(4)]	50,873,702
TOTAL		<u>2,389,537,010</u>
II. Application of Funds		
(1) Fixed Assets		
(a) Gross block	D	1,489,991,562
(b) Less: Depreciation		567,776,693
(c) Net block		<u>922,214,869</u>
(d) Capital work-in-progress		75,698,221
		997,913,090
(2) Investments	E	396,477,335
(3) Current assets, Loans and Advances		
(a) Sundry debtors	F	539,817,811
(b) Cash and bank balances	G	718,805,365
(c) Loans and advances	H(a)	116,019,509
(d) Other Current Assets	H(b)	7,416,137
		<u>1,382,058,822</u>
Less: Current liabilities and provisions		
(a) Liabilities	I	334,011,349
(b) Provisions	J	58,696,798
		<u>392,708,147</u>
Net Current Assets		989,350,675
(4) (a) Miscellaneous expenditure to the extent not written off or adjusted	K	5,795,910
TOTAL		<u>2,389,537,010</u>

SIGNIFICANT ACCOUNTING POLICIES
AND 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

For and on behalf of the Board

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

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

Sd/-
Sanjay Jain
GM - Finance

Sd/-
Anil Mehra
Director

Sd/-
Aroon Purie
Chairman &
Managing Director

Place : New Delhi
Date : May 29, 2006

**PROFIT AND LOSS ACCOUNT (CONSOLIDATED) FOR THE YEAR ENDED
MARCH 31, 2006**

	Schedule	For the Year Ended March 31, 2006 Amount (Rs.)
INCOME		
Revenue	L	1,595,536,151
Other Income	M	83,387,252
		1,678,923,403
EXPENDITURE		
Decrease (Increase) in Inventories		—
Employee Cost	N	309,170,847
Production Cost	O	165,458,638
Administrative and Other Costs	P	594,445,298
Finance Charges	Q	1,103,076
Depreciation		176,443,444
Preliminary Expenses		41,685
Deferred Revenue Expenditure written off	K	6,078,247
		1,252,741,235
PROFIT BEFORE TAXATION		426,182,168
Tax Expenses		
Current Tax [Net of Rs.4,023,631 reversed, pertaining to previous year]		170,391,001
Deferred Tax		(33,204,121)
Fringe Benefit Tax		11,334,430
		148,521,310
PROFIT AFTER TAXATION		277,660,858
Balance brought forward		517,144,172
Profit available for appropriation		794,805,030
Proposed Dividend		43,500,000
Tax on Proposed Dividend		6,100,875
Transfer to General Reserves		75,000,000
Balance carried forward to Balance Sheet		670,204,155
Earnings Per Share[Refer Note 5 of Schedule R(B)]		4.79

**SIGNIFICANT ACCOUNTING POLICIES
& NOTES ON ACCOUNTS**

R

This is the Profit and Loss Account referred to in our report of even date

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

Usha Rajeev
Partner

For and on behalf of the Board

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

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

Sd/-
Sanjay Jain
GM - Finance

Sd/-
Anil Mehra
Director

Sd/-
Aroon Purie
Chairman &
Managing Director

Place : New Delhi
Date : May 29, 2006



T.V. Today Network Limited

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2006

	As at March 31, 2006 Amount (Rs.)
SCHEDULE - A	
SHARE CAPITAL	
Authorised	
68,000,000 Equity Shares of Rs. 5/- each	340,000,000
300,000 Preference Shares of Rs. 100/- each	30,000,000
	370,000,000
Issued, Subscribed and Paid-up	
58,000,000 Equity shares of Rs. 5/- each fully paid up	290,000,000
32,300,000 Equity shares of Rs. 5/- each are held by Living Media India Limited, the holding company.	
SCHEDULE - B	
RESERVES AND SURPLUS	
Securities Premium	
Opening Balance	1,206,633,020
Closing Balance	1,206,633,020
General Reserve	
Opening Balance	50,000,000
Add: Additions during the year	75,000,000
	125,000,000
Profit & Loss account	
Balance transferred from the Profit and Loss Account	670,204,155
TOTAL	2,001,837,175
SCHEDULE - C	
SECURED LOANS	
From Banks - Cash Credit Account (Book balance)	46,826,133
TOTAL	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 and future belonging to the company)

