

RELIANCE

Broadcast Network

**6th Annual Report
(April 1, 2010 – September 30, 2010)**



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 Braodcast 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,
Survey No. 74 & 75, Madhapur Village
Hyderabad – 500 081
Email: rbnl@karvy.com
Telephone No. : 040 - 40308000
Contact Person: Praveen Chaturvedi

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Investor Helpdesk

Toll free no. (India): 1800 4250 999

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Reliance Broadcast Network Limited

NOTICE

Notice is hereby given that the Sixth Annual General Meeting of the Members of Reliance Broadcast Network Limited will be held on Thursday, 31st March 2011 at 10.00 A.M. at Auditorium, Reliance Energy Management Institute, 19 Aarey Colony, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 065 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at September 30, 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 a Director in place of Shri Gautam Doshi, who retires by rotation and, being eligible offers himself for re – appointment.
3. To appoint a Director in place of Shri Rajesh Sawhney, who retires by rotation and, being eligible offers himself for re – appointment.
4. 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 shall be fixed by the Board of Directors."

SPECIAL BUSINESS

5. Issue of equity shares to the Qualified Institutional Buyers.

To consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

- a. **"RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR"), the provisions of the Foreign Exchange

Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/ or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission and / or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorised to issue, offer and allot equity shares/ fully convertible debentures/ partly convertible debentures / non convertible debentures with warrants/any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers (QIBs) as per the SEBI ICDR, whether or not such QIBs are Members of the Company, on the basis of placement document(s), at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine, in consultation with the Lead Managers, Advisors or other intermediaries, provided however that the aggregate amount raised by issue of such QIP Securities shall not exceed Rs. 300 crores.

- b. **RESOLVED FURTHER** that the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decide to open the proposed issue, or the date on which the holder of

NOTICE

the securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date").

- c. **RESOLVED FURTHER** that the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares being pari passu with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.
- d. **RESOLVED FURTHER** that such of these Securities to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.
- e. **RESOLVED FURTHER** that the issue to the holders of the Securities with equity shares underlying such securities shall be inter alia, subject to suitable adjustment in the number of shares, the price and the time period etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organisation or restructuring in the Company or of the capital of the Company.
- f. **RESOLVED FURTHER** that for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described in paragraph (a) above, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and institution / trustees / agents and similar agreements / and to remunerate the Managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Securities, with power on behalf of

the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

- g. **RESOLVED FURTHER** that for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of the issue proceeds including but without limitation to the creation of such mortgage / hypothecation/ charge on the Company's assets under Section 293(1)(a) of the Companies Act, 1956 in respect of the QIP Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.
- h. **RESOLVED FURTHER** that the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid 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

Date: 1st March, 2011

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 herself/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.**

Reliance Broadcast Network Limited

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2. 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.
3. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Meeting.
4. Members / proxies should fill-in the attendance slip for attending the Meeting and bring their attendance slip along with their copy of the Annual Report to the Meeting.
5. 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.
6. 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.
7. Relevant 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 for the purpose of Annual General Meeting from Friday 25th March, 2011 to Thursday 31st March, 2011 (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. Re-appointment of Directors:

At the ensuing Annual General Meeting Shri Gautam Doshi and Shri Rajesh Sawhney retire by rotation, and being eligible, offer themselves for re-appointment. The details pertaining to all the Directors as required to be provided pursuant to Clause 49 of the listing agreement are furnished in the Corporate Governance Report forming part of this Annual Report.
11. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.

ANNEXURE TO NOTICE

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 1.

Issue of equity shares to the Qualified Institutional Buyers

The Company, in order to enhance its Global Competitiveness and increase the ability to compete with the peer groups in domestic and international markets, needs to strengthen its financial position by augmenting long term resources, from time to time.

As per Regulation 88 (1) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 (SEBI ICDR) the QIP should be completed within a period of 12 months from the date of passing the Special Resolution. The Company had earlier obtained the approval of its shareholders for QIP vide Postal Ballot on 14th June, 2010. In view of the prevailing market conditions and certain other considerations, the Company could not complete the placements to Qualified Institutional Buyers pursuant to the said resolution. The validity of the said resolution will expire on 13th June, 2011. In light of the expansion plans of the Company and means of finance thereof it is proposed to seek enabling authorization from the Shareholders to the Board to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers in accordance with the provisions of Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Board may, in one or more tranches, issue and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"). The said QIP by the Board shall be subject to the provisions of the SEBI ICDR (as amended from time to time) including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the Relevant Date. The Relevant Date for the determination of applicable price for the issue of the QIP Securities shall be the date of the meeting in which the Board of the Company decides to open the proposed issue or in case of securities which are convertible into or exchangeable with equity shares

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at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The securities issued pursuant to the offering would be listed on the Indian stock exchanges.

