

RELIANCE
Broadcast Network

Anil Dhirubhai Ambani Group

**Annual Report
2009 - 10**



CORPORATE INFORMATION**BOARD OF DIRECTORS**

Shri Gautam Doshi, Director
Shri Rajesh Sawhney, Director
Shri Anil Sekhri, Director
Shri Darius Jehangir Kakalia, Director
Shri Pradeep Shah, Director
Shri Prasoon Joshi, Director

COMPANY SECRETARY AND MANAGER

Shri Gururaja Rao

AUDITORS

M/s Chaturvedi & Shah

BANKERS

HDFC Bank Ltd.
Yes Bank Limited

REGISTERED OFFICE

Reliance Broadcast Network Limited
401, 4th Floor, Infiniti,
Oshiwara, Link Road,
Andheri (West),
Mumbai – 400 053.

REGISTRAR & TRANSFER AGENTS

Karvy Computershare Private Limited
(Unit: Reliance Broadcast Network Limited)
Madhura Estate
H. No. 1-9/13/C
Plot No. 13 & 13 C
Madhapur Village
Hyderabad – 500 081
E-mail : rbnl@karvy.com
Website : www.karvy.com
Telephone Nos. : 040 – 44338100, 40308000
Contact Person : Praveen Chaturvedi

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Investor Helpdesk

Toll free no. (India): 1800 4250 999

Telephone : +91 40 4438 8100

Fax : +91 40 2342 0859

Email : rbnl@karvy.com

Reliance Broadcast Network Limited

NOTICE

Notice is hereby given that the Fifth Annual General Meeting of the Members of Reliance Broadcast Network Limited will be held on Tuesday, August 31, 2010, at 1:00 p.m. or soon after the Annual General Meeting of Reliance MediaWorks Limited convened on the same day at Rangsharda Natyamandir, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai - 400 050 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2010, the Profit and Loss Account for the financial year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants, (ICAI Reg. No. 101720W) be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors."

SPECIAL BUSINESS

3. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Shri Gautam Doshi, who was appointed as an Additional Director on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 48 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting, and in respect of whom a Notice has been received in writing, under Section 257 of the said Act, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".
4. To consider and, if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:
"RESOLVED THAT Shri Rajesh Sawhney, who was appointed as an Additional Director on the

Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 48 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting, and in respect of whom a Notice has been received in writing, under Section 257 of the said Act, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

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

"RESOLVED THAT Shri Anil Sekhri, who was appointed as an Additional Director on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 48 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting, and in respect of whom a Notice has been received in writing, under Section 257 of the said Act, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

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

"RESOLVED THAT Shri Darius Jehangir Kakalia, who was appointed as an Additional Director on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 48 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting, and in respect of whom a Notice has been received in writing, under Section 257 of the said Act, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Ordinary Resolution**:

"RESOLVED THAT Shri Pradeep Shah, who was appointed as an Additional Director on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 48 of the Articles of Association of the Company and who holds office upto the date of the ensuing

NOTICE

- Annual General Meeting, and in respect of whom a Notice has been received in writing, under Section 257 of the said Act, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".
8. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Ordinary Resolution**:
- "RESOLVED THAT Shri Prasoon Joshi, who was appointed as an Additional Director on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 48 of the Articles of Association of the Company and who holds office upto the date of the ensuing Annual General Meeting, and in respect of whom a Notice has been received in writing, under Section 257 of the said Act, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".
- By Order of the Board of Directors**
- Gururaja Rao
Company Secretary & Manager
- Registered Office**
401, 4th Floor, Infiniti,
Oshiwara, Link Road,
Andheri West, Mumbai – 400 053
July 24, 2010
- Notes:**
1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the Meeting.**
 2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Meeting.
 3. Members / proxies should fill-in the attendance slip for attending the Meeting.
 4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
 5. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting. Members are requested to bring their Attendance Slip alongwith their copy of the Annual Report to the Meeting.
 6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Meeting is annexed hereto.
 7. All documents referred in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
 8. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, August 25, 2010 to Tuesday, August 31, 2010 (both days inclusive).
 9. Non-resident Indian members are requested to inform Karvy Computershare Private Limited immediately on:
 - a. the change in the residential status on return to India for permanent settlement.
 - b. the particulars of the bank accounts maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished earlier.
 10. Appointment and Re-appointment of Directors: At the ensuing Annual General Meeting, as all the existing Directors are Additional Directors, none of the Directors are liable to retire by rotation. Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Darius Jehangir Kakalia, Shri Pradeep Shah and Shri Prasoon Joshi, Additional Directors hold office upto the date of the Annual General Meeting and are proposed to be appointed as Directors under Section 257 of

Reliance Broadcast Network Limited

NOTICE

the Companies Act, 1956. Brief resume of all Directors proposed to be appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorship, membership and chairmanship of board committees, shareholding and relationships between Directors inter-se, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are furnished in the Report on Corporate Governance forming part of the Annual Report.

11. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out all the material facts relating to special business:-

Item Nos. 3 to 8

Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Darius Jehangir Kakalia and Shri Pradeep Shah were appointed as Additional Directors with effect from June 30, 2009 and Shri Prasoon Joshi was appointed with effect from January 29, 2010 in accordance with the provisions of Section 260 of the Companies Act, 1956 and Article 48 of the Articles of Association of the Company. Pursuant to Section 260 of the Companies Act, 1956, Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Darius Jehangir Kakalia, Shri Pradeep Shah and Shri Prasoon Joshi, hold office upto the date of the ensuing Annual General Meeting. The Company has received notices in writing from members of the Company, along with a deposit of Rs 500/-, as per the provisions of Section 257 of the Companies Act, 1956 proposing their candidature for the office of Director.

Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Darius Jehangir Kakalia, Shri Pradeep Shah and Shri Prasoon Joshi, are not disqualified from being appointed as Directors in terms of Section 274(1) (g)

of the Companies Act. The Company has received the requisite Form 'DD-A' from Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Darius Jehangir Kakalia, Shri Pradeep Shah and Shri Prasoon Joshi, in terms of the Companies (Disqualifications of Directors under Section 274 (1) (g) of the Companies Act, 1956) Rules, 2003, confirming their eligibility for such appointment.

Profile of Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Darius Jehangir Kakalia, Shri Pradeep Shah and Shri Prasoon Joshi is given in the Report on Corporate Governance forming part of the Annual Report. Keeping in view the experience and qualification in their respective fields, your Directors considered it to be in the interest of the Company, if Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Darius Jehangir Kakalia, Shri Pradeep Shah and Shri Prasoon Joshi are appointed as Directors of the Company, liable to retire by rotation as per the provisions of the Companies Act, 1956.

Your Directors therefore recommend the said resolution for your approval.

The aforesaid Directors, may be deemed to be concerned or interested in the resolution relating to their respective appointments. None of the other Directors are in any way concerned or interested in the said resolution.

By Order of the Board of Directors

Gururaja Rao
Company Secretary & Manager

Registered Office

401, 4th Floor, Infiniti,
Oshiwara, Link Road,
Andheri West, Mumbai – 400 053
July 24, 2010

DIRECTORS' REPORT

To the Members,

Your Directors present the Fifth Annual Report and the Audited Accounts of the Company for the financial year ended March 31, 2010.

Financial Results

The performance of the Company for the financial year ended March 31, 2010 is summarised below:

(Amount In Rs.)

Particulars	31 March 2010	31 March 2009
Gross Income	1,847,909,049	11,132,283
Expenditure	1,969,538,239	172,416
Profit / (Loss) Before Depreciation, Interest & Tax	(121,629,190)	10,959,867
Interest	275,434,254	1,628,767
Depreciation and Amortisation	364,203,610	16,719
Profit/(Loss) Before Tax	(761,267,054)	9,314,381
Tax	-	3,214,645
Short provision for tax in respect of earlier years	-	-
Profit/(Loss) After Tax	(761,267,054)	6,099,736
Balance brought forward from previous year	(975,323,141)	8,057,197
Total	(1,736,590,195)	14,156,933
Appropriations		
General Reserve	-	-
Proposed Dividend	-	-
Dividend Tax	-	-
Balance carried forward	(1,736,590,195)	14,156,933
Total	(1,736,590,195)	14,156,933

Financial Performance

The Honorable High Court of Judicature at Bombay has sanctioned a Scheme of Arrangement (Scheme) between the Company and Reliance MediaWorks Limited {formerly Adlabs Films Limited (AFL)}, for the demerger of Radio Division and other allied business from AFL to be vested in the Company with effect from April 1, 2008. The Statutory Accounts of the Company for the Year 2008 - 09 were approved by Shareholders of the Company on May 25, 2009, before the Scheme was filed with the Registrar of Companies on June 30, 2009, hence the Audited financials of the Company for the year 2008 - 09 do not have effect of the Scheme. Thus, the previous year's results are not comparable.

The total income from operations of the Company for the year ended March 31, 2010 was Rs.1,807,246,500 and other income was Rs.40,662,549. Income from operations has been derived from Sale of Airtime Rs.1,505,754,727, Activation Revenue Rs. 87,069,557, Events Income Rs.50,311,440, Out of Home Media Income

Rs. 157,583,822 and Other Income from operations being Rs.6,526,954.

Operating Loss (PBDIT) for the year was Rs.121,629,190 and loss after interest, depreciation and amortization was Rs.761,267,054 primarily on account of depreciation of Rs.198,202,429, amortization of Rs.166,001,181 and interest cost of Rs. 275,434,254.

Dividend

Your Directors have not recommended any dividend on equity shares for the year under review.

Management Discussion and Analysis

The Management Discussion and Analysis Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges in India, is presented in a separate section forming part of the Annual Report.

Review of Operations

The Company has entered into various contracts for its Radio, Activations, Out of Home (OOH) and

Reliance Broadcast Network Limited

DIRECTORS' REPORT

Events. While benefits from such contracts will arrive in future years, their progress is periodically reviewed.

In the recent past the Company has established a strong and dominant presence for OOH business in India and has successfully acquired rights to install eight gantries and six cantilevers across Hyderabad City. During the year, OOH has acquired rights to operate several billboards in Bangalore. Also, the right to develop the Zone 6 (from Powai to Ghatkopar) in Mumbai for the Mumbai Beautification Project of Municipal Corporation of Greater Mumbai was awarded to OOH division of the Company.

The OOH division marked its presence in the Northern India by being awarded marketing rights for 50 LED Screens across Delhi and advertisements rights on 3000 buses of Haryana Road Transport Corporation.

Scheme of Arrangement

The Scheme of Arrangement among Reliance MediaWorks Limited {formerly Adlabs Films Limited} (RML), the Company and their respective shareholders and creditors, providing, inter alia, for the demerger of radio and allied business of RML in favour of the Company was sanctioned by the Hon'ble High Court of Judicature at Bombay vide order dated April 4, 2009. The appointed date was April 1, 2008 and the effective date was June 30, 2009.

Pursuant to the effectuation of this Scheme, the Company has issued and allotted one equity share of Rs. 5/- each for every one equity share of Rs. 5/- each held by the shareholders in RML to all those shareholders whose names were registered on RML's Register of Members as Beneficial Owners at the close of business hours as on August 7, 2009, the "Record Date" fixed by the Board of Directors.

The Equity Shares of the Company, allotted pursuant to the Scheme, have been listed and admitted to trading on Bombay Stock Exchange Limited and National Stock Exchange of India Limited w.e.f. December 4, 2009.

Change of name

The name of the Company was changed to 'Reliance Broadcast Network Limited' vide fresh certificate of Incorporation consequent upon Change of Name issued by the Registrar of Companies, Mumbai dated June 17, 2010.

Subsidiaries

The Company does not have any subsidiaries.

Fixed Deposits

The Company has not accepted any fixed deposit during the year under review.

Directors

Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Darius Jehangir Kakalia, Shri Pradeep Shah and Shri Prasson Joshi were appointed as Additional Directors of the Company in terms of Section 260 of the Companies Act, 1956. They hold office up to the date of the ensuing Annual General Meeting.

The Company has received notices in writing from members of the Company, under Section 257 of the Companies Act, 1956, proposing the candidature of Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Darius Jehangir Kakalia, Shri Pradeep Shah and Shri Prasson Joshi for the office of Directors, liable to retirement by rotation.

Brief resume of the Directors proposed to be appointed, nature of their expertise in specific functional areas and names of Companies in which they hold directorships and / or Memberships / Chairmanship of Board Committees, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges are given in the section of Report on Corporate Governance forming part of this Annual Report.

During the year under review Shri Abhijit Banerjee, Shri Ashish Karyekar, Shri Paresch Rathod and Shri Tarun Katial ceased to be Directors of the Company. The Board wishes to place on record its sincere appreciation for the valuable services rendered and guidance extended by them during their tenure as Directors of the Company.

Directors' Responsibility Statement

Pursuant to the requirements under Section 217(2AA) of the Companies Act, 1956, with respect to the Director's Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are

DIRECTORS' REPORT

- reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2010 and of the loss of the Company for the year under review;
- c) the Directors have 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; and
- d) the Directors have prepared the accounts for the financial year ended March 31, 2010 on a "going concern" basis.
- (1) Part A and B pertaining to conservation of energy and technology absorption are not applicable to the Company.
- (2) Foreign Exchange earnings and outgo:
Earnings – Rs. 53,10,313
Outgo – Rs. 3,14,32,682

Particulars of Employees

In terms of the provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended, the name and other particulars of employees are set out in the Annexure to the Directors' Report. Having regard to the provisions of the Section 219(1) (b) (iv) of the Companies Act, 1956, the Annual Report excluding the aforesaid information is being sent to all the members of the Company. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Group

Pursuant to an intimation from the Promoters, the names of the Promoters and entities comprising 'group' as defined under the Monopolies and Restrictive Trade Practices ("MRTP") Act, 1969 are disclosed in the Annual Report for the purpose of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Auditors

M/s. Chaturvedi & Shah, Chartered Accountants, Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have expressed their willingness to be re-appointed as Statutory Auditors of the Company, subject to the approval of the members in the ensuing Annual General Meeting.

The Company has received letters from M/s. Chaturvedi & Shah to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment within the meaning of the Section 226 of the Companies Act, 1956.

Auditors' Report

The observations and comments given by Auditors' in their report read together with notes to Accounts are self explanatory and hence do not call for any further comments under Section 217 of the Companies Act, 1956.

Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo

Particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are as under:

Corporate Governance

The Company has adopted "Reliance Anil Dhirubhai Ambani Group – Corporate Governance Policies and Code of Conduct" which has set out the systems, process and policies conforming to International Standards. The Report on Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, forms part of the Annual Report. A Certificate from the Practising Company Secretary conforming compliance with conditions of Corporate Governance as stipulated under the aforesaid Clause 49, is annexed to this Annual Report.

Acknowledgements

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from shareholders, bankers, regulatory bodies and other business constituents during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the commitment displayed by all executives, officers and staff, resulting in the successful performance of the Company during the year.

For and on behalf of the Board of Directors

Gautam Doshi
Director

Rajesh Sawhney
Director

July 24, 2010
Mumbai

Reliance Broadcast Network Limited

MANAGEMENT DISCUSSION AND ANALYSIS

Forward Looking Statements:

The financial statements have been prepared in compliance with the requirements of the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India. However, readers are cautioned that this discussion may contain "forward-looking statements" by Reliance Broadcast Network Limited ("RBNL") that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current belief, assumptions, expectations, estimates and projections of the directors and management of RBNL about the business, industry and markets in which RBNL operates. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and other factors, some of which are beyond RBNL's control and difficult to predict, that could cause actual results, performance or achievements to differ materially from those in the forward looking statements.

Such statements are not, and should not be construed, as a representation as to future performance or achievements of RBNL. In particular, such statements should not be regarded as a projection of future performance of RBNL. It should be noted that the actual performance or achievements of RBNL may vary significantly from such statements.

The following discussions on our financial condition and result of operations should be read together with our audited financial statements and the notes to these statements included in the Annual Report.

Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company" or "RBNL" shall mean Reliance Broadcast Network Limited.

Industry Structure & Developments

Global Economic Overview:

Recovery in the global economy picked up momentum in the fourth quarter of 2009. The speed of recovery, however, remains significantly divergent. The projections for global output for 2010 generally point to consolidating recovery, led by the Emerging Market Economies (EMEs). The risks to the overall global macroeconomic environment have, however, increased because of large public debt in advanced economies, on the back of concerns relating to reduction in potential output, high unemployment

rates, impaired financial systems and premature exit from the policy stimulus. Closer home, the improvement in global macroeconomic conditions is reflected in the turnaround in India's exports and the return of capital flows. With stronger recovery in EMEs driven largely by domestic demand, improving exports and return of capital flows, EMEs face the risks of inflation and asset price build up.

With the improving growth outlook, monetary and fiscal exit measures have started. While recovery in private demand needs to be stronger to reinforce the growth momentum, the already elevated headline inflation suggests that the weight of policy balance may have to shift to containing inflation, since high inflation itself will dampen recovery in growth. In the emerging macroeconomic scenario, monetary policy management in 2010-11 will be dominated by the challenge of moderating inflation and anchoring inflation expectations, while remaining supportive of growth impulses.

Indian Economic Overview:

India's growth-inflation dynamics are in contrast to the overall global scenario. The economy is recovering rapidly from the growth slowdown caused by the crisis but inflationary pressures, which were triggered by supply side factors, are now developing into a wider inflationary process. Current estimates are that real GDP had grown at 7.2 per cent during fiscal year 2009-10, up from 6.7 per cent during 2008-09. The Reserve Bank of India (RBI) has placed the baseline projection of real GDP growth for 2010-11 at 8.0 per cent with an upside bias.

The monetary and fiscal stimulus measures initiated in the wake of the global financial crisis played an important role, first in mitigating the adverse impact from the crisis contagion and then in ensuring that the economy recovered quickly. After contracting for twelve straight months, exports have turned around since October 2009 reflecting revival of external demand. Various lead indicators of service sector activity also suggest increased economic activity. On the whole, the economic recovery, which began around the second quarter of 2009-10, has since shown sustained improvement.

In the later half of 2009, the economy made a u-turn for the better. Index of Industrial production (IIP), a barometer for economic growth, reached to 16% in January 2010 compared to 1% in January 2009. It is expected to remain at double digits for next several months. A strong saving and investment

MANAGEMENT DISCUSSION AND ANALYSIS

rate has contributed towards shortening the length and severity of the current slowdown, and also towards a faster revival. A large domestic population, along with the increase in its per capita income on the back of sustained economic growth over the past few years is expected to provide enough of a demand stimulus to ensure continued economic growth for India.