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2006

**SCHEDULE - D
FIXED ASSETS**

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

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK		
	As at 31-3-2005 Rs.	Additions Rs	Deletions/ Adjustments Rs.	As at 31-3-2006 Rs.	For the year Rs.	Deletions/ Adjustments Rs.	As at 31-3-2006 Rs.	As at 31-3-2005 Rs.	
Land	-	120,359,050	-	120,359,050	-	-	120,359,050	-	
Plant & Machinery	1,104,757,316	39,345,986	65,097,012	1,079,006,290	135,593,566	38,795,820	624,282,561	746,831,333	
Vehicles	52,541,761	7,943,075	7,701,836	52,783,000	4,938,501	1,363,846	41,571,257	44,904,673	
Computers	51,290,297	847,488	4,817,367	47,320,418	8,219,342	3,710,127	23,944,640	32,423,734	
Office Equipments	33,753,370	1,578,960	3,070,594	32,261,736	3,740,878	1,974,625	19,149,612	22,407,499	
Furniture & Fixtures	25,586,647	988,869	211,423	26,364,093	1,695,103	64,500	19,876,659	20,729,816	
Leasehold Improvements	73,079,858	805,588	-	73,885,446	10,009,152	-	41,867,385	51,070,949	
Intangible Assets									
- Production Software	54,726,096	-	-	54,726,096	11,151,867	-	30,432,153	41,584,020	
- Computer Software	3,285,433	-	-	3,285,433	1,095,035	-	731,552	1,826,587	
TOTAL	1,399,020,778	171,869,016	80,898,232	1,489,991,562	176,443,444	45,908,918	922,214,869	961,778,611	
Capital work-in-progress (includes capital advances amounting to Rs. 1,658,483 Previous Year Rs. 39,822,363)								75,698,221	39,822,363
TOTAL							997,913,090	1,001,600,974	



FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2006

As at
March 31, 2006
Amount (Rs.)

SCHEDULE - E

Investments (unquoted) - at cost

[Refer Note(h) on Schedule R(A)]

Long Term

Trade Investments

Radio Today Broadcasting Limited 11,00,000/- equity shares of Rs. 10/ per share fully paid-up	11,000,000
---	------------

Non Trade Investments

In Mutual Funds

3,265,139 units of Prudential ICICI Institutional FMP-15 month Plan series-XXV	35,000,000
4,000,000 units of HSBC Fixed Term Series-1- Growth	40,000,000
1,000,000 units of HSBC Fixed Term Series-6- Growth	10,000,000
2,500,000 units of ABN AMRO Fixed Term Plan-Series1- Regular Growth	25,000,000
2,000,000 units of Principal PNB Fixed Maturity Plan- 385 Days - Series-1	20,000,000
1,000,000 units of Deutsche Fixed Term fund-Series-5- Growth Option	10,000,000
2,000,000 units of TATA Fixed Horizon Fund Series-3 Scheme G- Growth	20,000,000
1,500,000 units of Kotak FMP Series-14 Growth	15,000,000

Current, Non Trade

In Mutual Funds

3,047,734 units of Reliance Fixed Maturity Fund- Quarterly Plan-III- Series-II- Dividend option	30,477,335
5,000,000 units of JM Fixed Maturity Fund Yearly Plan- YSB2- Series- Growth Option (144)	50,000,000
3,000,000 units of UTI-Fixed Maturity Plan- (YFMP/02/05)- Growth Plan	30,000,000
5,000,000 units of UTI-Fixed Maturity Plan- YFMP- 07/5)- Growth Plan	50,000,000
5,000,000 units of Prudential ICICI Plan 1 Year Plus- Growth (Direct)	50,000,000