The proposed issue of QIP Securities as above may be made in one or more tranches such that the aggregate amount raised by issue of QIP Securities shall not exceed Rs. 300 crores.

The Securities issued under QIP issue pursuant to offer, if necessary, may be secured by way of mortgage / hypothecation on the Company's assets as may be finalized by the Board in consultation with the Security Holders / Trustees in favour of Security Holders / Trustees for the holders of the said securities. As the documents to be executed between the security holders / trustees for the holders of the said securities and the Company may contain the power to takeover any asset or undertaking of the Company or to takeover the management of the company in certain events, enabling approval is also sought under Section 293(1) (a) of the Companies Act, 1956.

Section 81(1A) of the Companies Act, 1956 and Listing Agreement entered with the Stock Exchanges, provide, inter alia, that where it is proposed to increase the subscribed share capital of the Company by

allotment of further shares, such further shares shall be offered to the persons, who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorisation of the Members to the Board of Directors to make the proposed issue of Securities, in consultation with the Lead Managers, Legal Advisors and other intermediaries and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible Securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules, regulations or guidelines.

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

Date: 1st March, 2011

Reliance Broadcast Network Limited

DIRECTORS' REPORT

To the Members,

Your Directors present the Sixth Annual Report and the Audited Accounts of the Company for the financial year ended September 30, 2010.

Financial Results

The performance of the Company for the financial year ended September 30, 2010 is summarized below:

(Amount In Rs.)

Particulars	Financial Year ended 30 September 2010	Financial Year ended 31 March 2010
Gross Income	1,105,077,765	1,847,909,049
Expenditure	1,080,987,833	1,969,538,239
Profit / (Loss) Before Depreciation, Interest & Tax	24,089,932	(121,629,190)
Interest	135,443,389	275,434,254
Depreciation and Amortisation	182,628,538	364,203,610
Profit/(Loss) Before Tax	(293,981,995)	(761,267,054)
Tax	190,745	-
Short provision for tax in respect of earlier years	-	-
Profit/(Loss) After Tax	(294,172,740)	(761,267,054)
Balance brought forward from previous year	(1,736,590,195)	(975,323,141)
Total	(2,030,762,935)	(1,736,590,195)
Appropriations		
General Reserve	-	-
Proposed Dividend	-	-
Dividend Tax	-	-
Balance carried forward	(2,030,762,935)	(1,736,590,195)
Total	(2,030,762,935)	(1,736,590,195)

Financial Performance

The Financial Results covered and forming part of this Report include 6 month period from April 1, 2010 to September 30, 2010.

As such the Accounts for the period ended September 30, 2010 shall not be strictly comparable with that of the previous year/s.

The total income from operations of the Company for the year ended September 30, 2010 (6 months) was higher at Rs.1,084,387,079 recording an increase of 20% over the previous period on an annualized basis. Other income was Rs.20,690,686.

The operating profit i.e. Profit before Depreciation Interest and Tax of the Company for the year ended September 30, 2010 was Rs.24,089,932. The overall net loss of the Company was Rs.294,172,740 primarily on account of depreciation and amortization of Rs. 182,628,538 and interest cost of Rs. 135,443,389.

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.

The Company has entered into various contracts for its Radio Activations, Out of Home and Events. While benefits from such contracts will accrue in future years, their progress is periodically reviewed.

Review of Operations

The Company is one of India's leading media companies, with one of the largest FM radio broadcasting networks in India and a presence in the out-of-home ("OOH") media, experiential marketing and digital marketing businesses. We have also recently launched our television operations. The Company operates under the brands 92.7BIG FM, BIG Street, BIG Live, BIG Digital and Big CBS.

As of September 30, 2010, the Company was ranked second amongst FM radio networks in India in terms of number of listeners.

The Company has created the following Intellectual Properties in the period under review: BIG Bangla Music Awards, BIG Kannada Music Awards, BIG Marathi Music Awards, BIG Punjabi Music Awards, BIG Uqadi Music Awards, Asli No.1 , Gujarati Entertainment Awards and Oriya Entertainment Awards. This series

DIRECTORS' REPORT

of India's first regional televised music awards – BIG Music Awards – across Marathi, Kannada and Punjabi garnered top ratings, beating all GEC channels.