India entered 2010 on a surge in growth driven by domestic demand along with a sharp lift in inflation. The next big growth driver for India is in the rural market, which comprises 72 percent of the population. FMCG sales in the rural sector last year grew 18 percent, while the urban sector increased 11 percent. With 62 percent of goods sold out of India coming from the rural sector, it is no wonder the government increased spending from 0.7 percent in 2006 to 1.5 percent last year. 'Indo- vation'—"innovation happening in India" will act as a catalyst to drive continued growth.

Indian Media & Entertainment Industry overview:

As per recent report (2010) published by FICCI, the Media & Entertainment (M&E) in spite of the economic downturn the industry showed a growth of 1.4 percent in 2009 over the previous year.

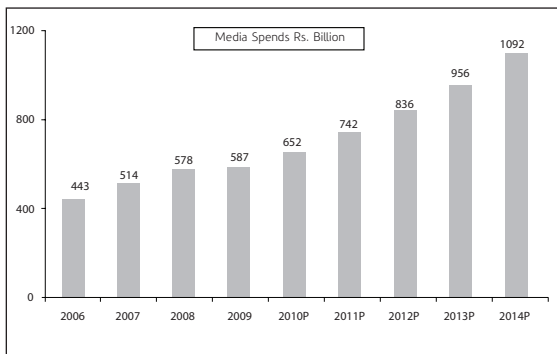


Figure 1: Media and Entertainment Industry past revenues and projected growth as per FICCI KPMG 2010 Report

The media spends comprises of spends on films, television, print, radio, music, animation & VFX, Gaming, internet and outdoor.

Radio and OOH segments in which the company operates were affected by the economic slowdown. Radio industry was affected by the slowdown, showing a decline of about 7 per cent during 2009, where the revenues for individual players stayed flat

or de-grew by up to 10 per cent in the same year. However, the situation improved during the course of the year, with the industry returning to modest growth during the last quarter. The industry clocked revenues of Rs. 780 crores. The growth forecasts for the FM Radio industry are as below:

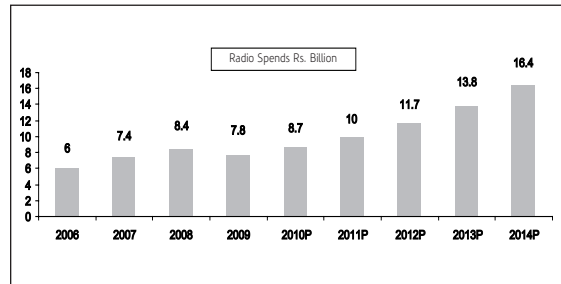


Figure 2: Radio Industry past revenues and projected growth as per FICCI KPMG 2010 Report

The report expects the radio industry to grow at a CAGR of 16 per cent over the next five years and reach a size of Rs 1640 crores by the end of the five year period. Key drivers of this growth include increase in the number of radio stations in the proposed Phase 3 FM Licensing, expected regulatory reforms that are likely to improve profitability and stimulate foreign investments, enhancement of current measurement systems and growth in locally targeted advertising. Radio industry is expected to grow at 12 % in 2010.

Event management industry also called the Live entertainment industry, on which Reliance Broadcast Network Limited is now enlarging focus by its Experiential Marketing team BIG LIVE, is largely fragmented but is purported to be growing on a fast track. The revenue from this segment is classified under BTL category. The Ernst and Young report on the New Market Shehers which analyses Marketing spends and potential of emerging markets in India pegs the current industry size of BTL spends in 2009 at Rs 20,000 Crores up from Rs 13,200 Crores in 2006 (CAGR 14.9%).

This industry has an enormous growth potential riding on the increasing importance of Tier II & Tier III cities and rural India consumers and in the advertiser's inability to reach them through mass media due to limited media reach and or poor media measurability. Reliance Broadcast Network Limited has launched BIG Rural to cater to these media needs which works under the Experiential Marketing arm, BIG LIVE.

OOH industry was hit relatively harder because of

Reliance Broadcast Network Limited

MANAGEMENT DISCUSSION AND ANALYSIS

recession during 2009 than the other sectors of M&E. It contracted by 15% compared to previous year to reach Rs.13.67 billion. This was mostly on account of poor performance of first half of 2009. Industrywide occupancy rates of OOH properties came down from more than 80% to 30% in the first half of 2009. However in the later half, occupancies have recovered due to price reduction by OOH players.

The growth forecasts for the OOH sector are as below:

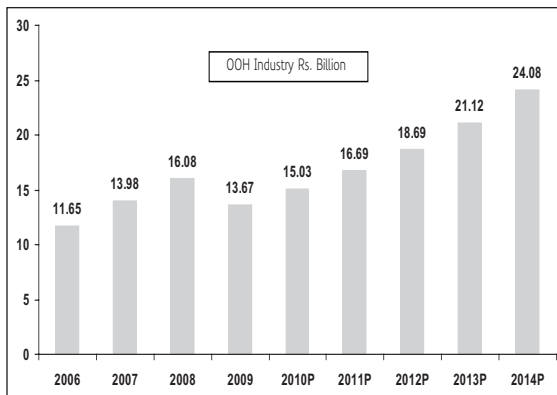


Figure 3: OOH Industry past revenues and projected growth as per FICCI KPMG 2010 Report

The report expects the OOH industry to grow at a CAGR of 14 per cent over the next five years and reach a size of Rs. 2,408 crores by the end of the five year period. The growth is projected on the back of technological innovations, creative offerings, entry of organized players, infrastructure development. This year OOH industry is expected to grow at a rate of 10%. The key growth drivers for the OOH media are improved Infrastructure which will include -modernistaion of airports, launch of metro train services and upgradation and repair of public utilities adding to aesthetic display space. Increased spend by verticals such as telecom, BFSI, media and development of outdoor measurement tools such as Indian Outdoor Survey.

The Company also operates in Digital Media Services wherein as per IAMAI research the growth rate for Mobile VAS is 70% and online advertising 32% for the next year. The Mobile VAS industry is estimated to grow at 70% to Rs.16,520 crores by end June 2010 (Source IAMAI Research, Mobile Value Added services in India- Aug 2008). Based on the research conducted by IMRB International and Etech dated December 2009 the Online Display Advertising Market in India during the year 2008-09, stood at

Rs. 325 crores and the research expects that the industry will grow at a rate of 32% to Rs. 430 crores. Increase in the Internet user base, extensive usage of Internet by political parties for elections and usage of Internet for advertising by SMEs are the factors strongly supporting for sustained growth of online display advertising market in India.

The outlook on the growth of the Indian media and entertainment industry is fairly optimistic based on the following growth drivers:

Overall economic growth and continued development of the Indian economy clubbed with India's favorable demographic profile. The growth of the Indian economy leading to increased income levels over the last few years has resulted in the availability of greater amounts of disposable income. There has been change in the consumption trends in the FMCG, Telecom, Auto, BFSI, Education and Retail Sectors thereby making the situation gainful for the many media segments including radio, OOH, television, niche broadcasting, magazines and internet.

The outlook on the growth of the Indian media and entertainment industry is fairly optimistic based on the growth drivers like growth in advertising spends as firms increase advertising outlay to reach their target audiences, increased penetration of media vehicles translating to higher advertising spends and higher consumption of media products. The wider availability of digital distribution platforms to effectively monetize content and expanding international markets for Indian content also contribute to the same.

Regionalisation is likely to be one of the significant factors driving growth with growing increase in literacy, consumption and disposable incomes in Tier II & III cities. Advertisers are also increasing focus on rural markets due to the saturation of urban markets.

Convergence and impact of the new media like IPTV, online newspapers and magazines, podcasts, Wi-max, new video formats, internet streaming etc will benefit media players. Advertisers are looking at multiple delivery platforms for content to break through the clutter in existing platforms. The new media devices would lead to emergence of new models for advertisement and subscription.

About Reliance Broadcast Network Limited :

Reliance Broadcast Network Limited is part of the Reliance Anil Dhirubhai Ambani Group. One of India's youngest media houses, it has grown at a steady pace becoming one of India's leading media

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businesses. RBNL currently has revolutionized and transformed itself, from a radio company, **92.7 BIG FM**, to an integrated solution provider with its experiential marketing arm **BIG Live**, its OOH Business **BIG Street** and its offering in the online and mobile solutions space, **BIG Digital**.

92.7 BIG FM – the radio brand pioneered the spread of FM entertainment with the launch of its 45 station network, reaching out to over 200 million Indians. The company offers a truly integrated solution to clients having built significant multi media capabilities. **BIG Street** – in the business of out of home media, **BIG Live** – the experiential marketing wing of the Company covering activations, events, intellectual properties and rural marketing and **BIG Digital** – an initiative in the digital space offering mobile and online solutions.

Key Performance Indicators of FY09-10 over FY08-09:

- A 21% market share makes BIG FM one of the largest media / radio players in the country
- Retail revenues have seen a healthy growth of 15%
- Annual growth of corporate customers stands at 6%
- Inventory utilization in tier II and III cities experienced over 44% growth while utilization in tier I grew by 24%
- Government advertising contributed to the top line growth of radio revenues
- Key Stations like Bangalore, Kolkata and Chandigarh rated No. 1 in audience ranking
- Audience ranking showed growth by 7.56% in listenership
- Growth in BIG Street's revenues by 8.5%

Segment wise Analysis:

1. FM Radio Broadcasting and Activations:

FM Radio Broadcasting

Though AM radio broadcast started in India way back in 1935 and FM radio broadcast in 1977, it was under Government control for a long time. It was only in 2001 that private players were allowed to participate in FM radio business, in a limited way. In Phase II, the scope was increased and 245 frequencies were allotted nationally to private companies. The Company bid for licenses and received 45

city centric licenses, maximum possible under the then prevailing rules. Soon thereafter, we started radio broadcast under the brand name BIG FM. We have successfully created pan India footprint of Radio Stations with broadcast FM radio frequency 92.7 on 44 stations and 91.9 in Shimla. The Shimla station was launched in June 2009.

India has an estimated 180 million radio sets reaching 99 percent of the Indian population. In addition, it is estimated that 25 percent of the 500 million mobile subscribers in India have radio – enabled handsets leading to increased popularity. However, the presence of over 240 radio stations across 84 cities in India with minimal content differentiation has hampered the economics of radio broadcasting in India.

92.7 BIG FM is India's largest radio network with reach of 45 radio stations. With alliance partners Raneka Fincom Pvt Ltd (Rangila FM), B.A.G. Infotainment Pvt Ltd (Radio Dhamal) and Music Broadcast Pvt Ltd. (Radio City) taken into account, the network offering stands increased to 65 Radio stations. We cover over 1200 towns and more than 50000 villages. Our reach stands at over 2 crores listeners as per IRS 2010 Q1.

92.7 BIG FM leads in Bengaluru and Kolkata in the listenership. Most importantly, we deliver the highest reach across the five Metros i.e. (Mumbai, Delhi, Kolkata, Hyderabad, Bangalore). We are constrained by the regulations of Phase II bidding which does not allow acquisition of more than 1 frequency in one city and also places limit of 15% of available frequencies on pan-India basis. We will expand to more cities as and when these restrictions are lifted.

Awards and recognitions:

- **LINTAS TRUE Award 2007:** Fastest reach build up by a media brand
- **New York Radio Festival 2007 & 2008 :** 92.7 BIG FM was the only Indian Radio Station to win an award!
- **IRF – Promax Awards :** Over 15 awards over the last 2 years
- **RAPA Awards :** Best Station Promo of 92.7 BIG FM "Hum Big Hai"

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- **Cannes Lion** Gold for Nokia Express activation in 2009
- **India Excellence in Radio Awards 2010** : Radio – 9 Awards, BTL – 1 Award

Big Live Activation Business:

Big Live is in the business of creating & managing Ground Activations, Rural Activations, Multi Brand engagement IP Activation. Under the Big Live IP Property umbrella multi brand engagement has developed several IPs which include, 'All rounder's academy', 'TV Biggies', BIG IMA Music Awards, Regional Music Awards – BIG Bangla Music Awards, BIG Kannada Music Awards, BIG Marathi Music Awards, 'Chipak ke Jeeto', 'Nakli No1', 'Tnxng Champs', 'Mall o thon', 'Astrology Expo', 'Global green initiative', 'BIG Coolest Fresher', 'Sing with superstar', 'Live at Inorbit', 'Eco Ganesha' over the past 2 years.

Big Live – 'On Ground' provides promotions / solutions to clients across the nation, along with 'On Air' amplification. Some of the winning activations have been produced since inception. Few of the key activations done during the year are WagonR Smart Challenge (7 cities), Dabur Chawanprash School Champs (12 cities), Nokia 5800 – Xpress Music (Winner of Prestigious Cannes Award), NIIT – Hunt for the Network Kings (5 Metro), Good Year Long Drive 20 City Car Rally, Cadilla Sugar Free – Sampling at parks, Thums Up – Thunder Wheels License Hai Kya (13 Cities activity), Mountain Dew – Darr ke aage jeet hai, Goa Beach, Nestle Milky Bar School Activation (7 Cities).

Rural Activations is reaching rural consumers through rural touch points like Mandis, Haat, Fairs and Festivals. It is capitalizing on the strength and reach of BIG FM across 52,000 villages. It plans to tap the vast and under penetrated rural markets having significant revenue potential. The focus is on providing Clients holistic solutions to their rural marketing requirements, reaching out to rural audiences through amplification on Radio coupled with innovative on-ground activations.

Rural Activations is laying the foundation for a more evolved and urbanized rural India. With the existing 45 radio stations and 10 off site offices, we have the footprints at National Level. The rural plans can be integrated with

the Radio and efficient monitoring is possible due to the large existing network.

2. BIG Digital

BIG Digital, is the Company's initiative in the digital space. BIG Digital creates and strengthens value propositions for internal and external customers while providing a surround of digital media integrations – including both mobile and online services. With the vision to be the first port of recall for quality content deployed in a service-agnostic environment, BIG Digital offers integration across all GSM and CDMA operators across India through short code 55454.

Big Digital offers its clients complete end to end digital solutions including SMS push & pull services via 55454, IVR @ 5055454 & online marketing right from idea conception & planning to execution.

Big Digital specializes in creating innovative & original content for the MVAS Platform. Specialist scripter's & artists work on creating interesting CRBT content for the mobile platform, which Big Digital via its tie up with all operators distributes. Big Digital specialize in creation of Humor Content. The team has created a huge bank of creative humor CRBT. We also work on leveraging Radio Content on the mobile platform via appealing caller tunes. Our Caller Tunes have been received with a great response from Idea, Tata & Reliance subscribers.

In FY 2009-10, BIG Digital launched BIG Non Stop Masti, offering exclusive and select content to audiences on demand, as BIG Digital filters and picks 'high demand', 'entertaining programme capsules' from 92.7 BIG FM, and offers it to audiences, who can listen in, by simply calling 5055454. With deep insights on India's Mobile Users entertainment requirements, BIG Digital offers audiences a wide assortment that they can pick and choose from, ranging Bollywood interviews, humor capsules, devotional music, health tips and much more. The product, currently hosted in Hindi, will soon see expansion in other languages, basis consumer demand.

BIG Digital, announced the launch of BIG Mobile Radio, the best ever radio experience on mobile, with IDEA Cellular, through its

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alliance with India's largest telecom VAS provider, OnMobile Global Ltd. This strategic alliance allows 92.7 BIG FM enhanced reach to the 65 million rich consumer base of IDEA Cellular across India. Leveraging its expertise in audio content through its programming in local languages across its 45 station network, BIG FM offers the service on IDEA, in the 6 languages of Hindi, Bengali, Tamil, Marathi, Telugu and Malayalam and will soon add more languages taking the total count of language options to 17. In addition to the rich content, the USP of this offering is its ad-free stream and its interactive programming; ensuring listeners get true value for money. This service allows users to listen to their favorite programmed channels regardless of their location. For example, a Tamil listener in Mumbai will be able to listen to native-language programming on BIG Mobile Radio at the dial of the number.

BIG Digital also helped in augmenting the revenues of the Radio Broadcasting Segment via SMS short code and key word income.

Presently, the revenues for Radio Broadcasting including activation income for FY 2009-10 stood at Rs. 159.93 Crores. Other income from Radio business stood at Rs. 3.00 Crores.

3. OOH Business

The OOH industry has grown by 15.3% in the last 4 years with impetus given to infrastructure development, which has led to the emergence of new sites and retail media as key drivers for this growth. In the last two years, outdoor companies have started investing in basic infrastructure development in lieu of media rights to those properties in concurrence with local and municipal bodies. The OOH industry stood at Rs. 15.0 billion in 2008 and grew by 20.0% from Rs. 12.5 billion in 2007 to form 6.9% of the total advertising pie.

BIG Street, the Out of Home media division was started in April 2008. BIG Street acquires Outdoor assets and marketing rights & markets them to various advertisers, advertising agencies and business retailers. BIG Street is committed to redefine OOH market through use of technology & product innovation. BIG Street identifies and acquires premium properties at reasonable prices.

Our current portfolio consists of strategic,

selective and high impact media like Delhi Metro Rail – Line II inside platform, Civil structures in DMRC Line II, Airoli – Pole Kiosks & Gantries, Mobile Vans at Hyderabad & Cochin, Gantries in Hyderabad and buses in Chandigarh & Haryana. Delhi Metro Line II remains our key contributing inventory (over 50% of the total OOH revenue for FY 2009-10). We also have exclusive marketing tie ups for 50 LED screens across Delhi.

Big Street has bagged the Delhi Tourism and Transportation Corporation's (DTTDC) Street Furniture Makeover project along with the mandate for high end digital pods across 25 Delhi Metro Rail Corporation's underground stations. The DTTDC project is for a period of 22 years on a BOT (build operate and transfer) model. The inventories will cover 19 kilometers of high advertising demand locations covering the ITO Bridge, Nizamuddin Bridge, road from Akshar Dham to ITO Chungi and the inner roads of Yamuna Sports Complex. The work is expected to be completed before the Common Wealth Games (CWG) and to ensure international standards for the infrastructural facelift, BIG Street has tied up with Hong kong street furniture specialist firm, Qumbet.