TOTAL

396,477,335

[Aggregate amount of unquoted investments as on 31st March, 2006 is Rs. 396,477,335]

FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2006

	As at March 31, 2006 Amount (Rs.)
SCHEDULE - F	
SUNDRY DEBTORS (Unsecured)	
Outstanding for a period exceeding six months	
- Considered good	17,615,290
- Considered doubtful	44,894,945
	62,510,235
Other Debts	
- Considered good	522,202,521
- Considered doubtful	10,852,102
	533,054,623
TOTAL	595,564,858
Less: Provision for doubtful debts	55,747,047
	539,817,811

SCHEDULE - G	
CASH AND BANK BALANCE	
Cash in hand	628,742
Cheques in hand	567,977
Balance with scheduled banks	
- Current Accounts	8,080,540
- Dividend Account	319,254
- Deposit Accounts- (including Unutilized Public Issue Proceeds Rs. 386,302,074)	709,208,852
	718,805,365
TOTAL	718,805,365

SCHEDULE - H	
a) LOANS & ADVANCES	
(Unsecured, considered good, unless otherwise stated)	
Advance Tax	490,061,904
Less: Provision for Income Tax/Fringe benefit Tax	479,258,338
Advance tax net of Provision for Tax	10,803,566
Advances recoverable in cash or in kind or for value to be received*	105,215,943
	116,019,509
Considered doubtful	11,427,566
Less: Provision for doubtful Advance	11,427,566
	116,019,509
TOTAL	116,019,509

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

b) OTHER CURRENT ASSETS	
(Unsecured, considered good, unless otherwise stated)	
Interest receivable	7,416,137
	7,416,137
TOTAL	7,416,137



FORMING PART OF THE CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2006

As at
March 31, 2006
Amount (Rs.)

**SCHEDULE - I
CURRENT LIABILITIES**

Sundry Creditors *	
- Due to others	255,098,928
Other Liabilities	63,856,422
Security Deposits	14,736,745
Unclaimed Dividend	319,254
TOTAL	334,011,349

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

**SCHEDULE - J
PROVISIONS**

Provision for Leave Encashment	9,095,923
Proposed Dividend	43,500,000
Corporate Dividend Tax	6,100,875
TOTAL	58,696,798

**SCHEDULE - K
MISCELLANEOUS EXPENDITURE
(to the extent not written off or adjusted)**

Deferred Revenue Expenditure	
Opening Balance	11,874,157
Less : Amortization for the year	6,078,247
Closing Balance	5,795,910
TOTAL	5,795,910

**FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR
MARCH 31, 2006**

For the Year Ended
March 31, 2006
Amount (Rs.)

**SCHEDULE - L
REVENUE**

Income from Broadcasting Operations	1,594,718,374
Income from other operations	817,777
TOTAL	1,595,536,151

**SCHEDULE - M
OTHER INCOME**

Interest on Bank Deposit (Gross of tax deducted at source Rs. 9,889,829)	45,143,001
Other Interest Income	1,456,500
Dividend Income	6,887,964
Miscellaneous Income	727,935
Fees from training	3,393,684
Gain on sale of Investment (Net)	177,283
Provisions/Balances no longer required written back	25,600,885
TOTAL	83,387,252

**SCHEDULE - N
EMPLOYEE COST**

Salaries, Wages and Allowances	278,942,648
Contribution to Provident and Other Funds	22,057,117
Staff And Workers' Welfare	3,612,308
Managerial Remuneration	4,558,774
TOTAL	309,170,847

**SCHEDULE - O
PRODUCTION COST**

Reporting Expenses	27,847,472
Up linking Charges	6,801,396
Assignment Charges	841,488
Production Expenses	44,482,939
Subscription	19,232,418
Consumables	4,314,353
Transponder Lease Rentals	51,922,093
Programme Procurement	9,728,979
Purchase of Tapes	287,500
TOTAL	165,458,638