BIG Street also won advertising rights for the high-end Digital PODs spread across 25 of Delhi Metro Rail Corporation's premium underground stations for a period of eight years. Footfalls across these high traffic lines are estimated to be upwards of 1 million each day. This innovation will be executed along with VMG Global, a UK based expert in digital media solutions. The digital PODs across DMRC's premium underground stations will offer commuter's key information ranging DMRC's services, ticket rates, station facility information, updates on the CWG and more. These PODs will be the future for indoor advertising in India, ranging malls, multiplexes, airports, metro stations and other key locations as it offers innovative advertising opportunities on its LCD panels.

In future also the Company plans to focus on long term low risk high return PPP projects. We will go for scale through step by step approach. We will maximize marketing and sales strength for more exclusive marketing tie-ups.

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The revenues for Out Of Home business for Financial Year 2009-10 stood at Rs 16.28 Crores. Other income from OOH business stood at Rs. 0.07 Crores.

4. Others (BIG Live - Events)

Big Live Events is one stop solution for all innovative events' requirements including Conceptualizing, Planning and Implementation of Corporate events, Live events, MICE & Special Events (Weddings, fairs). The clientele is from media companies, corporate houses, Banking, Financial Services, Insurance Sector and major consumer durable companies, Consulates and trade commissions etc. The event is taken on a turnkey basis with in house teams for servicing, creative and operations. Major Events executed during the year 2009-10 include Zee Nite Bangkok, MAMI Films Festival, Rehman Unplugged, Pushkar Mela, Sur Sangam Finale, Suraj Kund Mela 2010.

The revenues for other businesses for FY 2009-10 stood at Rs.5.03 Crores. Other income from other business stood at Rs. 0.03 crores.

Opportunities & Threats

Opportunities

- 1) With the 2nd highest GDP growth rate, 50% of the population below 35 yrs, rapid urbanization, increasing consumerism and a resurgent Rural India, the Indian market is poised to grow to 1 trillion US\$'s. This reflects positive projections for the media and entertainment industry, slated to grow at 12.5% CAGR. However the Indian consumer is an increasingly difficult target to impact. Extremely time pressed and enabled with multiple media choices, consumers today are a challenge to keep up with. The future of brand communication will demand a high degree of consumer centricity delivered through engaging ideas and multiple touch points, to be able to create any impact. The need of the hour, to engage and deliver audiences, is only possible through the power of consumer centric integrated media solutions - an opportunity identified and embraced by Reliance Broadcast Network Limited.

To enable maximizing this new opportunity, the RBNL sales teams has been re-tooled to sell integrated solutions to clients, leveraging

all the RBNL verticals as well as Reliance ADA Group verticals. This new sales force, christened 'BIG Connect' has been structured with a focus on Key Account Management, with 200+ associates, across 52 offices with access to 1000+ clients each month.

2) Emergence of Phase III FM Licensing

The Government is currently in the stages of finalizing the policies for Phase - III FM Licensing. Growth in the future is likely to come through continued increase in the number of radio stations after Phase III licensing, further liberalization of regulations as well as better ability of the radio stations to sell ad space.

TRAI has given some very important recommendations for Phase III FM Licensing of the sector:

- Allowing radio stations to broadcast news & current affairs.
- Increase in FDI limits from current 20%.
- Allow networking within the Radio stations owned by the same company.
- Tradability of licenses and allowing ownership of multiples frequencies.

Apart from increased earnings due to expansion in new cities the recommendations could help in improving the operational and cost efficiencies of Radio companies, getting in more foreign investments in the sector as well as moving the industry from being centered on a single genre (i.e., hit music) to offering more differentiated content. Emergence of niche Radio stations could help in attracting new listeners and driving up overall Radio listenership.

3) Resolution of Music Royalty issues

The Music Royalty issue is pending before the Copyright Board. The FM Broadcasters are hoping that the final outcome may be favourable to the FM Industry.

4) Extension of License Period

The FM Broadcasters have represented to the Ministry of Information and Broadcasting to extend the period of the License from the existing 10 years to at least 15 years. This representation is pending before the Ministry. If the extension is granted it would benefit the FM Industry.

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- 5) Growing government interest in PPP projects for city beautification opens up formerly unchartered arenas for increasing OOH properties. Increased Government spending on infrastructure in the planned expenditure as budgeted in the 11th Five year plan will result in creation of new OOH media space. The total investment in infrastructure was around 5% of GDP in 2006-07 and the Plan aims at increasing this to about 9% of GDP by the terminal annum 2011-12.
- 6) Under the BIG Live, the Company would be focusing on MICE, that is Meeting, Incentives, Conventions and Exhibitions. We plan to convert the annual business meetings, conventions and conferences into a glamorous and enjoyable event for the customers. Presently, we are focusing on the Event Execution but would also be looking forward to provide end to end solutions including Travel management and destination management.

The Company is exploring various options to take benefits of the synergies between the group companies

Risk, Concerns & Mitigating Factors

- The licenses for operating FM radio broadcasting channels are for a limited duration of ten years. As per Grant of Permission Agreement (GOPA), the grant of permissions to successful bidders under the Phase II Policy is valid for a period of ten years from the date of operationalisation of a FM Radio channel or twelve months from the date of grant of permission, whichever is earlier.
 - Private FM Radio broadcasters are restricted from broadcasting any news and current affairs on their stations. We are restricted under the GOPA from broadcasting news and current affairs on our Radio stations.
 - We are responsible for the broadcast content on our FM Radio channels and broadcast of any content inconsistent with the license conditions could lead to termination of the license thereof and also make us liable under other applicable laws.
 - Technical failures and natural disasters can damage our existing set up.
- Uplinking and other infrastructure used for broadcasting are vulnerable to technological failures and also to natural disasters such as earthquakes and floods. We maintain insurance for our assets against fire, natural calamities including earthquakes and floods, burglary and special contingencies, depending upon the nature of the asset.
- We rely on third parties for the sound recordings we broadcast. The sound recordings that we broadcast are supplied or licensed by third parties and we pay royalties to these third parties for the right to broadcast these sound recordings. A proceeding filed by some of the other Private FM Channels before the Copyright Board in connection with fixation of the Royalty rate is pending. The outcome of the said proceedings may have an impact on the Company. Further there are certain amendments which are proposed to be carried out in the Copyright Act. Some of these amendments if implemented may not be in the interest of the Radio Industry.
 - Cost structures remain a concern for the industry, and progress on the regulatory front in terms of addressing the royalties issue, extension of license period, permission for multiple frequencies and the removal of restrictions on networking is critical. This was exacerbated by the high marketing and promotions costs undertaken by most players in brand building in the initial few years.
 - Despite high growth over the past few years, radio still gets relatively less focus from advertisers. Establishing a clear proposition for advertisers and media planners hence is a pre-requisite to achieving sustained growth.
 - Measuring audience composition is an additional challenge, making it difficult for stations catering to a niche audience to convince advertisers of their targeted reach. With the industry currently facing losses, willingness on the part of players to invest in an enhanced measurement system is low. Audience measurement also continues to be a challenge in OOH industry.

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- One of the key concerns for the MVAS industry is on how to provide a preview for the numerous content pieces produced on a daily basis across the industry. We are today not able to engage the end user beyond 2nd / 3rd scroll & this is a major hurdle. Supply and Demand exists however the ability to showcase is inadequate. Also risks of cartelization & grouping of bollywood music owners is always threat for the MVAS industry players.
- The SMS marketing industry faces a serious pricing concern. Multiple bogus offerings in the market deviate customer interest, who suffer in their campaigns & then realize the quality of such low priced sms pushes & their database. Also in India, we need to embrace the belief in non- intrusive or permission based mobile marketing, which is one of the key principles for sms marketing at Big Digital.
- The OOH industry growth is estimated on the back of the infrastructure growth of India. Delay in execution of awards or completion of orders for roads, highways would in turn delay media development for this sector. Our Out of Home inventory growth plans are highly dependent on government tender outcomes wherein there is no certainty of the Company getting the advertising rights. We have taken on board employees with good experience in the OOH industry and we rely on their expertise for sound pricing for placing the bids. Further, we are closely working with government bodies to execute long term projects under Private Public Partnership route for city beautification through deployment of world class street furniture getting rights of advertisement in return. This will help us gain long term footage in the OOH media market.
- The OOH media space is hit relatively harder during any economic slowdown compared to other mediums.
- The OOH media space is governed by local bodies/municipal corporations who have framed laws and bye-laws for regulating the media. Any change in such laws and bye-laws may impact properties already in existence and consequentially OOH market.
- Increased innovation and creativity in offerings are the only way to make the medium more resilient to future downturns. We have created an in house creative team to develop innovative ways of advertising in OOH space. Further among all types of properties large formats are more severely hit than small format due to high outlays required by advertisers for large formats. We are having larger share of small formats in our portfolio making us more resilient. We are also consciously investing more in street furniture (like Bus Shelters, kiosks etc) and transit mediums (metro, buses etc) so that the risk of economic downturn is minimized.

Business Outlook

After witnessing a slowdown during 2008-09, the economy is on the path to recovery in 2009-10, which is expected to firm up further and take hold in 2010-11. Continuing the optimism witnessed in the business confidence surveys, the bullish sentiments have grown stronger. The industrial outlook survey of the Reserve Bank indicates improved assessment of the January - March 2010 quarter. The professional forecasters' survey conducted in March 2010 shows overall (median) growth rate for 2010-11 at 8.2%, driven mainly by increased private consumption expenditure growth and relatively increased industrial activity in the first half and pick-up in services in the second half.

The advertising spend in India emerged as the highest in the Asia-Pacific region, surging by 32 per cent in the quarter ended March 2010 when compared to the preceding three months ending December 2009. On a year-on-year (y-o-y) basis, the Indian main media ad spend grew 26 per cent in Quarter ending March 2010 as against the same quarter last year, while the average growth across the 12 Asia-Pacific markets was 15%. The outlook for media advertising across the remainder of 2010 appears extremely positive in India. Consumers are spending and intending to

MANAGEMENT DISCUSSION AND ANALYSIS

loosen up their purse strings, so the onus is thus, on marketers to ensure that their products and services return to the top of mind.

Growth in the industry is expected to be driven by growth in both subscription and advertising revenues. The subscription market is likely to be driven by enhanced penetration and expansion of digital delivery infrastructure. Rising disposable incomes of the working population and increased spend on discretionary items, not only in Tier I but also Tier II and III cities is expected to continue impacting the M&E industry favorably. Also, growth of newer delivery platforms with superior technology and functionality is likely to expand horizons for the M&E business. Aspirations of Indian players to go global and foreign players entering the industry are likely to help the industry target a double digit growth in next five years. The role of the new media is becoming increasingly important in the distribution portfolio of advertisers. A strong focus on talent development, consumer research and innovation can help players in differentiating themselves amidst growing competition.

Internal Control System and their adequacy

The Company has adequate internal control procedures commensurate with its size and nature of business. The business control procedures ensure efficient use and protection of Company's resources and compliance with policies, procedures and statutory requirements. Further Internal auditors are appointed to carry audit assignments and also to periodically review transactions and effectiveness of internal control systems.

Discussion on financial performance with respect to operational performance

RBNL's operations have turned positive income before depreciation, amortization and interest since the third quarter of fiscal year 2009-10. RBNL reported a total income of Rs. 180 Crores for FY10, with radio EBIDTA at Rs. 1.88 Crores, crediting its performance to higher inventory utilization and continued focus on cost reduction. The Company reported a loss of Rs. 76.13 crores at the net level, attributed mainly to debt servicing cost, depreciation and amortization.

The Company's financial performance is discussed in detail under the head "Review of Operations" in Directors' Report to the Members.

Material developments in Human Resources /Industrial Relations front, including number of people employed

The Company regards human resources as most important and valuable assets. The Company encourages a performance driven culture and enables the employees with focused training at regular intervals. Further, the training needs of the staff at all Divisions are periodically assessed and training programmes are conducted using internal resources and/or engaging external facilitators and trainers. Specific need based training and development programmes are imparted so as to attain optimum contribution. Various events and programmes are held Pan India from time to time during the year to focus on uplifting the morale of the employees. We have a robust Reward and Recognition program, wherein we recognize functional Champs and incentivize them in creative ways. In the process creating a culture that fosters excellence through innovation and execution. We have a quarterly appraisal system that allows us to closely review and manage people performance in an objective and transparent manner. As of March 31, 2010, we had 775 employees, of whom more than 261 comprised of sales associates.

We have adopted a performance-linked compensation program that links compensation to individual performance, as well as our performance. The Company is in the process of implementing an Employee Stock Option Scheme (ESOS) in accordance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 to enable aligning the interests of the employees with those of the Company and its members and to create a common sense of ownership among them. ESOS will also act as an effective tool to attract, reward, motivate and retain the best talent in the industry.

Reliance Broadcast Network Limited

CORPORATE GOVERNANCE REPORT

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges in India and some of the best practices on Corporate Governance, the report containing the details of governance systems and processes at Reliance Broadcast Network Limited is as under:

Reliance Broadcast Network Limited ("RBNL") has maintained the highest standards of corporate governance principles and best practices by adopting the "Reliance Anil Dhirubhai Ambani Group – Corporate Governance Policies and Code of Conduct" as is the norm for all constituent Companies in the group. These Policies and Code prescribe a set of systems, processes and principles which conform to the best international standards and are reviewed periodically to ensure their continuing relevance, effectiveness and responsiveness to the needs of investors both local and global and all other stakeholders.

RBNL's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity, in all facets of its operations and in all interactions with its stakeholders, including shareholders, employees, the government, lenders and the society. The Company believes that all its operations and actions must serve the underlying goal of enhancing long-term shareholder value. In our commitment to practice sound governance principles, we are guided by the following core principles:

- **Transparency**
To maintain the highest standards of transparency in all aspects of our interactions and dealings.
- **Disclosures**
To undertake timely dissemination of all price sensitive information and matters of interest to our stakeholders.
- **Empowerment and Accountability**
To demonstrate the highest levels of personal accountability and to ensure that employees consistently pursue excellence in everything they do.
- **Compliances**
To comply with all the laws and regulations applicable to the Company.

- **Ethical conduct**
To conduct the affairs of the Company in an ethical manner.
- **Stakeholders' interests**
To promote the interests of all stakeholders including customers, shareholders, employees, lenders, vendors and the community.

Governance practices beyond regulatory requirements

Our governance practices go beyond the mere letter of statutory and regulatory requirements. With this in mind, we have formulated and introduced a number of policy documents as briefly described below:

- A) Values and commitments**
We have set out and adopted a policy document on the 'values and commitments' of RBNL. We believe that any business conduct can be ethical only when it rests on the nine core values of honesty, integrity, respect, fairness, purposefulness, trust, responsibility, citizenship and caring.
- B) Code of ethics**
Our 'code of ethics' demands that our employees conduct the business with impeccable integrity by excluding any consideration of personal profit or advantage.
- C) Business policies**
We have clear internal norms in place on a wide range of issues from fair market practices and insider information to financial and accounting integrity, from external communication and personal conduct to work ethics. We also have a policy on prevention of sexual harassment in addition to guidelines on health, safety, environment and quality.
- D) Separation of the Board's supervisory role from executive management**
In line with best global practice, we have adopted the policy of separating the Board's supervisory role from that of executive management.
- E) Prohibition of insider trading policy**
This document contains the policy on prohibiting trading in the equity shares of the Company, based on insider or privileged information.

CORPORATE GOVERNANCE REPORT

F) Prevention of sexual harassment

Our policy aims at promoting a productive work environment and protecting the individual from sexual harassment.

G) Whistle blower policy

Our whistle blower policy encourages disclosure in good faith of any wrongful conduct on a matter of general concern and protects the whistle blower from any adverse personnel action.

H) Risk management

Our risk mitigation procedures ensure that the management is able to control risk through a properly defined framework.

I) Boardroom practices

i. Board charter

The Board of Directors has adopted a comprehensive charter, which sets out clear and transparent guidelines on matters relating to the composition of the Board, the scope and function of various Board Committees, etc.

ii. Tenure of independent directors

The tenure of independent directors on the Board of the Company shall not exceed nine years, subject to their re-appointment on retirement by rotation as per statutory provisions.

iii. Lead independent director

Recognizing the need to have a representative and spokesperson for the independent directors, the Board has appointed an independent director as the lead independent director.

The lead independent director performs the following roles in addition to the role of a non-executive independent director:

- preside over all executive sessions of the Board's independent directors;
- work closely with the Chairman to finalize the information flow, and the agendas and schedules for meetings;

- to liaise between the Chairman and the independent directors on the Board; and
- take a lead role along with the Chairman in the Board evaluation process.

Shri Anil Sekhri has been designated as the lead independent director.

iv. Independent director's interaction with shareholders

Shri Anil Sekhri, an independent director, interacts with shareholders on their suggestions and queries which are forwarded to the Company Secretary.

v. Meeting of independent directors with operating team

The independent directors of the Company meet in executive sessions with the various operating teams as and when they deem necessary. These discussions may include topics such as operating policies and procedures; risk management strategies; measures to improve efficiencies; performance and compensation; strategic issues for board consideration; flow of information to directors; management progression and succession and others as the independent directors may determine. During these executive sessions, the independent directors have access to all such advisors and members of the management as they may determine and deem fit.

vi. Commitment of directors

An annual calendar of meetings, involving the Board and its various Committees, is circulated to the directors at the beginning of the year. Such advance planning enables the directors to plan their commitments and facilitates optimum attendance at all meetings of the Board and its Committees.

J) Governance practices being followed to promote the interests of our stakeholders

We have in the recent past introduced several trend setting governance practices to improve stakeholders' satisfaction.

Reliance Broadcast Network Limited

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Some of the major ones among them are:

i. Customers

We have taken various initiatives towards customer care by providing comprehensive online support across businesses.

ii. Employees

We regularly conduct an employee assessment survey and the results of this survey are communicated to all employees and appropriate action is initiated to enhance employee satisfaction based on their feedback. As a means of providing accelerated career growth to high performing talent, we have programs of assessment centers, wherein employees who have a proven track record are assessed for higher role. Also we identify high potential talent on a periodic basis and provide necessary learning interventions to help them take on larger responsibilities and roles.

iii. Lenders

The Company has been prompt in honouring all debt obligations to its lenders.

iv. Society

The Company, in keeping with its corporate social responsibility (CSR) policy, focuses on healthcare, education and other social initiatives for the wider community.

Compliance with Clause 49 of the Listing Agreement

Reliance Broadcast Network Limited is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement formulated by Securities and Exchange Board of India (SEBI).

We present our report on compliance of governance conditions specified in Clause 49.

I. Board of Directors

1. Board composition - Board strength and representation

As at March 31, 2010, the Board consisted of six members. The composition of and the category of Directors on the Board of the Company were as under:

Category	Name of the Directors
Non Executive - Non Independent Directors	Shri Gautam Doshi Shri Rajesh Sawhney
Independent Directors	Shri Anil Sekhri Shri Pradeep Shah Shri Darius Jehangir Kakalia Shri Prasoon Joshi

Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Pradeep Shah and Shri Darius Jehangir Kakalia have been appointed on the Company's Board on June 30, 2009. With effect from January 29, 2010, Shri Prasoon Joshi was appointed on the Company's Board. The Company has appointed Shri Gururaja Rao as the Manager of the Company in respect of the provisions of the Companies Act, 1956 for a period of three years with effect from July 30, 2009.

2. Conduct of Board proceedings

The day to day business is conducted by the officers and the managers of Reliance Broadcast Network Limited under the direction of the Board. The Board holds minimum four meetings every year to review and discuss the performance of the Company, its future plans, strategies and other pertinent issues relating to the Company.

The Board performs the following specific functions in addition to the oversight of the business and the management:

- review, monitor and approve major financial and business strategies and corporate actions.
- assess critical risks facing the Company and review options for their mitigation.
- provide counsel on the selection, evaluation, development and compensation of senior management.

CORPORATE GOVERNANCE REPORT

- ensure that processes are in place for maintaining the integrity of:
 - a. the Company
 - b. the financial statements
 - c. compliance with law
 - d. relationships with all the key stakeholders
- delegation of appropriate authority to the senior executives of the Company for effective management of operations.

3. Board meetings

The Board held eleven meetings during the Financial Year 2009 – 2010. These were held on April 25, 2009, May 8, 2009, June 4, 2009, June 30, 2009, July 16, 2009, July 30, 2009, August 8, 2009, September 16, 2009, October 30, 2009, January 29, 2010 and March 6, 2010.

The Board periodically reviews compliance reports of all laws applicable to the Company and takes steps to rectify non-compliances, if any.

Standards issued by ICSI: The Company is in compliance with the secretarial standards governing Board meetings as also general meetings as set out in Secretarial Standards I and II issued by the Institute of Company Secretaries of India (ICSI). The Board of Directors of the Company has taken necessary steps in order to ensure compliance with these standards. Besides, the Board has constituted several committees to deal with various specialized issues.

4. Attendance of Directors

Attendance of Directors at the Board meetings held during 2009 – 2010 and the last Annual General Meeting (AGM):

Name of the Directors	Board Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM held on 25th May, 2009
Shri Abhijit Banerjee	6	5	Present
Shri Ashish Karyekar	6	5	Present

Name of the Directors	Board Meetings held during the tenure of the Directors	Meetings Attended	Attendance at the last AGM held on 25th May, 2009
Shri Paresh Rathod	6	5	Present
Shri Tarun Katial	6	5	Present
Shri Gautam Doshi	8	6	Not Applicable
Shri Rajesh Sawhney	8	6	Not Applicable
Shri Anil Sekhri	8	3	Not Applicable
Shri Pradeep Shah	8	2	Not Applicable
Shri Darius Kakalia	8	2	Not Applicable
Shri Prasoon Joshi	2	1	Not Applicable

Notes:

- a. Shri Gautam Doshi, Shri Rajesh Sawhney, Shri Anil Sekhri, Shri Pradeep Shah and Shri Darius Jehangir Kakalia have been appointed as Additional Directors on the Company's Board on June 30, 2009. Shri Prasoon Joshi was appointed as an Additional Director on January 29, 2010.
- b. Shri Abhijit Banerjee, Shri Ashish Karyekar, Shri Paresh Rathod and Shri Tarun Katial have resigned with effect from July 30, 2009.
- c. None of the Directors is related to any other director.
- d. None of the Directors has any business relationship with the Company.
- e. None of the Directors received any loans and advances from the Company during the year.

5. Other Directorships & Committee Memberships

None of the Directors holds directorships in more than 15 public limited companies.

The details of Directorships (excluding private limited, foreign Company and Companies under section 25 of the Companies Act, 1956), Chairmanships and the Committee memberships held by the Directors as on March 31, 2010:

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Name of the Directors	Number of Directorship including RBNL	Committee(s) membership ¹ (including RBNL)	
		Member	Chairman
Shri Gautam Doshi	10	10	5
Shri Rajesh Sawhney	1	2	-
Shri Anil Sekhri	2	2	2
Shri Pradeep Shah	1	1	-
Shri Darius Jehangir Kakalia	3	3	1
Shri Prasoon Joshi	2	-	-

¹ Membership of committees includes chairmanship, if any.

No director holds membership of more than 10 committees of Board nor is any director a Chairman of more than 5 committees of Board.

6. Details of Directors

The abbreviated resumes of the Directors being appointed at the ensuing Annual General Meeting are furnished hereunder:

Shri Gautam Doshi, 57, is a Fellow Chartered Accountant. He has experience in the areas of mergers and acquisition, income-tax, international taxation, accounting, auditing, finance, banking, legal and general management. Prior to his current position with Reliance Anil Dhirubhai Ambani Group, he was a Senior Partner of RSM & Co., a well-known firm of Chartered Accountants, and a founder director of Ambit Corporate Finance Private Limited, a leading investment banker. Shri Doshi is the Group Managing Director of Reliance Anil Dhirubhai Ambani Group. Shri Doshi is also on the Board of Piramal Life Sciences Limited, Reliance Anil Dhirubhai Ambani Group Limited, Reliance MediaWorks Limited, Reliance Big TV Limited, Reliance

Communications Infrastructure Limited, Reliance Life Insurance Company Limited, Reliance Telecom Limited, Sonata Investments Limited, Sterlite Industries (India) Limited, Digital Bridge Foundation, Nahata Film Infotain Private Limited, Reliance Home Finance Private Limited and Telecom Infrastructure Finance Private Limited.

Shri Rajesh Sawhney, 43, is an alumnus of Harvard Business School [AMP], and has a fellowship from the London School of Economics. He has vast experience in entertainment, media and communication sector. Previously, he has worked with The Times of India Group in different leadership roles. Currently, Shri Sawhney heads Reliance Anil Dhirubhai Ambani Group's foray into entertainment and media sectors and online businesses. Shri Sawhney is also on the Board of Big Flicks Private Limited, Big Animation (India) Private Limited, RRA Entertainment Private Limited, Reliance Big News Private Limited, Reliance Big Broadcasting Private Limited, ND's Art World Private Limited and Chintee Software Private Limited.

Shri Anil Sekhri, 53, is a Chartered Accountant and Company Secretary with over 25 years experience. He founded Anil Sekhri & Co, a well known Chartered Accountant practitioner firm. He specialises in accounting, taxation and legal matters with focus on the Media and Entertainment sector. Shri Sekhri is also on the Board of Reliance MediaWorks Limited, Sprint Tours & Travels Private Limited and ND's Art World Private Limited.

Shri Pradeep Shah, 54, is an eminent Practicing Chartered Accountant and also a partner with M/s. Chandrakant & Sevantilal, Chartered Accountants and also three other Associate firms. He specializes and has authored various Commentaries and articles on the Indian Taxation both direct taxation and indirect taxation, including income tax, sales tax, VAT etc. Shri Shah is also on

CORPORATE GOVERNANCE REPORT

the Board of Akola Rubber and Tyre Industries Private Limited, Swan Finance Management Private Limited, Swan Infrastructure Finance Private Limited, Abhay Telecom Services Private Limited, Navketan Telecom Private Limited and Medi Assist India TPA Private Limited.

Shri Darius Jehangir Kakalia, 60, is Partner of Mulla & Mulla & Craigie Blunt & Caroe (Advocates, Solicitors & Notaries) since 1992. He is an Advocate and Solicitor of the Bombay High Court and Supreme Court of India, since 1976 and a Solicitor of the Supreme Court of England and Wales and Solicitor of the Supreme Court of Hong Kong. He specializes in civil litigation, including arbitration and electricity laws, documentation relating to infrastructure projects, joint ventures and collaborations, capital market transactions, mergers and amalgamations, power projects and real estate sectors. Shri Kakalia is also on the Board of Aditya Birla Finance Limited and Brics Securities Limited.

Shri Prasoon Joshi, an MSc (Physics) and MBA graduate is a well known writer, poet, songwriter, advertising and communication professional. His achievement are reflected by over 400 national and international awards and honors including the prestigious International Award Cannes Lions (twice), Writer of the Year for 5 consecutive years, Creative Person of the Year 2005/2006, Ideater of the Year – Business Today 2004. Shri Joshi was invited to chair the Jury at the prestigious Cannes Festival of Advertising in 2008–09. He was seeded as the No.1 Creative Director in Asia Pacific in 2007–2008. The World Economic Forum designated him as the Young Global Leader. His other awards include Film Fare Awards (2006 and 2008), Screen 2005 and 2008, GIFA, IIFA, Zee Cine, Shailendra Samman 2009 for Literary and Social relevant song writing, BAFTA nomination, Oscar shortlist for the song Rang de Basanti and NDTV Indian of the

Year Special Award for Entertainment – 2008. He also published books of poetry and prose. Currently, Shri Joshi is the Executive Chairman McCann Worldgroup, India.

II. Audit Committee

The Audit Committee comprises of three non-executive Directors viz, Shri Rajesh Sawhney, Shri Anil Sekhri and Shri Pradeep Shah. Shri Anil Sekhri, an Independent Non-executive Director is appointed as the Chairman of the Committee in the meeting held on October 30, 2009. He is an eminent Chartered Accountant and has accounting and related financial management expertise.

The Committee held two meetings during the year. The Audit Committee also advises the management on the areas where internal audit can be improved. The minutes of the meetings of the Audit Committee are placed before the Board. The terms of reference of the Audit Committee are in accordance with all the items listed in clause 49 (II) (D) and (E) of the Listing Agreement and Section 292A of the Companies Act, 1956, as follows:

1. Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial information is correct, sufficient and credible.
2. Recommending the appointment, re-appointment and replacement/removal of statutory auditors and fixation of audit fee.
3. Approving payment for any other services by statutory auditors.
4. Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - a) Matters required to be included in the Directors' responsibility statement included in the report of the Board of Directors.
 - b) Any changes in accounting policies and practices.
 - c) Major accounting entries based on exercise of judgment by management.

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- d) Qualifications in draft statutory audit report.
 - e) Significant adjustments arising out of audit.
 - f) Compliance with listing and other legal requirements concerning financial statements.
 - g) Any related party transactions.
5. Reviewing with the management the quarterly financial statements before submission to the Board for approval.
 6. Reviewing with the management, external and internal auditors, the adequacy of internal control systems.
 7. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 8. Discussion with internal auditors any significant findings and follow up thereon.
 9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 10. Discussion with statutory auditors before the audit commences about nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
 11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 12. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
 13. Approval of appointment of CFO (i.e., the Whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background etc. of the candidate.
14. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
 15. Review the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Internal audit reports relating to internal control weaknesses;
 - c) Management letters / letters of internal control weaknesses issued by statutory / internal auditors;
 - d) Statement of significant related party transactions and
 - e) The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.
- The Audit Committee has the following powers:
- i. to investigate any activity within its terms of reference or in relation to the compliance with the provisions of the Companies Act, 1956 or referred to it by the Board;
 - ii. to seek any information from any employee;
 - iii. to obtain outside legal and professional advice;
 - iv. to secure attendance of outsiders with relevant expertise, if it considers necessary.
- Attendance at the meetings of the Audit Committee held during 2009 - 2010**

Members	Meetings held during the tenure of Directors	Meetings Attended
Shri Rajesh Sawhney	2	2
Shri Anil Sekhri	2	2
Shri Pradeep Shah	2	2

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The Audit Committee was formed in compliance of Section 292A of the Companies Act, 1956 on June 30, 2009. Since listing (i.e. December 4, 2009), the Company also complies with the provisions relating to Audit Committee as mentioned in Clause 49 (II) of Listing Agreement. The Audit Committee held its meetings on October 30, 2009 and January 29, 2010.

The meeting considered all the points in terms of its reference at periodic intervals. The Company Secretary, Mr. Gururaja Rao acts as the Secretary to the Committee.

During the year, the committee discussed with the Company's auditors the overall scope and plans for the independent audit. The Management represented to the committee that the Company's financial statements were prepared in accordance with prevailing laws and regulations. The committee discussed with the auditors, in the absence of the Management (whenever necessary), the Company's audited financial statements including the auditors' judgments about the quality, not just the applicability, of the accounting principles, the rationality of significant judgments and the clarity of disclosures in the financial statements. Relying on the review and discussions conducted with the Management and the auditors, the audit committee believes that the Company's financial statements are fairly presented in conformity with prevailing laws and regulations in all material aspects.

The committee has also reviewed the internal controls put in place to ensure that the accounts of the Company are properly maintained and that the accounting transactions are in accordance with the prevailing laws and regulations. In conducting such reviews, the committee found no material discrepancy or weakness in the internal control systems of the Company. The committee also reviewed the financial policies of the Company and expressed its satisfaction with the same. The committee, after review expressed, its satisfaction on the independence of both

the internal and the statutory auditors.

Based on the committee's discussion with the Management and the auditors and the committee's review of the representations of the Management and the report of the auditors to the committee, the committee has recommended, the audited annual financial statements of the Company for the year ended March 31, 2010, be accepted by the Board as a true and fair statement of the financial status of the Company, to the Board of Directors.

III. ESOP, Remuneration & Compensation Committee

The ESOP, Remuneration & Compensation Committee of the Board comprises of Shri Anil Sekhri, Shri Rajesh Sawhney, Shri Pradeep Shah and Shri Darius Kakalia. The Company Secretary, Mr. Gururaja Rao acts as the Secretary to the Committee. Shri Anil Sekhri, an Independent Non-executive Director is the Chairman of the Committee.

The terms of reference of the ESOP, Remuneration & Compensation Committee, inter alia, consist of reviewing the overall compensation policy and structure, service agreements and other employment conditions for the members of the Board and the Manager under the Companies Act, 1956. During the year under review, ESOP, Remuneration & Compensation Committee met only once on July 30, 2009.

Attendance at the meetings of the ESOP, Remuneration & Compensation Committee held during 2009 - 2010

Members	Meeting held during the tenure of Directors	Meetings Attended
Shri Rajesh Sawhney	1	1
Shri Anil Sekhri	1	1
Shri Pradeep Shah	1	1
Shri Darius Jehangir Kakalia	1	1

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The details of payments made by the Company to Directors during the year ended March 31, 2010 was as follows:

Sl. No.	Name of the Director	Position	Sitting Fees (in Rs.)	Salary and perquisites (in Rs.)	Commission (in Rs.)	Total (in Rs.)
1	Shri Gautam Doshi	Director	20000	-	-	20000
2	Shri Rajesh Sawhney	Director	25000	-	-	25000
3	Shri Anil Sekhri	Director	25000	-	-	25000
4	Shri Pradeep Shah	Director	25000	-	-	25000
5	Shri Darius Kakalia	Director	20000	-	-	20000
6	Shri Prasoon Joshi	Director	10000	-	-	10000
	Total		125000			125000

Notes

- The Company has not entered into any other pecuniary relationship or transactions with the Directors.
- The Company has so far not issued any stock options to its Directors.
- The Company has paid sitting fees of Rs.10,000 per Board meeting and Rs.5,000 per Audit Committee meeting to all the Directors for attending the meetings w.e.f. 29th January, 2010

Equity shares held by Directors

None of the Directors of the Company hold any equity shares of the Company.

Managerial Remuneration Policy

The Nomination/Remuneration Committee determines and recommends to the Board, the compensation of the Directors and the Manager. The key components of the Company's Remuneration Policy are:

- Compensation will be a major driver of performance.
- Compensation will be competitive and benchmarked with a select group of companies from the service sector.

- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant.

Details of remuneration paid to Manager for the year

The Board appointed Shri Gururaja Rao as Manager under Companies Act, 1956, w.e.f. July 30, 2009 for a period of 3 years. The aggregate value of salary, allowances and perquisite paid to Shri Gururaja Rao for the period April 1, 2009 to March 31, 2010 was Rs. 35 lakh including Company's contribution to provident fund.

IV. Shareholders' / Investors' Grievances Committee

The Shareholders / Investors' Grievances Committee of the Board currently comprises of Shri Rajesh Sawhney, Shri Anil Sekhri and Shri Pradeep Shah. The Shareholders' / Investors' Grievances Committee was formed on June 30, 2009. Shri Anil Sekhri, an Independent Non-executive Director is the Chairman of the Committee. The Company has appointed M/s. Karvy Computershare Private Limited to act as Registrar and Share Transfer Agent of the Company. The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with transfer of securities of the Company. The committee also monitors redressal of investors' grievances. Particulars of investors' grievances received and redressed are furnished in the investor information section of this report. The Committee oversees performance of the Registrar and Share Transfer Agents of the Company and recommends measures for overall improvement in the quality of investor services. The Committee also monitors implementation and compliance of the Company's Code of Conduct for Prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.

The composition of the committee and the number of meetings held during the year are furnished hereunder:

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Attendance of members at the meeting of the Shareholder Investors' Grievance Committee held during the year 2009 – 2010

Name of the Members	Meetings held during the tenure of the Members	Meetings attended
Shri Rajesh Sawhney	1	1
Shri Anil Sekhri	1	1
Shri Pradeep Shah	1	1

The Shareholders'/ Investors' Grievances Committee held its meeting on January 29, 2010. Mr. Gururaja Rao, Company Secretary is the compliance officer.

Only one complaint was received and replied to the satisfaction of shareholder during the year under review. There were no complaints pending as on March 31, 2010.