**FORMING PART OF THE CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR
MARCH 31, 2006**

**For the Year Ended
March 31, 2006
Amount (Rs.)**

**SCHEDULE - P
ADMINISTRATIVE AND OTHER COST**

Advertising and Sales Promotion	174,256,251
Communication Expenses	37,087,887
Travelling and Conveyance	68,344,648
Car Hire Charges	26,982,956
Rent	54,165,461
Legal and Professional Charges	10,124,899
Electricity and Water	21,464,069
Vehicle Running and Maintenance	7,749,340
Insurance	8,788,599
Agency Incentive	24,291,142
Housekeeping	24,570,672
Repairs and Maintenance	—
- Plant & Machinery	32,888,862
- Building	1,445
- Other	7,629,991
Newspapers and Periodicals	9,100,730
Business Promotion	8,729,525
Foreign Exchange Fluctuation (net)	126,499
Printing and Stationery	4,384,853
Freight and Courier	2,058,651
Guard Services	3,349,471
Rates and Taxes	2,197,943
Bad Debts	803,395
Provision for Doubtful Debts & Advances	30,596,316
Loss (Net) on Sale of Fixed Assets	1,362,355
Fixed Assets retired and written off	28,265,545
Technical Consultancy Fees	2,533,000
Miscellaneous Expenses	2,590,793
(Includes prior period expenditure of Rs. 912,777)	
TOTAL	594,445,298

**SCHEDULE - Q
INTEREST & FINANCE CHARGES**

Interest	
- Others	35,278
Guarantee Commission	309,651
Finance Charges	758,147
TOTAL	1,103,076

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, 2006.

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, 2006
T.V. Today Network (Business) Limited	Subsidiary	100%

c. 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 "Service Fee" in the Profit & Loss Account. The digital satellite receivers are reflected as 'Plant and Machinery' in the Fixed Assets Schedule.

d. Intangible Assets

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

e. 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 Improvements are written off over the period of the lease.
- 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 is provided as follows:
Computer/Production Software: Depreciated on Straight Line basis over estimated useful life of the software on a case to case basis.

f. Revenue recognition

- **Income from broadcasting operations:** Ad Sale 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.

g. 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.

h. 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.



i. Retirement benefits

Liability towards Leave Encashment has been provided as per actuarial valuation based on Projected Unit Credit Method at the year-end. The valuation of the liability is made on the basis of certain assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on investments. During the year, the said estimated rate of return has been realigned with the existing market rate of interest the impact of which on the charge for the year is not readily ascertainable.

Liability towards Employee Gratuity is determined on actuarial valuation, based on which the Company makes annual contributions to a gratuity fund administered and managed by the Life Insurance Corporation of India ("LIC").

j. 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.
- Foreign currency denominated 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.

k. Miscellaneous Expenditure

- Preliminary expenses incurred during the year are recognized as expense.
- 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.

l. Taxes on Income

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

In the year of transition the accumulated deferred tax asset at the beginning of the period has been recognized with a corresponding credit to the opening reserves in accordance with the Accounting Standard 22 issued by the Institute of Chartered Accountants of India.

Deferred tax assets are recognized for all deductible timing differences and 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 by the balance sheet date.

m. 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.

n. Earnings per Share

The earnings considered in ascertaining the Company's 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.

o. 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.