V. General Body Meetings: The Company held its last three Annual General Meetings as under:

Year	Location	Date	Time	Whether Special Resolution passed or not
2006 – 2007	3rd Floor, Reliance Energy Centre, Santa Cruz (East), Mumbai – 400 055	August 20, 2007	3.30 p.m.	No
2007 – 2008	3rd Floor, Reliance Energy Centre, Santa Cruz (East), Mumbai – 400 055	July 18, 2007	10.00 a.m.	No
2008 – 2009	H Block, Ist Floor, Dhirubhai Ambani Knowledge Centre, Mumbai 400 710	May 25, 2009	10.00 a.m.	No

The resolutions set out in the respective Notices were passed by the Shareholders with the requisite majority.

VI. Postal Ballot

During the year, the Company had not passed any resolution by conducting Postal Ballot. At the ensuing Annual General Meeting also, there is no resolution which is proposed to be passed by postal ballot. The Company had conducted Postal Ballot on June 14, 2010 as required under the Companies (Passing of Resolution by Postal Ballot) Rules, 2001. Shri Anil Lohia, Chartered Accountant was appointed as the Scrutinizer for overseeing Postal Ballot process. The following resolution was passed with requisite majority:

Date of declaration of the result of postal ballot	Particulars of Special Resolutions	Percentage of votes cast in favour of resolution
June 14, 2010	Change of the Company's name to Reliance Broadcast Network Limited	99.983
June 14, 2010	Issue of Preference Shares under Section 80 and 81 of the Companies Act, 1956	99.956
June 14, 2010	Raising of long term funds through issue of securities under SEBI Regulations for Qualified Institutional Placements under Section 81 (1A) of the Companies Act, 1956.	99.531
June 14, 2010	Raising of resources through Issue of Securities in the International Markets under Section 81(1A) of the Companies Act, 1956.	99.543

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Date of declaration of the result of postal ballot	Particulars of Special Resolutions	Percentage of votes cast in favour of resolution
June 14, 2010	Issue of securities under the Employee Stock Option Scheme under Section 81(1A) of the Companies Act, 1956.	99.557
June 14, 2010	Issue of securities under the Employee Stock Option Scheme to the employees and directors of the holding / subsidiary companies under Section 81(1A) of the Companies Act, 1956.	99.552

The Company had complied with the procedures for Postal Ballot in terms of the provision of Section 192A of the Companies Act, 1956 as well as Companies (Passing of Resolution by Postal Ballot) Rules, 2001 and amendments thereto from time to time, comprising inter alia the following:

- (i) The Postal Ballot Notice and accompanying documents were despatched to shareholders under certificate of posting.
- (ii) A calendar of events along with Board Resolution was submitted to the Registrar of Companies, Maharashtra, Mumbai.
- (iii) Based on the report of the Scrutinizer, the Chairman announced results of the Postal Ballot and declared the above resolutions passed with requisite majority.

VII. Means of Communication

Information like quarterly financial results and media releases on significant developments in the Company as also presentations that have been made from time to time to the media, institutional investors and analysts are hosted on the Company's web site (www.reliancebroadcast.com) and has also been submitted to the stock exchanges on which the Company's equity shares are listed, to enable them to put them on their own web sites. The quarterly financial results are published in Financial Express / Business Standards / Free Press Journal - English language, Navshakti - Marathi language.

VIII. Corporate Filing

As per the requirements of Clause 52 of the Listing Agreement with the Stock Exchanges, all the data relating to quarterly financial results, shareholding pattern, quarterly report on Corporate Governance etc. are being displayed on www.corpfiling.co.in in addition to the filing of the same with the Stock Exchanges within the timeframe prescribed in this regard.

IX. Compliance with other mandatory requirements

1. Management Discussion and Analysis

A Management Discussion and Analysis report forms part of the Annual Report

and includes discussions on various matters specified under clause 49(IV)(F) of the Listing Agreement.

2. Subsidiaries

The Company has no subsidiaries.

3. Disclosures

a. Disclosures on materially significant related party transactions that may have a potential conflict of interest with the interests of Company at large

During the year 2009 - 2010, no transactions of material nature had been entered into by the Company with the Promoters or Directors or Management, their relatives that may have a potential conflict of interest with the Company.

b. Details of non-compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, or any matter related to Capital Markets, during the last three years:

The Company has complied with all requirements of the Stock Exchange or SEBI on matters related to Capital Markets, as applicable from time to time.

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c. Disclosure of accounting treatment

In the preparation of financial statements, the Company has followed the Accounting Standards as prescribed under Companies (Accounting Standard) Rules, 2006, as applicable. The Accounting Policies followed by the Company, to the extent relevant, are set out in the Schedule forming part of the financial statements included elsewhere in this Annual Report.

d. Disclosures on risk management

The Company has laid down procedures to inform the members of the Board about the risk assessment and minimization procedures. The Company has framed the risk assessment and minimization procedure which is periodically reviewed by the Audit Committee and the Board.

e. Code of Conduct

The Company has adopted the code of conduct and ethics for Directors and senior management. The code has been circulated to all the members of the Board and senior management and the same has been put on the Company's website www.reliancebroadcast.com.

The Board members and senior management have affirmed their compliance with the code and a declaration signed by the Manager of the Company appointed in terms of the Companies Act, 1956 is given below:

"It is hereby declared that the Company has obtained from all members of the Board and senior management affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year 2009 - 2010".

Sd/-

Gururaja Rao

Company Secretary & Manager

f. CEO / CFO Certification

A certificate from the CEO and CFO was placed before the Board.

g. Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended March 31, 2010 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

X. Compliance with non-mandatory requirements

1. Tenure of Independent Directors on the Board

The tenure of independent directors on the Board of the Company shall not exceed, in the aggregate, a period of nine years.

2. Remuneration Committee

The Board has set up an ESOP, Remuneration and Compensation Committee details whereof are furnished in this report.

3. Shareholders' rights

The quarterly financial results are published in newspapers and hosted on the website of the Company.

4. Audit qualifications

Strategic decisions were taken during the year resulting in unqualified financial statements of the Company.

5. Training of Board Members

A program has been devised to train Board members in the business model of the Company, risk profile of the business parameters and their responsibilities as directors.

6. Whistle Blower Policy

The Company has formulated a policy to prohibit managerial personnel from taking adverse personnel action against employees disclosing in good faith alleged wrongful conduct on matters of public concern involving violation of any law, mismanagement, gross waste or misappropriation of public funds, substantial and specific danger

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to public health and safety or an abuse of authority. The policy also lays down the mechanism for making enquiry into whistle blower complaint received by the Company. Employees aware of any alleged wrongful conduct are encouraged to make a disclosure to the audit committee. Employees knowingly making false allegations of alleged wrongful conduct to the audit committee shall be subject to disciplinary action. No personnel of the Company has been denied access to the grievance redressal mechanism of the Company.

XI. General shareholder information

The mandatory as also various additional information of interest to investors is voluntarily furnished in a separate section on investor information elsewhere in this Annual Report.

Certificate on Corporate Governance Report

The Practising Company Secretary's Certificate on Compliance of Clause 49 of the Listing Agreement relating to corporate governance report is published elsewhere in this Annual Report.

Review of governance practices

We have in this report attempted to present the governance practices and principles being followed at Reliance Broadcast Network Limited as evolved over the years, and as best suited to the needs of our business and stakeholders.

Our disclosures and governance practices are continually revisited, reviewed and revised to respond to the dynamic needs of our business and ensure that our standards are at par with the globally recognized practices of governance, so as to meet the expectations of all our stakeholders.

Investor Information

Annual General Meeting

The Fifth Annual General Meeting will be held on Tuesday, August 31, 2010, at 1:00 p.m. or soon after the Annual General Meeting of Reliance MediaWorks Limited convened on the same day shall be over at Rangsharda Natyamandir, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai - 400 050.

Financial year of the Company

The financial year of the Company is from April 1 to March 31 each year.

Website

The website of the Company www.reliancebroadcast.com contains a submenu on Investor Relations. It carries comprehensive information of interest to our investors including on the results of the Company, any price sensitive information disclosed to the regulatory authorities from time to time, business activities of the Company and the services rendered / facilities extended by the Company to our investors.

Compliance Officer

Shri Gururaja Rao, Company Secretary & Manager is the Compliance Officer of the Company.

Registrar and Share Transfer Agent (RTA)

Karvy Computershare Private Limited

(Unit: Reliance Broadcast Network Limited)

Madhura Estate

H. No. 1-9/13/C

Plot No. 13 & 13 C

Madhapur Village, Hyderabad - 500 081

Email: rbl@karvy.com

Telephone Nos. : 040 - 44338100,
40308000

Contact Person: Praveen Chaturvedi

Shareholders / investors are requested to forward share transfer documents, dematerialization requests and other related correspondence directly to Karvy Computershare Private Limited at the above address for speedy response.

Book closure dates for the purpose of AGM

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, August 25, 2010 to Tuesday, August 31, 2010 (both days inclusive) for the purpose of AGM.

Unclaimed Dividends

The Company has not declared any dividend on shares. Hence the question of unclaimed dividends does not arise.

CORPORATE GOVERNANCE REPORT

Nomination facility

Individual shareholders holding physical shares can nominate any person/s for the shares held by them. This will save the nominee from going through the lengthy process of getting the shares later on transmitted to his/her name. For further details, shareholders may write to the Registrar and Share Transfer Agent of the Company or visit the Investor Relations section at our website: www.reliancebroadcast.com

Share transfer system

Shareholders / investors are requested to send share transfer related documents directly to our RTA whose address is given at the beginning of this section. A committee of executives of the Company is authorised to approve transfer of shares. If the transfer documents are in order, the transfer of shares is registered within 7 days of receipt of transfer documents by our RTA.

Group coming within the definition of group as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969).

The following persons constitute the Group coming within the definition of 'group' as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), which exercises, or is established to be in a position to exercise control directly or indirectly, over the Company.

Shri Anil Dhirubhai Ambani, Smt Tina A. Ambani, Smt Kokila D Ambani, Shri Jai Anmol Ambani, Master Jai Anshul Ambani, K D Ambani Trust, Fidelity Shares and Securities Private Limited, Gaylord Investments and Trading Private Limited, Guruvas Textiles Private Limited, Hansdhvani Trading Company Private Limited, KDA Enterprises Private Limited, Shreeji Comtrade LLP, Guruvas Commercials LLP, Shrikrishna Tradecom LLP, Lord Comtrade LLP, Krupa Commercials LLP, Reliance Innoventures Private Limited, AAA Enterprises Private Limited, AAA Communication Private Limited, AAA Project Ventures Private Limited, AAA Power Systems (Global) Private Limited, AAA Pivotal Enterprises Private Limited, AAA Infrastructure Consulting & Engineers Private Limited, AAA Entertainment Private Limited, AAA Communication Partners, AAA Enterprises

Partners, AAA Project Ventures Partners, AAA Project Ventures Holdings Partners, RCom Holdings Partners, RCap Holdings Partners, RPower Holdings Partners, RInfra Holdings Partners, Reliance Innoventures Partners, Reliance ADA Group Holdings Partners, AAA Industries Private Limited, AAA Global Ventures Private Limited, AAA Corporate Services Private Limited, AAA & Sons Enterprises Private Limited, AAA International Capital Private Limited, AAA Business Machines Private Limited, AAA Infrastructure Finance Management Private Limited, AAA Corporation Private Limited, AAA Facilities Solutions Private Limited, AAA Cap Advisory Services Private Limited, AAA Finance Management Private Limited, AAA Project Finance Management Private Limited, AAA Financial Services Private Limited, AAA Capital Finance Services Private Limited, AAA Resources Private Limited, AAA Home Entertainment Services Private Limited, AAA Micro Services Private Limited, AAA Integrated Services Private Limited, AAA Electrical Power Development Private Limited, Atlanta Advisory Services Private Limited, AAA Industrial Services Private Limited, Standard Management Services Private Limited, AAA Multi-Technologies Private Limited, AAA Software Technologies Private Limited, AAA Technical Services Private Limited, AAA Utility Ventures Private Limited, AAA Infoservices Private Limited, AAA Commercial Enterprises Private Limited, Ace Industrial Services Private Limited, Nationwide Communication Private Limited, Relcom Software Solutions Private Limited, Sealink Engineering Services Private Limited, AAA Capital Consultants Private Limited, Aricent Commercial Services Private Limited, AAA Engineering Services Private Limited, Acerock Infrastructure & Consulting Private Limited, Nationwide Networks Technologies Private Limited, Sealink Infra Technology Private Limited, Ambani Enterprises Private Limited, Dhirubhai Ambani Enterprises Private Limited, Quadro Mercantile Private Limited, AAA Multivision Services Private Limited, Whitehills Mercantile Private Limited, Whitehills Corporate Services Private Limited, Feathertop Corporate Services Private Limited, Alpoft Techventures Private Limited, AAA Allied Services Private Limited, AAA Advisory

Reliance Broadcast Network Limited

CORPORATE GOVERNANCE REPORT

Services Private Limited, AAA Infra Advising Services Private Limited, AAA Advertisement Private Limited, Jumbo Mercantile Private Limited, Atlantic Ventures Private Limited, Microtech Development Private Limited, AAA Illuminative Solutions Private Limited, ADA Enterprises and Ventures Private Limited, Ambani Industries Private Limited, Ambani International Private Limited, Reliance Limited, Reliance India Private Limited, Reliance Enterprises and Ventures Private Limited, Reliance Big Private Limited, Shreenathji Krupa Project Management Private Limited, Shriji Krupa Endeavour Management Private Limited, Solaris Information Technologies Private Limited, Sevenstar Corporate Services Private Limited, Telecom Infrastructure Finance Private Limited, Trans-Pacific Advisory Services Private Limited, Trans-Americas Holdings Private Limited, Trans-Atlantic Holdings Private Limited, AAA Infrastructure Investments Private Limited, AAA Enterprises and Ventures Private Limited, AAA Telecom Holdings Private Limited, Quadro Mercantile Private Limited, AAA Commercial Enterprises Private Limited, Deltainfra Technology Private Limited, ADAE Global Private Limited, Ikosel Investments Limited, Reliance Anil Dhirubhai Ambani Group (UK) Private Limited, Reliance Anil Dhirubhai Ambani Investments (UK) Limited, Trans-Pacific Holdings Private Limited, Reliance MediaWorks Limited, Reliance Capital Limited, Reliance General Insurance Company Limited, Quant Capital Private Limited, Quant Broking Private Limited, Quant Securities Private Limited, Quant Commodities Private

Limited, Quant Commodity Broking Private Limited, Reliance Net Limited, Reliance Land Private Limited, Reliance Communications Limited, Reliance Infratel Limited, Reliance Communications Infrastructure Limited, Reliance Telecom Limited, Reliance Infrastructure Limited, Reliance Power Transmission Limited, Reliance Energy Generation Limited, Reliance Energy Limited, Reliance Energy Trading Limited, Reliance Infraprojects Limited, Reliance Cementation Private Limited, Reliance Infraventures Limited, Reliance Property Developers Limited, Reliance Futura Limited, Reliance Prima Limited, Sonata Investments Limited, Reliance Power Limited, Rosa Power Supply Company Limited, Sasan Power Limited, Maharashtra Energy Generation Limited, Vidarbha Industries Power Limited, Chitrangi Power Private Limited, Siyom Hydro Power Private Limited, Tato Hydro Power Private Limited, Urthing Sobla Hydro Power Private Limited, Kalai Power Private Limited, Coastal Andhra Power Limited, Maharashtra Energy Generation Infrastructure Limited, Coastal Andhra Power Infrastructure Limited, Sasan Power Infrastructure Limited, Sasan Power Infraventures Private Limited, Reliance Coal Resources Private Limited, Amulin Hydro Power Private Limited, Emini Hydro Power Private Limited, Mihundon Hydro Power Private Limited, Jharkhand Integrated Power Limited, BSES Kerala Power Limited, Reliance Goa and Samalkot Limited, Reliance Power International Sarl, Luxembourg, Reliance Patalganga Power Limited, Bharuch Power Limited, Reliance Natural Resources Limited.

Shareholding Pattern

The Shareholding Pattern as on March 31, 2010 is as follows:

Sl. No	Category	Total number of shares as on 31.03.2010	%
1	Promoters & Person Acting in concert	28355000	61.47
2	Foreign holdings		
	A. Foreign holdings – GDRs	0	0.00
	B. Direct By Foreign Companies	97	0.00
	C. Individual and Others	261212	0.57
	D. Foreign Institutional Investors	962694	2.09
	Sub-Total (1 & 2)	29579003	64.13

Reliance Broadcast Network Limited

CORPORATE GOVERNANCE REPORT

Sl. No	Category	Total number of shares as on 31.03.2010	%
3	Public Financial / Development Institutions and Central and State Government owned Institutions holdings	4967614	10.77
4	Bank and Mutual Funds	114575	0.25
5	General Public	11464978	24.86
	Sub-Total (3, 4 & 5)	16547167	35.87
	GRAND TOTAL	46126170	100.00

Top 10 Shareholders as on March 31, 2010

Sl. No	Name of the Shareholder	No. of Shares	%
1	Reliance Land Private Limited	20600000	44.66
2	AAA Entertainment Private Limited	4800000	10.41
3	Reliance Capital Limited	2955000	6.41
4	Manmohan Ramanna Shetty	1808063	3.92
5	Globe Capital Market Limited	532112	1.15
6	Deutsche Securities Mauritius Limited	469379	1.02
7	Religare Finvest & Securities Limited	408112	0.88
8	Angel Broking & Capital and Debt Market & Global Capital Private Limited	306087	0.66
9	Acacia Institutional Partners, LP	283500	0.61
10	Karvy Stock Broking Limited	239912	0.52

Distribution of Shareholding as on March 31, 2010

Sl. No.	Category (shares)	Total			
		Holders	% to total holders	Shares	% to total shareholding
1	1 to 500	115331	98.89	7831957	16.97
2	501 to 5000	1168	1	3084452	6.69
3	5001 to 10000	56	0.05	810606	1.76
4	10001 & above	64	0.05	34399155	74.58
	Total	116 619	100.00	46126170	100.00

Dematerialisation of Shares

The International Securities Identification Number (ISIN) allotted to the Company is INE445K01018. The equity shares of the Company are compulsorily traded in dematerialised form as mandated by Securities and Exchange Board of India (SEBI).

Status of Dematerialisation of shares

Electronic Holdings			Physical Holdings			Total		
No. of beneficial owners	No. of Shares	%	No. of beneficial owners	No. of Shares	%	No. of beneficial owners	No. of Shares	%
116236	46093033	99.93	383	33137	0.07	116619	46126170	100

Reliance Broadcast Network Limited

CORPORATE GOVERNANCE REPORT

Investor Grievance attended – April 1, 2009 – March 31, 2010

Analysis of Grievances

Investor Complaints	For the period from April 1, 2009 – March 31, 2010
Complaints pending as on April 1, 2009	NIL
Complaints received during the period	1
Complaints disposed off during the period	1
Complaints lying un-resolved as on March 31, 2010	NIL

1. Notes

- Investors queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.
- The shareholder base was 1,16,619 as of March 31, 2010 and 7 as of March 31, 2009.
- All the queries and grievances received during the year have been redressed.

Stock Exchange listings

The Company is actively traded scrip on the bourses.

A. Stock Exchanges on which the shares of the Company are listed

Bombay Stock Exchange Limited	National Stock Exchange of India Limited
Phiroze Jeejeeboy Towers, Dalal Street, Fort, Mumbai- 400 001	Exchange Plaza, 5th Floor, Plot no.C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051
Telephone Nos: +91 22 22721233 / 34	Telephone Nos: +91 22 2659 8235 / 36
Fax: +91 2272 1919	Fax: +91 2659 8237 / 38
Email: corp.relations@bseindia.com	Email: cmlist@nse.co.in
Website: www.bseindia.com	Website: www.nseindia.com

B. Stock codes/symbols for equity shares

Name of the Exchange	Physical	Electronic
Bombay Stock Exchange Limited	533143	INE445K0108
National Stock Exchange of India Limited	RMEDIA	INE445K0108

Equity History

Details of issue of equity shares since inception:

Sr. No.	Date	Particulars of Issue	Issue price per equity Share (Rs.)	No of Equity Shares	Share Premium (Rs.)	Cumulative Total
1	27.12.2005	Subscribers to Memorandum and Articles of Association	10	50,000	Nil	50,000
2	25.04.2007	Sub divided into equity Shares of Rs.5/- each	5	1,00,000	Nil	1,00,000
3	30.04.2007	Further Allotment	5	20,10,000	45 Per Share	21,10,000
4	08.08.2009	Allotment pursuant to Scheme of Arrangement	5	4,61,26,170	Nil	4,61,26,170*

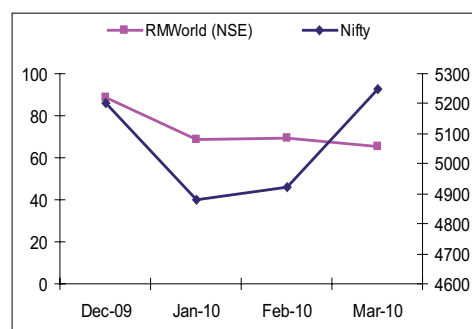
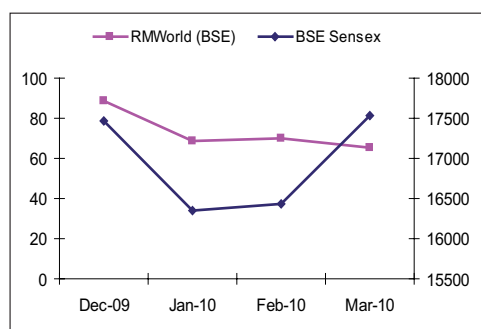
*As per the Clause 3.3.1 of the Scheme of Arrangement between the Reliance MediaWorks Limited (formerly Adlabs Films Limited) and the Company as approved by the Hon'ble High Court of Bombay on April 4, 2009, the existing shareholding of Reliance MediaWorks Limited (i.e. 21,10,000 equity shares of Rs. 5) in the Company stands cancelled.

CORPORATE GOVERNANCE REPORT

Stock Price and Volume

Monthly high and low quotations as also the volume of shares traded on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Month	NSE			BSE		
	High	Low	Volume (No. of Shares)	High	Low	Volume (No. of Shares)
Dec 2009	308	50.5	57877195	145	59.00	32650803
Jan 2010	97.75	65.20	10731425	97.80	65.55	5890811
Feb	101.30	67.60	45754328	101.30	67.40	24898404
Mar	74.90	61.05	1328760	75.00	62.00	755811



Share Price Performance in comparison to broad based indices - NSE Nifty and BSE Sensex

Depository Services

For guidance on depository services, shareholders may write to the RTA of the Company or National Securities Depository Ltd., Trade World, A Wing, 4th and 5th Floors, Kamala Mills Compound, Lower Parel, Mumbai 400 013, Telephone: (022) 2499 4200, Facsimile: (022) 2497 2993 / 2497 6351, e-mail: info@nsdl.co.in, website: www.nsdl.com or Central Depository Services (India) Ltd., Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai 400 023. Tel.: 022-2272 3333 Facsimile: (022) 2272 3199 / 2072, website: www.cdslindia.com, e-mail: investors@cdslindia.com.

Communication to members

The quarterly financial results of the Company are announced within the time stipulated in the Listing Agreement. The Company's media releases and details of significant developments are also made available on the website. These are published in the widely circulating national and local newspapers viz. "Business Standard" or "Financial Express" or "Free Press Journal" and "Navshakti" in addition to

hosting them on the Company's website: www.reliancebroadcast.com.

Policy on insider trading

The Company has formulated a code of conduct for prevention of insider trading in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time. The Board has appointed Mr. Gururaja Rao, Company Secretary & Manager as the Compliance Officer under the code responsible for complying with the procedures, monitoring adherence to the rules for the preservation of price sensitive information, pre-clearance of trade, monitoring of trades and implementation of the code of conduct under the overall supervision of the Board. The Company's code, inter alia, prohibits purchase and/or sale of shares of the Company by an insider or by any other company, while in possession of unpublished price sensitive information in relation to the Company during certain prohibited periods.

Reliance Broadcast Network Limited

CORPORATE GOVERNANCE REPORT

Secretarial audit for reconciliation of capital

The Securities and Exchange Board of India has directed vide circular no.D&CC/FITTC/CIR-16/2002 dated December 31, 2002 that all issuer Companies shall submit a certificate of capital integrity, reconciling the total shares held in both the depositories, viz. NSDL and CDSL and in physical form with the total issued / paid up capital. The said certificate, duly certified by a qualified Practicing Company Secretary is submitted to the stock exchanges where the securities of the Company are listed within 30 days of the end of each quarter and the certificate is also placed before the Board of Directors of the Company.

Key Financial Reporting Dates for the Financial Year (F.Y.) 2010-11

Unaudited results for the first quarter ended June 30, 2010	:	On or before August 14, 2010
Unaudited results for the second quarter / half year ended September 30, 2010	:	On or before November 14, 2010
Unaudited results for the third quarter ended December 31, 2010	:	On or before February 14, 2011
Audited results for the financial year 2010-11	:	On or before May 30, 2011

Any queries relating to the financial statements of the Company may be addressed to:

Shri Ismail Dabhoya

Chief Financial Officer
Reliance Broadcast Network Limited
401, 4th Floor, Infiniti, Oshiwara,
Link Road, Andheri West,
Mumbai – 400 053
Tel.: 022 3068 9444
Fax: 022 3988 8927
Email: ismail.dabhoya@big927fm.com

Investors' correspondence may be addressed to the Compliance Officer of the Company

Mr. Gururaja Rao

Company Secretary and Manager
Reliance Broadcast Network Limited
401, 4th Floor, Infiniti, Oshiwara,
Link Road, Andheri West,
Mumbai – 400 053
Tel.: 022 3068 9444
Fax: 022 3988 8927
Email: gururaja.rao@big927fm.com

Plant Locations

The Company presently has 45 Radio Stations spread across India at different locations.

CORPORATE GOVERNANCE REPORT

To,

The Members of

Reliance Broadcast Network Limited

I have examined the compliance of conditions of Corporate Governance by Reliance Broadcast Network Limited (formerly Reliance Media World Limited) ("the Company"), for its financial year ended 31st March, 2010, as stipulated in Clause 49 of the Listing Agreements of the Company with Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the review of the procedures and implementations thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that, the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreements.

I 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.

Mumbai
Date: July 24, 2010

Sd/-
Ashita Kaul
Practising Company Secretary
Membership No: ACS 17756
COP No. 6529

Reliance Broadcast Network Limited

AUDITORS' REPORT

To the Members,

1. We have audited the attached Balance Sheet of Reliance Media World Limited (formerly known as Reliance Unicom Limited) as at March 31, 2010, the Profit and Loss Account and the Cash Flow Statement (together referred to as "the financial statements") for the year ended on that date attached herewith. These Financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test 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 explained in note 1 of schedule 18 to the financial statements, the Honorable High Court of Judicature at Bombay vide its order dated April 4, 2009 sanctioned the Scheme of Arrangement (the Scheme) between the Company and Adlabs Films Ltd (AFL) (now known as Reliance MediaWorks Limited). The Scheme inter-alia provides for the demerger of the radio business and other allied businesses of AFL to the Company with effect from April 1, 2008. The Company has filed the Scheme with the Registrar of Companies on June 30, 2009, the effective date. Pursuant to which the Company, during the year has given the effect of the Scheme in the financial statements as the approval of the Honorable High Court of Judicature at Bombay has been obtained and all other legal and procedural formalities have been completed including the NOC Letter from the Ministry of Information and Broadcasting.
4. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'Order'), issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 ("the Act"), and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 5 and 6 of the said Order to the extent applicable to the Company.
5. Further to our comments referred to 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 and 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 Section 211 (3C) of the Act;
 - e. On the basis of written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors of the Company is disqualified as on March 31, 2010 from being appointed as a director in terms of Section 274(1) (g) of the Act;

AUDITORS' REPORT

- 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 also give, a true and fair view in conformity with the accounting principles generally accepted in India:
- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2010;
 - (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

C. D. Lala

Partner

Membership No.35671

Place : Mumbai

Date : May 28, 2010

Reliance Broadcast Network Limited

AUDITORS' REPORT (Contd.)

Annexure referred to in paragraph 4 of Auditors' Report of even date to the members on the financial statements for the year ended March 31, 2010

- i. a) The Company has maintained proper records to show full particulars, including quantitative details and situation of its fixed assets. We have been informed that the fixed assets of the Company are physically verified by the management according to the phased program designed to cover all the items over a period of 3 years, which in our opinion is reasonable having regard to the size of the Company and the nature of its assets and no discrepancies were noticed on physical verification.
- b) During the year, a substantial part of fixed assets have not been disposed off by the Company.
- ii. a) The inventory has been physically verified by the management during the year. In our opinion the frequency of such verification is reasonable.
- b) The procedure for the physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) In our opinion, the Company is maintaining proper records of inventory.
- iii. The Company has not granted / taken unsecured loans to / from the companies, firms or any other parties covered in the register maintained under Section 301 of the Act. Hence the provisions of the clause iii (a), (b), (c), (d), (e), (f), (g) & (h) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to the purchase of inventory, purchase of fixed assets and rendering of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls in respect of these areas.
- v. In our opinion and according to the information and explanations given to us, there are no contracts or arrangements, the particulars of which need to be entered into the register required to be maintained under section 301 of the Act.
- vi. The Company has not accepted any deposits from the public within the meaning of Section 58A and 58AA of the Act and the rules framed there under.
- vii. In our opinion, the Company's present internal audit system is commensurate with its size and nature of its business.
- viii. In our opinion and according to the information given to us, no cost records have been prescribed by the Central Government of India under Section 209(1) (d) of the Act.
- ix. a) According to the information and explanations given to us and books and records as produced and examined by us in accordance with generally accepted auditing practices in India and also based on management representations, undisputed statutory dues in respect of Provident Fund, Employees State Insurance Dues, Income Tax, Service Tax, Sales Tax, Cess and other material statutory dues have been regularly deposited by the Company during the year with the appropriate authorities in India. As at March 31, 2010 there are no disputed statutory dues which are outstanding for the period exceeding six months from the date they become payable.
- b) According to the information and explanations given to us, the following statutory dues have not been deposited by the Company on account of disputes:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum/ Authority where dispute is pending
Central Excise Act, 1944	Service tax	8,15,53,913	2006-2007 & 2007-2008	Commissioner Service Tax, Mumbai.
The Jammu & Kashmir General Sales Tax Act, 1962	General Sales Tax	35,44,954 32,58,854	2007-2008 2008-2009	Commercial Tax Office, Jammu

- x. The Company is registered for less than five years and hence the provision of clause 4 (x) of this Order is not applicable to the Company.
- xi. According to the records of the Company, it has not defaulted in repayment of its dues to any financial institution or bank or debenture holders during the year.

AUDITORS' REPORT (Contd.)

- 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. In our opinion, considering the nature of activities carried on by the Company during the year, the provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund / societies are not applicable to it.
- xiv. The Company has not dealt or traded in shares, securities, debentures or other investments during the year.
- 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. According to the information and explanations given to us, the Company has not accepted any term loan during the year.
- xvii. The short term borrowings were allocated to the Company pursuant to the Scheme of Arrangement and during the year the Company has not raised any short term loans. Hence, in our opinion no funds raised on short term basis has been utilized for long term investments, however as explained to us by the management, the Company is in the process of restructuring its short term borrowings.
- xviii. The Company has not made 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 during the year.
- xx. The Company has not raised any money by public issue during the year.
- xxi. As per the information available with us and on the basis of examination of records, no material fraud on or by the Company was noticed or reported during the year.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

C. D. Lala

Partner

Membership No.35671

Place : Mumbai

Date : May 28, 2010

Reliance Broadcast Network Limited

BALANCE SHEET AS AT 31 MARCH, 2010

(Currency: Indian Rupees)

	Schedule	31 March 2010	31 March 2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	2	230,630,850	10,550,000
Reserves and Surplus	3	1,440,173,753	104,606,933
		1,670,804,603	115,156,933
Loan Funds			
Unsecured Loans	4	3,065,617,205	-
		4,736,421,808	115,156,933
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	3,529,260,021	103,137
Less: Accumulated Depreciation / Amortisation		1,109,247,094	32,706
Net Block		2,420,012,927	70,431
Capital Work in Progress (Including Capital Advances)		65,916,932	-
		2,485,929,859	70,431
Current Assets, Loans and Advances			
Inventories	6	3,423,183	-
Sundry Debtors	7	705,255,397	-
Cash and Bank Balances	8	120,978,158	118,503,240
Loans and Advances	9	523,156,949	14,172,013
		1,352,813,687	132,675,253
Current Liabilities and Provisions			
Current Liabilities	10	811,852,469	17,588,751
Provisions	11	27,059,464	-
		838,911,933	17,588,751
Net Current Assets			
		513,901,754	115,086,502
Profit and Loss Account Debit Balance			
	3A	1,736,590,195	-
		4,736,421,808	115,156,933
Significant accounting policies			
	1		
Notes to the accounts			
	18		

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

As per our report of even date attached.

For Chaturvedi & Shah
Firm Registration No.: 101720W
 Chartered Accountants

C. D. Lala
Partner
 Membership No.: 35671

Place : Mumbai
 Date : May 28, 2010

For and on behalf of the Board

Directors {
Gautam Doshi
Rajesh Sawhney
Anil Sekhri
Pradeep Shah
Darius Jehangir Kakalia
Prasoon Joshi

Company Secretary & Manager **Gururaja Rao**

Reliance Broadcast Network Limited

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

(Currency: Indian Rupees)

	Schedule	Year Ended 31 March 2010	Year Ended 31 March 2009
INCOME			
Service Revenue and Other Operating Income	12	1,807,246,500	-
Other Income	13	40,662,549	11,132,283
		<u>1,847,909,049</u>	<u>11,132,283</u>
EXPENDITURE			
Direct Costs	14	787,835,703	-
Personnel Costs	15	450,073,937	-
Other Operating and General Administrative Expenses	16	731,628,599	172,416
Interest & Finance Charges	17	275,434,254	1,628,767
Amortisation	5	166,001,181	-
Depreciation	5	198,202,429	16,719
		<u>2,609,176,103</u>	<u>1,817,902</u>
Profit / (Loss) Before Taxation		(761,267,054)	9,314,381
Less : Provision for taxation			
- Current Tax		-	3,230,245
- Deferred Tax		-	(15,600)
Net Profit / (Loss) After Tax		(761,267,054)	6,099,736
Balance Carried to Balance Sheet		(761,267,054)	6,099,736
Earnings Per Share Basic / Diluted (Not Annualised)		(24.90)	2.89
(Refer note 14 of Schedule 18)			
Significant accounting policies	1		
Notes to the accounts	18		

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

As per our report of even date attached.

For Chaturvedi & Shah
Firm Registration No.: 101720W
Chartered Accountants

C. D. Lala
Partner
Membership No.: 35671

Place : Mumbai
Date : May 28, 2010

For and on behalf of the Board

Directors {
Gautam Doshi
Rajesh Sawhney
Anil Sekhri
Pradeep Shah
Darius Jehangir Kakalia
Prasoon Joshi

Company Secretary & Manager

Gururaja Rao

Reliance Broadcast Network Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

	31 March 2010	31 March 2009
A Cash flows from operating activities		
Net profit / (loss) before taxes	(761,267,054)	9,314,381
Less: Interest Income	(9,588,331)	(11,132,283)
Add: Interest Expense	275,434,254	1,628,767
Add: Depreciation / Amortisation	364,203,610	16,719
Add: Provision for Doubtful Debts	78,636,165	-
Add: Provision for Doubtful Advances	83,774,528	-
Less: Profit / (Loss) on sale of fixed assets	237,888	-
Operating profit / (loss) before working capital changes	31,431,060	(172,416)
(Increase) / Decrease in Inventories	(899,789)	-
(Increase) / Decrease in Loans and Advances	(106,839,470)	-
(Increase) / Decrease in Debtors	28,048,809	-
Increase / (Decrease) in Current Liabilities and Provisions	2,811,504	(2,920,269)
Cash generated from operations	(45,447,886)	(3,092,685)
Taxes Paid	(23,135,361)	(2,431,784)
Net cash generated from / (used in) operating activities (A)	(68,583,247)	(5,524,469)
B Cash flows from investing activities		
Purchase of Fixed Assets	(18,289,322)	-
Sale Proceeds from Fixed Assets	2,022,459	-
Interest Income	11,252,295	-
Net cash generated from / (used in) investing activities (B)	(5,014,568)	-
C Cash flows from financing activities		
Repayment of Unsecured Loan	-	(219,000,000)
Interest Payment on Unsecured Loan	(23,896,147)	-
Interest Income	-	6,699,921
Net cash generated from / (used in) financing activities (C)	(23,896,147)	(212,300,079)
Net increase in cash and cash equivalents (A + B + C)	(97,493,962)	(217,824,548)
Cash and cash equivalents at beginning of the year	118,503,241	336,327,788
Cash & cash equivalents received as per the Scheme of Arrangement	99,968,879	-
Cash and cash equivalents at end of the year	120,978,158	118,503,240

Note: Transactions arising out of Scheme of Arrangement, as stated in Note 1 of Schedule 18 is a non cash transaction and not considered in the above cash flow working.