SCHEDULE - R

SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS

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. 13,666,265.
- (b) During the year, with respect to the disputed statement of claim dated 28th September 2004 received last year 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 have 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. 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. The deferred tax liability as at March 31, 2006 comprises of the following:

	As at April 1, 2005	Charged/Credited during the year	Amount Rs. As at March 31, 2006
Tax impact of amounts charged off to Profit and Loss account but allowable in future years under Income Tax			
Provision for Bad & Doubtful Debts	21,805,120	805,854	22,610,974
Other disallowances as per the Income tax Act, 1961	12,243,607	(1,013,616)	11,229,991
Total Deferred Tax Assets	34,048,727	(207,762)	33,840,965
Tax impact of amounts to be charged off to Profit and Loss account in future years but allowable under Income Tax			
Depreciation	115,198,860	(32,435,098)	82,763,762
Deferred Revenue Expenditure	2,927,690	(976,785)	1,950,905
Total Deferred Tax Liabilities	118,126,550	(33,411,883)	84,714,667
Net Deferred Tax Assets / (Liabilities)	(84,077,823)	33,204,121	(50,873,702)

- "Depreciation" on the additions in "Vehicles" during the financial year 2001-2002 has been claimed at the rate special prescribed for the said year for "commercial vehicles".

3. Earnings per share

	2005-2006 Rs.
(a) Weighted average number of Equity Shares outstanding during the year	58,000,000
(b) Net Profit after tax available for Equity Shareholders (Rs.)	277,660,858
(c) Basic and Diluted Earnings Per Share (Rs.)	4.79
(d) Nominal Value Per Share (Rs.)	5

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



T.V. Today Network Limited

4. 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) Directors and their relatives:

- Mr. Aroon Purie (Managing Director)

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

- World Media Private Limited ^
- Living Media India Limited

(d) Fellow Subsidiary Companies :

- Radio Today Broadcasting (Delhi) Limited*
- Radio Today Broadcasting (Calcutta) Limited*
- Radio Today Broadcasting (Mumbai) Limited*
- Radio Today Broadcasting Limited ^

(e) Companies under common control :

- Thomson Press (India) Ltd.
- Integrated Data Bases India Limited ^

(f) Others

- Vasant Valley School^

*Ceases to be Fellow subsidiary w.e.f. December 31, 2005

^ 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.			
	Holding Company	Companies under common control	Fellow Subsidiaries	Director
Purchase of Ad space/material*	12,619,531	-	4,096,848**	-
Income from Broadcasting operations*	31,468,018	-	6,595***	-
Sale of recorded tapes*	920,000	-	-	-
Management fee	600,000	1,200,000	-	-
SMS charges	1,560,628	-	-	-
Rent payment made to related parties for use of common facilities/utilities	5,152,331	-	-	-
Rent charged to related parties for use of common facilities/utilities	375,579	-	3,268,544^	-
Remuneration/fee paid	-	-	-	4,558,774
Misc Inter-Company service received from related parties & other charges paid	3,617,182	631,420	-	-
Misc Inter-Company services rendered to related parties & other charges received	718,565	-	2,403,129^	-

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

(**) Includes transaction with:

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

(***) Includes transaction with :

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

(^) Represents transactions with Radio Today Broadcasting (Delhi) Limited.

Note:

1. 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, 2006
Living Media India Limited	8,363,810
Total Holding Company	8,363,810
Thomson Press India Limited	(925,322)
Total Company under common Control	(925,322)
Aroon Purie	(2,958,774)
Total Director	(2,958,774)

Figures in brackets represent amount payable.

2. 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.

3. Operating Leases - Other than non-cancellable

The Company has entered into lease transactions during the current financial year mainly for leasing of office premises and company leased accommodations for its employees for periods up-to 10 years. 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. 47,398,865 for the leases, which commenced on or after April 1, 2001.

4. The Subsidiary, T.V. Today Network (Business) Ltd. was incorporated on November 17, 2005 and has received the Certificate of commencement of business on March 8, 2006. Consequently the financial statements of the subsidiary considered for consolidation in these financial statements have been prepared for the period November 17, 2005 to March 31, 2006. Accordingly there is no comparative consolidated financial statement for the previous year.