As per our report of even date attached.

For Chaturvedi & Shah
Firm Registration No.: 101720W
 Chartered Accountants

C. D. Lala
 Partner
 Membership No.: 35671

Place : Mumbai
 Date : May 28, 2010

For and on behalf of the Board

Directors {
Gautam Doshi
Rajesh Sawhney
Anil Sekhri
Pradeep Shah
Darius Jehangir Kakalia
Prasoon Joshi

Company Secretary & Manager

Gururaja Rao

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

Schedule 1 - Summary of significant accounting policies

1 Basis of preparation

The financial statements are prepared and presented under the historical cost convention on the accrual basis of accounting and in accordance with the Accounting Standards ('AS') as prescribed under the Companies (Accounting Standards) Rules, 2006, and the relevant provisions of the Companies Act, 1956 ('the Act'), to the extent applicable.

2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

3 Fixed assets and depreciation / amortization

a Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation and any provision for impairment. Cost includes freight, duties, taxes (other than those recoverable from tax authorities) and other expenses related directly / indirectly to the acquisition / construction and installation of the fixed assets for bringing the asset to its working condition for its intended use.

Depreciation on fixed assets is provided on the straight line method, at following rates which, in management's opinion, reflects the estimated useful lives of those fixed assets:

Particulars of Fixed Assets	Rate of Depreciation
Plant and Machinery excluding Bus Queue Shelters	10%
Furniture and Fixture	10%
Office Equipments for Radio Division	10%
Office Equipments for OOH Division	20%
Data Processing equipments	20%
Motor Cars	20%
Display Vans	11.31%

Leasehold improvements are depreciated over the lower of the useful life of the asset and the lease term, on a straight line basis.

Bus Queue Shelters under BOT Schemes are depreciated over the useful life being the contract period on uniform basis.

Individual assets costing up to Rs 5,000 are depreciated fully in the year of acquisition.

b Intangible assets

Intangible assets, all of which have been acquired and are controlled through custody or legal rights, are capitalised at cost, where they can be reliably measured. Where capitalised, intangible assets are regarded as having a limited useful economic life and the cost is amortised over the lower of useful life and 10 years.

Application software purchased, which is not an integral part of the related hardware, is shown as intangible assets and amortised on a straight line basis over its useful life, not exceeding ten years, as determined by management.

One Time Entry Fees paid for acquiring FM radio broadcasting licenses has been capitalised as an asset and is amortised over a period of ten years, being the period of the license, from the date of operationalisation of the station.

4 Impairment

In accordance with AS 28 - 'Impairment of Assets', where there is an indication of impairment of the Company's asset, the carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of the asset (or where

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

applicable, that of the cash generating unit to which the asset belongs) is estimated as the higher of its net selling price and its value in use. An impairment loss is recognised whenever the carrying amount of an asset or a cash generating unit exceeds its recoverable amount. Impairment loss is recognised in the profit and loss account.

Value in use is present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

5 Inventories

Inventories (comprises of content cost not aired and events in progress) are stated at lower of cost and net realisable value.

6 Employee benefits

Short-term employee benefits are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

The Company's contribution to provident fund, which is a defined contribution scheme, is charged to the profit and loss account as incurred.

Post employment and other long term employee benefits are recognised as an expense in the profit and loss account for the year in which the employee has rendered services.

The expense is recognised at the present value of the amount payable determined using actuarial valuation carried out by an independent actuary at the balance sheet date using Projected Unit Credit Method.

7 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The amount recognised as revenue is net of trade discounts and service tax.

Revenue from sale of airtime

Revenue from Radio broadcasting is recognised on an accrual basis on the airing of the customers commercials.

Out of Home Media

Advertising space revenue, net of taxes, rebate and discount is recognised on the display of advertisements over the period of the contract.

Revenue from event management and activation activities

Revenue from event management and activation is recognised on the completion of the event and on the basis of related services performed, as per the contracted terms.

Interactive Revenue

Revenue from short code, Short Messaging Service ('SMS') is recognised on acceptance of the hits by telecom operators.

Interest income

Interest income is recognised on a time proportion basis.

8 License Fees

As per the new Frequency Module (FM) broadcasting policy, effective 1 April 2005 license fees are charged to revenue at the rate of 4% of gross revenue for the period or 10% of Reserve One Time Entry Fee (ROTEF) for the concerned city, whichever is higher. Gross Revenue for this purpose shall mean revenue on the basis of billing rates without deduction of taxes and agency commission and net of discounts to advertisers. Barter advertising contracts shall also be included in the gross revenue on the basis of relevant billing rates. ROTEF means 25% of highest valid bid in the city.

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

9 Foreign currency transactions

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

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the profit and loss account.

In respect of integral foreign operations of the company, fixed assets are translated at the rates on the date of acquisition, monetary assets and monetary liabilities are translated at the rate on the date of the balance sheet and income and expenditure are translated at the average of weekly average rates during the year.

10 Taxation

Income tax expense comprises current tax expense computed in accordance with the relevant provisions of the Income Tax Act, 1961 and deferred tax charge or credit.

Current tax provision is made based on the tax liability computed after considering tax allowances and exemptions, in accordance with the Income Tax Act, 1961. Deferred tax charge or credit and the corresponding deferred tax liability or asset is recognised for timing differences between the profits / losses offered for income taxes and profits / losses as per the financial statements. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realized in future. However, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets are reviewed as at each balance sheet date and written down / up to reflect the amount that is reasonably / virtually certain (as the case may be) to be realized.

11 Provisions and contingencies

Provisions comprise liabilities of uncertain timing or amount. Provisions are recognised when the Company recognizes it has a present obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reasonably estimated.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Loss contingencies arising from claims, litigation, assessment, fines, penalties, etc. are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated.

12 Leases

The Company has various operating leases, principally for radio stations and office space, with various renewal options. Substantially all operating leases are cancellable as well as renewable on expiry of lease term. Rental expense in agreements with scheduled rent increases is recorded on a straight-line basis as applicable over the lease term.

13 Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. All other borrowing costs are charged to revenue.

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

	31 March 2010	31 March 2009
Schedule 2 – Share Capital		
Authorised:		
10,00,00,000 (Previous Year: 21,10,000) Equity Shares of Rs.5/- each	500,000,000	10,550,000
10,00,00,000 (Previous Year: Nil) Preference Shares of Rs.5/- each	500,000,000	-
	<u>1,000,000,000</u>	<u>10,550,000</u>
Issued, Subscribed and Paid Up:		
4,61,26,170 (Previous Year: 21,10,000) Equity Shares of Rs.5/- each*	230,630,850	10,550,000
Nil (Previous Year 21,10,000 shares are held by Reliance MediaWorks Ltd. (Formerly Adlabs Films Ltd.), the holding company and its nominees).		
	<u>230,630,850</u>	<u>10,550,000</u>
Schedule 3 – Reserves and Surplus		
a <i>Securities premium account:</i>		
At the commencement of the year	90,450,000	90,450,000
<u>Additions during the year</u>		
Addition pursuant to Scheme of Arrangement*	1,000,000,000	-
	<u>1,090,450,000</u>	<u>90,450,000</u>
b <i>Capital Reserves:</i>		
At the commencement of the year	-	-
Arising pursuant to Scheme of Arrangement*	349,723,753	-
	<u>349,723,753</u>	-
c <i>Profit & Loss Account:</i>		
Profit at the commencement of the year	-	8,057,197
Add : Profit for the year	-	6,099,736
	-	14,156,933
	<u>1,440,173,753</u>	<u>104,606,933</u>
Schedule 3A – Profit & Loss Account:		
Profit at the commencement of the year	(14,156,933)	-
Add : Loss for the year 2008-09 of Radio Division Pursuant to the Scheme of Arrangement**	989,480,074	-
Add : Loss for the year	761,267,054	-
	<u>1,736,590,195</u>	-
Schedule 4 – Unsecured Loans		
Short Term Loans from Body Corporates* [Repayable On Demand]	3,065,617,205	-
	<u>3,065,617,205</u>	-

* Refer Note 1 of Schedule 18

** Refer Note 2 of Schedule 18

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

Schedule 5 – Fixed Assets

(Currency: Indian Rupees)

Particulars	Gross Block			Depreciation/Amortisation			Net Block			
	As on 1 April 2009	Additions	Acquired as per the Scheme w.e.f. 1 April 2008	Deletions	As on 31 March 2010	For the year As on 1 April 2009	Acquired as per the Scheme w.e.f. 1 April 2008	Deletions	As on 31 March 2010	As on 31 March 2009
Tangible Asset										
Plant & Machinery	-	194,750,746	1,167,574,424	1,298,502	1,361,026,668	-	278,026,901	427,919	410,614,370	950,412,298
Office Equipments	-	11,437,816	29,266,856	2,774,526	37,930,146	-	8,189,576	1,639,990	9,501,407	28,428,739
Furniture & Fixtures	-	1,388,193	20,174,468	-	21,562,661	-	3,456,660	7,089,216	10,545,876	11,016,785
Data Processing Equipments	103,137	7,620,000	68,546,920	91,000	76,179,057	32,706	27,745,173	14,777,175	42,515,846	33,663,211
Leasehold Improvements	-	28,150,142	297,566,551	1,189,884	324,526,809	-	65,814,537	33,301,043	98,772,633	225,754,176
Vehicles	-	15,060,764	34,250,888	264,552	49,047,100	-	11,821,517	1,935,013	13,650,534	35,396,566
Intangible Asset										
Radio broadcasting license (Refer Note 3(b) of Schedule 1)	-	-	1,597,756,860	-	1,597,756,860	-	319,937,884	185,090,923	505,028,807	1,092,728,053
Computer Software	-	3,544,697	53,535,754	-	57,080,451	-	11,409,871	5,746,628	17,156,499	39,923,952
Copyrights	-	-	4,150,267	-	4,150,267	-	830,052	631,068	1,461,120	2,689,147
Total	103,137	261,952,358	3,272,822,988	5,618,464	3,529,260,021	32,706	727,232,171	384,538,275	1,109,247,094	2,420,012,927
Previous Year	103,137	-	-	-	103,137	15,987	16,719	-	32,706	70,431
Capital Work In Progress (Including Capital Advances)									65,916,932	-

Note:

- Intangible assets are other than internally generated
- Balance Life of Intangible Assets is 7-10 years
- Additions include assets of Rs. 183,599,627 for the period from 1 April 2008 to 31 March 2009 of Radio division transferred from Reliance MediaWorks Ltd. (Formerly Adlabs Films Limited) (Refer Note 1 of Schedule 18)
- Depreciation for the year also includes depreciation of Rs. 363,028,561 on the assets acquired for the period from 1 April 2008 to 31 March 2009 and on the assets acquired pursuant to the Scheme. (Refer Note 1 of Schedule 18)
- Capital Work In Progress comprises of the following :

Particulars	Amount
Capital Advances	38,848,634
Capital Stores / Inventory	27,068,298
	65,916,932

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

	31 March 2010	31 March 2009
Schedule 6 – Inventories		
Content	1,500,000	-
Events In Progress	1,923,183	-
	<u>3,423,183</u>	<u>-</u>
Schedule 7 – Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
- Considered Good	227,451,809	-
- Considered Doubtful	135,899,024	-
	<u>363,350,833</u>	<u>-</u>
Other debts		
- Considered Good	477,803,588	-
- Considered Doubtful	7,240,990	-
	<u>485,044,578</u>	<u>-</u>
	848,395,411	-
Less: Provision for doubtful debts	143,140,014	-
	<u>705,255,397</u>	<u>-</u>
Schedule 8 – Cash and Bank Balances		
Cash in Hand	353,623	-
Balances with Scheduled Banks		
- In Current Accounts	17,900,672	5,007,215
- In Fixed Deposits	102,723,863	113,496,025
(Deposits aggregating to Rs. 9,27,23,863/- (Previous Year Rs. Nil) are lying under lien with Banks)		
	<u>120,978,158</u>	<u>118,503,240</u>
Schedule 9 – Loans and Advances (Unsecured Considered Good Unless Otherwise Stated)		
Advances recoverable in cash or in kind or for value to be received		
- Considered Good	123,654,611	-
- Considered Doubtful	5,158,799	-
	<u>128,813,410</u>	<u>-</u>
Less: Provision for Doubtful Advances	5,158,799	-
	<u>123,654,611</u>	<u>-</u>
Income Accrued but not due	5,284,632	6,095,477
Prepaid Expenses	125,686,817	-
Deposits		
- Considered Good	202,589,271	-
- Considered Doubtful	79,000,000	-
	<u>281,589,271</u>	<u>-</u>
Less: Provision for Doubtful Deposits	79,000,000	-
	<u>202,589,271</u>	<u>-</u>
Taxes Paid (Net of Provision for Taxation)	65,941,618	8,076,536
	<u>523,156,949</u>	<u>14,172,013</u>
Schedule 10 – Current Liabilities		
Sundry Creditors for Goods and Services*	587,839,920	65,113
Advance Payments by Customers	90,495,283	-
Other Current Liabilities	133,517,266	17,523,638
*(Refer Note 6 of Schedule 18)		
	<u>811,852,469</u>	<u>17,588,751</u>
Schedule 11 – Provisions		
Gratuity	10,245,086	-
Leave Encashment	16,814,378	-
	<u>27,059,464</u>	<u>-</u>

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

	Year Ended 31 March 2010	Year Ended 31 March 2009
Schedule 12 – Service Revenue and Other Operating Income		
Sale of Airtime	1,505,754,727	-
Activation Revenue	87,069,557	-
Event Income	50,311,440	-
Out of Home Media Income	157,583,822	-
Others	6,526,954	-
	1,807,246,500	-
Schedule 13 – Other Income		
Interest income from:		
- Bank deposits [TDS Rs. 11,01,479/- (Previous Year Rs. 24,31,784)]	9,463,121	11,132,283
- Others	125,210	-
Income from facility sharing (net of service tax)	16,918,436	-
Excess Accruals Written Back	12,331,974	-
Miscellaneous income	161,061	-
Foreign Exchange Gain (net)	1,662,747	-
	40,662,549	11,132,283
Schedule 14 – Direct Costs		
Royalty	177,088,039	-
Event Expenses	103,599,156	-
Agency Commission and Incentive	168,941,497	-
Transmission Expenses	57,266,870	-
Out of Home Media Expenses	148,375,739	-
Revenue Sharing License Fees	80,159,517	-
Other Production Expenses	52,404,885	-
	787,835,703	-
Schedule 15 – Personnel Costs		
Salaries, Wages and Allowances	418,628,236	-
Contribution to Provident Fund	20,254,304	-
Gratuity	1,526,338	-
Staff Welfare Expenses	7,538,682	-
Provident Fund Admin Expenses	2,126,377	-
	450,073,937	-

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

	Year Ended 31 March 2010	Year Ended 31 March 2009
Schedule 16 – Other Operating & General Administrative Expenses		
Advertisements	182,971,368	-
Bank Charges	2,976,753	-
Bad Debts	27,462,537	-
Business Promotion	3,565,064	-
Rent, Rates and Taxes	146,006,204	-
Travelling and Conveyance	51,017,663	-
Auditors' Remuneration (Refer Note 8 of Schedule 18)	4,500,000	55,150
Electricity Charges	44,370,092	-
Insurance Charges	2,826,991	-
Legal and Professional Fees	21,492,358	115,754
Director's Sitting Fees	125,000	-
Loss on Sale / Disposal of Assets	237,888	-
Communication Expenses	14,229,754	-
Printing and Stationery	2,160,545	-
Provision for Doubtful Debts	78,636,165	-
Provision for Doubtful Deposits / Advances	83,774,528	-
Repairs and Maintenance		
- Repairs to Machinery	7,796,838	-
- Repairs to Others	23,980,484	-
Security Charges	7,325,018	-
Housekeeping Charges	4,492,397	-
Computer / Internet / Intranet	10,821,497	-
Conference Expense	7,686,204	-
Other Miscellaneous Expenses	3,173,251	1,512
	<u>73,16,28,599</u>	<u>172,416</u>
Schedule 17 – Interest & Finance Charges		
On Loans	274,788,914	1,628,767
On Others	645,340	-
	<u>275,434,254</u>	<u>1,628,767</u>

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

Schedule 18 – Notes to the accounts

1 Demerger of the Radio Division of Reliance MediaWorks Ltd. (Formerly Adlabs Films Limited) (AFL) with the Company.

- a The Scheme of Arrangement (the Scheme) under Section 391 to 394 of the Companies Act 1956, between Reliance MediaWorks Ltd. (Formerly Adlabs Films Limited) and Reliance Media World Limited (Formerly Reliance Unicom Limited) and their respective Shareholders is sanctioned by the honorable High Court of Judicature at Bombay vide Order Dated 4 April 2009 and copy of the Order has been filed with the Registrar of Companies, Mumbai, Maharashtra on 30 June 2009. Pursuant to the Scheme, the Radio business stands de-merged from AFL and transferred to and vested in the Company on a going concern basis. The Scheme has been given effect to in these financial statements.
- b The Scheme of Arrangement provided for the following-
1. Transfer of the Radio business of AFL to the Company with effect from 1 April 2008.
 2. Extinguishment of shares held by AFL in the Company.
 3. Issue of shares of the Company to shareholders of AFL as of the record date to be decided by the Board of Directors of AFL and the Company in the ratio of 1:1.
 4. Transfer of Reserves created under demerger upto Rs 1,000,000,000 to Securities Premium Account and balance to Capital Reserve.
 5. Cost of the Scheme to be borne by the Company.

As per the Scheme, the Radio business of AFL stands transferred to the Company.

All assets and liabilities of the Radio business of AFL as at 1 April 2008 have been transferred at their respective book values. Further, general borrowings of AFL as on 1 April 2008 have been allocated between AFL and the Company on the basis of ratio of net assets.

- c The following assets and liabilities of Radio business are transferred as on 1 April 2008, pursuant to the Scheme.

Particulars	Amount
Gross Block of Fixed Assets	3,272,822,986
Less: Accumulated Depreciation / Amortisation	384,538,275
Net Block of Fixed Assets	2,888,284,711
Capital Work In Progress	230,916,872
Current Assets, Loans and Advances	1,392,795,262
Total – A	4,511,996,845
Loan Funds	204,627,687
Current Liabilities and Provisions	497,564,555
Total – B	702,192,242
Net Balance	3,809,804,603

As per the provisions of the scheme, excess balances of assets transferred over liabilities and the gain on cancellation of shares held by AFL is credited to Securities Premium Account and Capital Reserve as follows:

Particulars	Amount
Allocated net assets of Radio Division as of 1 April 2008 transferred as per the Scheme (A)	3,809,804,603
Less: General borrowings of the Company as of 1 April 2008 allocated between the Company and the AFL as per the provisions of the Scheme (B)	2,240,000,000
Excess of net assets transferred to the Company (Radio Division) (A-B)	1,569,804,603
Less: Issue of Shares to Shareholders of AFL	230,630,850
Add: Cancellation of Share Capital held by AFL	10,550,000
Reserves Created under demerger	1,349,723,753
Recognised as Securities Premium Account as per Scheme Para 5.1.3	1,000,000,000
Balance Recognised as Capital Reserve	349,723,753

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

Had the Scheme been accounted for in compliance with the Accounting Standard 14 "Accounting for Amalgamation" as prescribed by the Companies (Accounting Standards) Rules 2006, the Capital Reserves would have been stated at Rs. 1,349,723,753.

- d The assets and liabilities taken over pursuant to the Scheme of Arrangement is considered as per the certificate received from the Statutory Auditors of AFL.
- 2 The accounts of the Company for the financial year 2008-09 were approved by the shareholders in the Annual General Meeting held on 25 May 2009, without considering the effect of the transfer of Radio business from AFL to the Company. The Scheme of arrangement between the Company and AFL was approved by the High Court of Judicature at Bombay on 4 April 2009 and the same was filed with the Registrar of Companies, Mumbai, Maharashtra on 30 June 2009, the effective date. As per the Scheme the Radio business of AFL stands transferred to the Company from 1 April 2008. Accordingly, the net results for the period 1 April 2008 to 31 March 2009 of Radio Division as shown in Schedule 3A of the financial statement comprises of the following:

Particulars	Amount
Income	
Service Revenue & Other Operating Income	1,962,540,372
Other Income	30,391,153
	1,992,931,525
Expenditure	
Direct Costs	1,003,720,969
Personnel Costs	575,920,671
Other Operating and General Administration Expenses	707,795,249
Interest & Finance Charges	282,487,674
Depreciation / Amortisation	363,028,564
	2,932,953,127
Profit / (Loss) Before Tax & Prior Period Adjustments	(940,021,602)
Less : Prior Period Adjustments	35,293,472
Profit / (Loss) Before Tax	(975,315,074)
Fringe Benefit Tax	14,165,000
Net Profit / (Loss) After Tax	(989,480,074)

- 3 Going Concern
- Notwithstanding that the net worth of the company as on 31.03.2010 has been eroded, the accompanying financial statements have been prepared on a going concern assumption. The management believes that it is appropriate to prepare these financial statement on a 'going concern' basis, for the following reasons:
- a The Company is the first to launch 45 FM radio stations in India. This business necessitates long gestation period. Being a new entrant, the Company has incurred huge expenses on research of the product, brand building on a pan India basis, the benefits of which will accrue in the future years. The management estimates that it will generate substantial profits out of radio, experiential marketing and out of home business in the coming years to wipe out the past losses.
- b The Company has obtained a letter assuring financial support from Reliance Capital Limited whenever required and further the Company through postal ballot has sent notice dated May 7, 2010 under section 192 of the Companies Act, 1956 to seek enabling authorization from the shareholders to issue Non Convertible Redeemable Preference Shares upto Rs.500 Crore.

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

4 Contingent Liabilities

Particulars	31 March 2010	31 March 2009
Bank Guarantees	161,282,609	-
Claims against the company not acknowledged as debt	88,357,721	-
	249,640,330	-

5 Capital Commitment

Particulars	31 March 2010	31 March 2009
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	57,383,812	-

6 Sundry Creditors

Under the Micro, Small and Medium Enterprise Development Act, 2006 which came into force from 2 October 2006, certain disclosures are required to be made relating to micro and small enterprises. The Company has taken necessary steps to seek relevant information from its suppliers about the coverage under the Act. According to the information available with the management, outstanding amount pertaining to covered creditors for a period of more than 45 days is Rs. 8,830/-.

7 Remuneration to Manager

Remuneration to manager as appointed under Section 269 of Companies Act, 1956:

Particulars	31 March 2010	31 March 2009
Salary	3,253,351	-
Contribution to provident fund	222,000	-
Perquisites	32,400	-
	3,507,751	-

Tarun Katial has received a remuneration of Rs.50,00,000 from AFL upto the date of cessation of directorship i.e. July 30, 2009 from the company. The same has not been considered as a managerial remuneration.

The above does not include gratuity and leave encashment benefits as the provision for these are determined for the Company as a whole and therefore separate amounts for the directors are not available.

No commission is paid to directors and hence disclosure under Section 198 of the Companies Act, 1956 is not made.

8 Remuneration to Auditors (Excluding Service Tax)

Particulars	31 March 2010	31 March 2009
Audit fees	2,500,000	50,000
Tax audit fees	500,000	-
Certifications	1,500,000	-
	4,500,000	50,000

9 Value of imports on CIF basis

Particulars	31 March 2010	31 March 2009
Capital Goods	199,555	-

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

10 Expenditure in foreign currency

Particulars	31 March 2010	31 March 2009
License Fees	4,509,618	-
Staff Cost	4,586,677	-
Travelling	204,733	-
Professional fees	9,216,544	-
Others	12,915,111	-
	31,432,682	-

11 Earnings in foreign exchange

Particulars	31 March 2010	31 March 2009
Sale of Airtime	4,135,391	-
Event Income	1,174,922	-
	5,310,313	-

12 Lease disclosure under AS 19

The Company has taken various office premises, towers and other licenses on cancellable operating lease, where the lease agreements are normally renewed on expiry. The Lease rentals recognised in the profit and loss account is amounting to Rs.25,33,35,025/-.

13 Deferred Tax

Deferred tax asset of Rs. 55,64,78,062/- as at 31 March 2010 comprises of the following:

Particulars	31 March 2010	31 March 2009
Deferred Tax Asset		
Carry forward loss	629,429,208	-
Disallowances which would be allowed on payment basis	115,454,662	-
Employee Benefits	8,361,374	-
(A)	753,245,244	-
Deferred Tax Liability		
On account of Depreciation	196,767,182	-
(B)	196,767,182	-
Net deferred tax asset / (liability)	(A-B)	556,478,062

As a matter of prudence, deferred tax asset to the extent of deferred tax liability has been recognised and the balance has not been recognised in the books of account.

14 Disclosure of Segment Reporting under AS 17

Particulars	Radio Broadcasting	Outdoor	Others	Total
Segment Revenue	1,629,367,977	163,596,293	50,582,491	1,843,546,762
Inter Segment Revenue	-	(5,226,044)	-	(5,226,044)
Total Income	1,629,367,977	158,370,249	50,582,491	1,838,320,718
Result				
Segment Result	(335,720,850)	(146,861,120)	(2,826,663)	(485,408,633)
Unallocated Corporate Expenses (Net of Unallocated Income)				(10,012,498)

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

Particulars	Radio Broadcasting	Outdoor	Others	Total
Interest Expenses (Net of Income)				(265,845,923)
Income Taxes				-
Net Profit After Tax				(761,267,054)
Other Information				
Segment Assets	3,263,210,257	537,675,839	50,915,830	3,851,801,927
Unallocated Corporate Assets				103,814,174
Segment Liabilities	637,029,141	189,456,922	91,425,869	917,911,933
Unallocated Corporate Liabilities				3,103,489,761
Capital Expenditure				78,352,732
Depreciation and Amortisation				364,203,610

The company has disclosed the Business Segment as primary segment. The business of the company is primarily divided into three segments – Radio Business, Outdoor Business and Others. The segments have been identified taking into account the nature of the business, the differing risk and returns, the organization structure and internal reporting system.

Radio operations primarily consist of FM radio broadcasting services in the cities where the Company have been allotted radio broadcasting licenses. Radio business also includes allied businesses like Activation, Live and Digital. Outdoor operations primarily consists of operating advertisement contracts on outdoor media properties awarded under tender and through private tenders / contracts.

Segment Revenues, Segment Results, Segment Assets and Segment Liabilities include the respective amounts identifiable to each segment as also the amounts allocable on a reasonable basis. Income and Expenses which are not directly attributable to any Business Segment are shown as unallocated corporate income / expenses. Assets and Liabilities that cannot be allocated between the segments are shown as part of unallocated corporate assets and liabilities respectively.

The Company's operations are mainly confined within India. The Company does not have material earnings outside India. As such there are no reportable geographical segments.

The scheme of arrangement has been given effect on 30 June 2009. There was no reportable segments in the previous year hence, previous year figures have not been given.

15 Disclosure of Related Party under AS 18

Parties where control exists

Holding Company

Reliance MediaWorks Ltd. (Formerly Adlabs Films Limited) (upto 31 March 2008) (Refer Note 1)

Other related parties with whom transactions have taken place during the year

Significant Shareholders, Key Management Personnel and their relatives

Relationship	Name of the Related party	Remarks
Key Managerial Personnel	Tarun Katial	Chief Executive Officer (Ceased to be a Director from 30 July 2009 and appointed as Chief Executive Officer from 30 July 2009)
Key Managerial Personnel	Gururaja Rao	Manager (w.e.f. 30 July 2009)
Key Managerial Personnel	Ismail Dabhoya	Chief Financial Officer (w.e.f. 30 July 2009)

Relative of Key Managerial Personnel

Spouse of Gururaja Rao	Mrs. Akshata Rao
Spouse of Ismail Dabhoya	Mrs. Irfana Dabhoya

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

Transactions with Related Parties

Particulars	31 March 2010	31 March 2009
Remuneration to Key Managerial Personnel		
Remuneration to Tarun Katial	17,897,858	-
Remuneration to Gururaja Rao	3,507,751	-
Remuneration to Ismail Dabhoya	4,672,516	-
Loan to Key Managerial Personnel		
Loan given to Tarun Katial	2,000,000	-
Loan received back from Tarun Katial	2,000,000	-
Receiving of Services form Relative of Key Managerial Personnel		
Mrs. Akshata Rao	180,000	-
Mrs. Irfana Dabhoya	180,000	-

16 Earnings Per Share ('EPS')

Particulars	31 March 2010	31 March 2009
Net Profit / (loss) available for equity shareholders	(761,267,054)	6,099,736
*Weighted average number of equity shares outstanding during the year	30,569,770	2,110,000
Basic / Diluted Earnings Per Share	(24.90)	2.89
Nominal value per share	5	5

* Based on Re-organization of share capital pursuant to the scheme (Refer Note 1)

17 Foreign currency exposures (other than investments) not covered by forward contracts

Particulars	31 March 2010			31 March 2009		
	Currency	Foreign Currency Amount	Amount - Indian Rupees	Currency	Foreign Currency Amount	Amount - Indian Rupees
Sundry Debtors	MYR	16,401	225,760	-	-	-
Sundry Debtors	THB	172,273	239,029	-	-	-
Sundry Debtors	SGD	59,964	1,923,495	-	-	-

18 Employee Benefits

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognised as expense for the year are as under :

Particulars	31 March 2010	31 March 2009
Employers contribution to Provident fund and other funds	20,235,352	-

Other long term employee benefits comprises encashment of leave. Total Income recognised during the current year is Rs. 32,52,558/-.

Defined Benefit Plan

Gratuity

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognised in the same manner as gratuity.

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

I. Reconciliation of opening and closing balances of Defined Benefit obligation

Particulars	31 March 2010	31 March 2009
Gratuity (Unfunded)		
Defined Benefit obligation at beginning of the year	-	-
Transferred as per provisions of Scheme (Refer Note 1 above)	8,718,748	-
Current Service Cost	4,312,116	-
Interest Cost	1,021,616	-
Actuarial (gain)/loss	(5,863,646)	-
Past Service Cost	2,056,252	-
Defined Benefit obligation at the end of the year	10,245,086	-

II. Reconciliation of opening and closing balances of fair value of plan assets

Particulars	31 March 2010	31 March 2009
Gratuity (Unfunded)		
Fair value of plan assets at beginning of the year	-	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	-	-
Employer Contribution	-	-
Benefits paid	-	-
Settlement cost	-	-
Fair value of plan assets at the end of the year	-	-
Actual return on plan assets	-	-

III. Reconciliation of fair value of assets and obligations

Particulars	31 March 2010	31 March 2009
Gratuity (Unfunded)		
Fair value of plan assets at the end of the year	-	-
Present value of obligation at the end of the year	10,245,086	-
Liability recognised in the Balance Sheet	10,245,086	-

IV. Expense / (Income) recognised during the year

Particulars	31 March 2010	31 March 2009
Gratuity		
Current Service Cost	4,312,116	-
Interest Cost	1,021,616	-
Expected return on plan assets	-	-
Actuarial (gain) / loss	(5,863,646)	-
Past Service Cost	2,056,252	-
Expense / (Income) recognised during the year	1,526,338	-

V. Investment details

N I L

N I L

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2010

(Currency: Indian Rupees)

VI. Actuarial assumptions

Particulars	31 March 2010		31 March 2009	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	-	-
Discount rate (per annum)	8.30%	8.30%	-	-
Expected rate of return on plan assets (per annum)	-	-	-	-
Rate of escalation in salary (per annum)	10% for the first two years and 7% thereafter	10% for the first two years and 7% thereafter	-	-

The estimates for rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

- 19** Disclosure under Part II of Schedule VI to the Companies Act, 1956, has been made to the extent applicable to the Company.
- 20** The figures of the previous years are strictly not comparable to those of the current year, which comprises the effect of the scheme (as detailed in Note 1 of Schedule 18) and have been regrouped / rearranged as necessary to conform to current years presentation.

As per our report of even date attached.

For Chaturvedi & Shah
Firm Registration No.: 101720W
 Chartered Accountants

C. D. Lala
Partner
 Membership No.: 35671
 Place : Mumbai
 Date : May 28, 2010

Company Secretary & Manager

For and on behalf of the Board

Directors {
Gautam Doshi
Rajesh Sawhney
Anil Sekhri
Pradeep Shah
Darius Jehangir Kakalia
Prasoon Joshi
Gururaja Rao

Reliance Broadcast Network Limited

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. State Code

Balance Sheet Date
Date Month Year

II Capital Raised during the year (Amount in Rs. Thousands)

Public Issue Rights Issue

Bonus Issue Private Placement

III Position of Mobilisation and Deployment of Funds(Amount in Rs. Thousands)

Total Liabilities Total Assets

Source of Funds

Paid up Capital Reserves & Surplus

Secured Loans Unsecured Loans

Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments

Net Current Assets Misc. Expenditure

Accumulated Losses

IV Performance of Company (Amount in Rs. Thousands)

Turnover Total Expenditure

Profit / Loss(-) Before Tax Profit / Loss(-) After Tax

Earning Per Share in Rs. Dividend Rate %

V Generic Names of Three principal Products / Services of Company (As per monetary terms)

Item Code No. (ITC Code)

Product Description

The Company is a service provider and does not deal in any products.

For and on behalf of the Board

Directors {
 Gautam Doshi
 Rajesh Sawhney
 Anil Sekhri
 Pradeep Shah
 Darius Jehangir Kakalia
 Prasoon Joshi
 Gururaja Rao

Place : Mumbai
 Date : May 28, 2010

Company Secretary & Manager

ATTENDANCE SLIP

RELIANCE BROADCAST NETWORK LIMITED

Registered Office: 401, 4th Floor, Infiniti, Oshiwara, Link Road, Andheri West, Mumbai – 400 053

Please fill the Attendance Slip and hand it over at the entrance of the meeting venue

Joint shareholders may obtain additional Attendance Slip on request

DP ID No.*	L.F. No.
Client ID No.*	No. of Shares held

Name and Address of the Shareholder :

.....

.....

.....

I / We hereby record my / our presence at the **5th Annual General Meeting** of Reliance Broadcast Network Limited held on Tuesday, August 31, 2010, at 1:00 p.m. or soon after the Annual General Meeting of Reliance MediaWorks Limited convened on the same day at Rangsharda Natyamandir, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai – 400 050.

Signature of the shareholder or proxy

*Applicable for investors holding shares in electronic form.

TEAR HERE

PROXY FORM

RELIANCE BROADCAST NETWORK LIMITED

Registered Office: 401, 4th Floor, Infiniti, Oshiwara, Link Road, Andheri West, Mumbai – 400 053

DP ID No.*	L.F. No.
Client ID No.*	No. of Shares held

I / We.....

of being a member / members of Reliance Broadcast Network Limited hereby appoint

of.....

or failing himof

..... as my / our proxy to vote for me / us and on my / our behalf at the **5th Annual General Meeting** of Reliance Broadcast Network Limited to be held on Tuesday, August 31, 2010, at 1:00 p.m. or soon after the Annual General Meeting of Reliance MediaWorks Limited convened on the same day at Rangsharda Natyamandir, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai – 400 050.

Signed this day of 2010.



* Applicable for investors holding shares in electronic form.

Note (1) The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

(2) Members holding shares under more than one folio may use photocopy of this Proxy Form for other folios. The Company shall provide additional forms on request.

BOOK - POST

If undelivered, please return to:

Karvy Computershare Private Limited

(Unit: Reliance Broadcast Network Limited)

Madhura Estate, H. No. 1-9/13/C

Plot No. 13 & 13 C, Madhapur Village

Hyderabad – 500 081

Website: www.karvy.com