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2006

	For the Year Ended March 31, 2006	
Cash flows from operating activities		
Net profit before taxation, and extraordinary item	426,182,168	
Adjustments for:		
Depreciation	176,443,444	
Deferred Revenue Expenditure written off	6,078,247	
Provision for Leave Encashment	1,821,850	
Provision for Doubtful Debts & Advances	30,596,316	
Bad debts written off	803,395	
Provision for no longer required written back	(25,600,885)	
Provision for Wealth Tax	1,505,641	
Loss on sale of Fixed Assets	1,362,355	
Fixed Assets retired and written off	28,265,545	
Interest received on deposits	(45,143,001)	
Dividend income	(6,887,964)	
Interest	35,278	
Profit on sale of investments	(177,283)	
Operating profit before working capital changes	595,285,106	
Change in Sundry Debtors	(99,326,634)	
Change in Other Current Assets	(15,219,738)	
Change in Current Liabilities & Provisions	8,912,153	
Cash generated from operations	489,650,887	
Income taxes paid	(184,728,602)	
Wealth tax paid	(330,619)	
Net cash from operating activities		304,591,666
Cash flows from investing activities		
Purchase of investments	(512,441,002)	
Sale of investments	425,186,188	
Purchase of fixed assets	(162,100,692)	
Dividend received	6,887,964	
(Increase)/ Decrease in Capital Work in Progress	(35,875,858)	
Proceeds from sale of fixed assets	5,470,200	
Interest received on deposits	44,100,889	
Net cash from investing activities		(228,772,311)
Cash flows from financing activities		
Proceeds from Cash Credits (Net)	34,853,549	
Interest paid	(35,278)	
Dividend & Corporate Dividend Tax paid	(49,600,875)	
Net cash used in financing activities		(14,782,604)
Net increase in cash and cash equivalents		61,036,751
Cash and cash equivalents at beginning of year		657,768,614
Cash and cash equivalents at end of year (see Note 1)		718,805,365
Note : 1		
Cash and cash equivalents at end of year		
Cash in hand	628,742	
Cheques in hand	567,977	
Balance with scheduled banks -		
- Current Accounts	8,080,540	
- Dividend Account	319,254	
- Deposit Accounts- (including Unutilized Public Issue Proceeds Rs. 386,302,074)	709,208,852	
Cash and cash equivalents	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 setout in AS-3 issued by the Institute of Chartered Accountants of India. Also refer Note 7 on Schedule R (B)		

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 : May 29, 2006

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

For and on behalf of the Board

Sd/-
Anil Mehra
Director

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

Sd/-
Aroon Purie
Chairman &
Managing Director

Sd/-
Sanjay Jain
GM-Finance

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the first Annual Report with the Audited Statement of Accounts for the year ended 31st March, 2006.

1. Financial Results

During the financial year 2005-2006, the Company was incorporated on 17th November, 2005 and Certificate of Commencement of Business was obtained on 8th March, 2006. The Company has not started its business operations during the period but has incurred the expenses of Rs. 67,370/- (Sixty Seven Thousand Three Hundred and Seventy only) towards preliminary and pre-operative expenses. Hence, the Company has incurred a loss of Rs. 67,370/- (Sixty Seven Thousand Three Hundred and Seventy only) 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. Director's Responsibility Statement:-

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

- a) In the preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
- b) 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.
- c) 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.

- d) 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 383(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, Mrs. Rekha Purie, Director of the Company, retires by rotation at the First Annual General Meeting and being eligible offers herself 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. 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, being 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 :May 29, 2006

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 first financial period from November 17, 2005, being the date of incorporation, till March 31, 2006. 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 once in each quarter on December 15, 2005 and March 31, 2006 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 period.
6. The Company is yet to hold its first Annual General Meeting, which can be held on or before September 30, 2006 in terms of Section 166 read with section 210 of the Act.
7. No Extra-ordinary General Meeting of the members of the Company was held during the period.
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 period.
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 period.
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 period.
13. The Company:
 - a. has not received any request for share transfer etc. during the period.
 - b. has made allotment of shares in its first board meeting held on December 15, 2005 to the subscribers of the Memorandum of Association, and also delivered share certificates.
 - c. has not deposited any amount in a separate bank account as no dividend was declared during the period.
 - d. was not required to post dividend warrants to any member of the Company as no dividend was declared during the period.
 - 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. was not required to comply 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 period.
15. The Company has not appointed any Managing Director or Whole-time Director or a Manager, during the period.
16. The Company has not appointed any sole-selling agent during the period.
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 period.
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 issued shares after complying with relevant provisions of the Act, during the period. No other security or debentures were issued during the period.
20. The Company has not bought back any shares during the period.
21. There was no redemption of preference shares or debentures during the period.
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 58 A of the Act during the period.
24. The Company has not borrowed any amount from financial institutions, banks, Directors, members, public & others during the period.
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 period 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 period.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the period.
28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the period.
29. The Company has not altered the provisions of the Memorandum with respect to share capital of the company during the period.
30. The Company has not altered its Articles of Association during the period.
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 period, 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 period.
33. The provisions of Provident Fund Act are not applicable to the company.

Date : May 29, 2006
Place : New Delhi.

Sd/-
For **Ajay Jain & Co.**
Company Secretaries

Ajay K Jain.
Partner
FCS 1551
C. P.: 3357

Annexure-A

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, 2006

1. Form No. III under Companies (Declaration of Beneficial Interest in Shares) Rules, 1975, pursuant to Section 187 –C of the Act, was filed on January 13, 2006 vide ROC receipt no. 375172 (Date of Declarations - December 19, 2005).
2. Statement in lieu of prospectus was filed on February 27, 2006 vide ROC receipt no. 382244
3. Form No. 20 pursuant to Section 149(2)(b) of the Act was filed on February 27, 2006 vide ROC receipt no. 382244



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, 2006 and the related Profit and Loss Account and Cash Flow Statement for the period 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 period 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 period 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 as at the commencement of the financial period 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 period.
 - 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 period and hence clause (ix) of paragraph 4 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 period.
 - 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 period.
- 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 period.
- 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 period.
- 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 period, 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, 2006 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2006 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, 2006;
- (ii) in the case of the Profit and Loss Account, of the loss for the period ended on that date; and
- (iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

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

Place: New Delhi
Dated: May 29, 2006

For & on behalf of
PRICE WATERHOUSE
Chartered Accountants



T.V. Today Network (Business) Limited

BALANCE SHEET AS AT MARCH 31, 2006

	Schedule	As at March 31, 2006 Amount (Rs.)
I. Sources of Funds		
(1) Shareholders' Funds:		
Capital	A	1,500,000
TOTAL		1,500,000
II. Application of Funds		
(1) Current assets, loans and advances		
(a) Cash and bank balances	B	1,451,630
Less: Current liabilities and provisions		
(b) Sundry Creditors [Refer Note 3 on Schedule D(II)]		19,000
Net Current Assets		1,432,630
(2) Profit and Loss Account		67,370
TOTAL		1,500,000

SIGNIFICANT ACCOUNTING POLICIES
AND NOTES ON ACCOUNTS

D

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/-
Aroon Purie
Director

Sd/-
Anil Mehra
Director

Place : New Delhi
Date : May 29, 2006



PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2006

	Schedule	For the Year Ended March 31, 2006 Amount (Rs.)
INCOME		
Revenue		—
		—
EXPENDITURE		
Administrative and Other Costs	C	25,464
Finance Charges		221
Preliminary Expenses		41,685
		67,370
LOSS BEFORE TAXATION		(67,370)
Tax Expenses		(67,370)
LOSS AFTER TAXATION		(67,370)
Loss carried forward to Balance Sheet		(67,370)
Earnings Per Share		(0.45)
[Refer Note 2 of D(II)]		
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	D	

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 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/-
Aroon Purie
Director

Sd/-
Anil Mehra
Director

Place : New Delhi
Date : May 29, 2006



T.V. Today Network (Business) Limited

FORMING PART OF THE BALANCE SHEET AS AT MARCH 31, 2006

	As at March 31, 2006 Amount (Rs.)
SCHEDULE - A SHARE CAPITAL	
Authorised	
150,000 Equity Shares of Rs. 10/- each	1,500,000
	<u>1,500,000</u>
Issued, Subscribed and Paid-up	
150,000 Equity Shares of Rs. 10/- each each fully paid up	<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	
Balance Scheduled Bank on Current Account	1,451,630
TOTAL	<u>1,451,630</u>
SCHEDULE - C ADMINISTRATIVE AND OTHER COSTS	
Audit Fee	19,000
Miscellaneous Expenses	6,464
	<u>25,464</u>

SCHEDULE - D

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 (EPS)

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 expenses

Preliminary expenses incurred during the year are recognized as expense.

II. 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):

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

(b) Companies under common control :

- Thomson Press (India) Ltd.
- Radio Today Broadcasting (Delhi) Limited *
- Radio Today Broadcasting (Calcutta) Limited *
- Radio Today Broadcasting (Mumbai) Limited *
- Radio Today Broadcasting Limited

* Ceases to be under common control w.e.f December 31, 2005

^ There are no transactions during the period

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

Name of Transaction	Holding Company Amount (Rs.)
Preliminary and other miscellaneous expenses	48,149

(III) There are no outstanding balances pertaining to Related Parties as on 31st March, 2006.



T.V. Today Network (Business) Limited

2. Earnings per share

	2005-06
(a) Weighted average number of Equity Shares outstanding during the year	150,000
(b) Net Loss after tax available for Equity Shareholders (Rs.)	(67,370)
(c) Basic and Diluted Earnings Per Share (Rs.)	(0.45)
(d) Nominal Value Per Share (Rs.)	10

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 Undertakings as at the year end is Rs. Nil.
4. The Company was incorporated on November 17, 2005 and has received the Certificate of commencement of business on March 8, 2006 and these financial statements have been prepared for the period November 17, 2005 to March 31, 2006. Accordingly there is no comparative financial statement for the previous year.

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2006

For the period Ended March 31, 2006		
Cash flows from operating activities		
Net Loss before taxation, and extraordinary item	(67,370)	
Operating profit before working capital changes	(67,370)	
Change in Current Liabilities & Provisions	19,000	
Cash generated from operations	(48,370)	
Net cash from operating activities		(48,370)
Cash flows from investing activities		
		-
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		1,451,630
Cash and cash equivalents at beginning of period		-
Cash and cash equivalents at end of period (see Note 1)		1,451,630

Note : 1

Cash and cash equivalents at end of year

Balance with Scheduled Bank in current account	1,451,630
Cash and cash equivalents	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 : May 29, 2006

The notes referred t above from an integral part of the Cash Flow Statement

For and on behalf of the Board

Sd/-
Aroon Purie
Director

Sd/-
Anil Mehra
Director



T.V. Today Network (Business) Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

(A) REGISTRATION DETAILS

REGISTRATION NUMBER	:	142634
STATE CODE	:	55
BALANCE SHEET DATE	:	March 31, 2006

(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	:	1,519
TOTAL ASSETS	:	1,519
	:	

SOURCES OF FUNDS

PAID-UP CAPITAL	:	1,500
RESERVES AND 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	:	1,433
MISCELLANEOUS EXPENDITURE	:	—
ACCUMULATED LOSSES	:	67

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

TURNOVER	:	NIL
TOTAL EXPENDITURE	:	67
PROFIT/(LOSS) BEFORE TAX	:	(67)
PROFIT/(LOSS) AFTER TAX	:	(67)
EARNINGS PER SHARE IN RS.	:	(0.45)
DIVIDEND RATE %	:	NIL

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

ITEM CODE NUMBER	:	-
PRODUCT DESCRIPTION	:	TELECAST & BROADCAST