The Company has also entered the television broadcasting segment during the period under review and successfully launched BIG CBS Prime in November 2010 under BIG CBS Networks Private Limited, a Joint Venture between our Wholly Owned Subsidiary and CBS Studios, USA.

For more details refer to "Management Discussion and Analysis" Section which forms part of the Annual Report.

Preferential Allotment

The Company has on September 30, 2010, made allotment of 1,29,50,000 equity shares of Rs. 5/- each fully paid up to various investors and 2,03,75,000 equity shares of Rs. 5/- each fully paid up to the Promoter Group, at a price of Rs. 85/- (including a premium of Rs. 80/-) per equity share pursuant to the special resolution passed by the shareholders at their Extraordinary General Meeting held on September 25, 2010.

Consequent to the aforesaid allotment, the paid up capital of the Company stands increased to Rs. 397,255,850/- comprising of 79,451,170 equity shares of Rs. 5/- each fully paid up.

Subsidiary Company

During the year under review, Reliance Television Private Limited became a subsidiary of the Company. As required under Section 212 of the Companies Act, 1956, the audited statement of accounts along with the report of the Board of Directors and the Auditor's Report thereon of the subsidiary for the year ended September 30, 2010 are annexed together with the statement relating to the Company's interest in the subsidiary company.

Consolidated Financial Statements

The Audited Consolidated Financial Statements, based on the financial statements received from subsidiary, as approved by their Board of Directors have been prepared in accordance with Accounting Standard (AS) -21 on 'Consolidated Financial Statements', notified under Section 211(3C) of the Companies Act, 1956 read with the Companies (Accounting Standards) Rules, 2006, as applicable.

Fixed Deposits

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

Directors

In terms of the provisions of the Companies Act, 1956, Shri Gautam Doshi and Shri Rajesh Sawhney, Directors of the Company, retire by rotation and being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

A Brief resume of the Directors retiring by rotation at

the ensuing Annual General Meeting, 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 Corporate Governance forming part of this Annual Report.

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 September 30, 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 reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at September 30, 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 September 30, 2010 on a "going concern" basis.

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.

Employees Stock Option Scheme

Your Company had obtained Members' approval through Postal Ballot on June 14, 2010 for introduction and implementation of the Employees Stock Option Scheme.

Employees Stock Option Scheme was approved and implemented by the Company and options were granted to employees in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOP, Remuneration & Compensation Committee constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme.

Reliance Broadcast Network Limited

DIRECTORS' REPORT

The applicable disclosures as stipulated under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as at September 30, 2010 are given below:

Particulars		ESOS Plan A
a.	Total number of options granted	20,18,000
b.	Number of options surrendered	Nil
c.	Pricing formula decided by ESOP Remuneration & Compensation Committee	Decided by the ESOS Compensation committee and/or by the Board of Directors
d.	Options vested	Nil
e.	Options exercised	Nil
f.	Total number of equity shares arising as a result of exercise of options	Nil
g.	Option lapsed during the year	Nil
h.	Variation of terms of Options	Nil
i.	Money realized by exercise of options during the year	Nil
j.	Total number of options in force at the end of the year	20,18,000
k.	Employee wise details of options granted to -	
	i. Senior Manager Personnel i.e. (Managing Director/Whole time director / Manager)	Shri Gururaja Rao, Company Secretary & Manager- 25,000 Options
	ii. Employee who receives grant in any one year of option amounting to 5% or more of the options granted during the year.	Shri Tarun Katial, Chief Executive Officer - 4,60,000 Options Shri Soumen Ghosh Choudhury, Business Head - FM Radio - 1,50,000 Options Shri Anand Chakravarthy, Senior Vice-President (Promotions) - 1,20,000 Options Shri John Lancelot Cutinha, Senior Vice-President (Human Resources) - 1,20,000 Options Shri Ismail Abdulkadar Dabhoya, Chief Financial Officer - 1,20,000 Options Shri Rabe Iyer, Head - Big Street & Allied Businesses - 1,50,000 Options
	iii. Identified employees who were granted options during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	NIL
l.	Diluted EPS pursuant to issue of shares on exercise of options calculated in accordance with AS - 20.	-
m.	The difference between employee compensation cost using intrinsic value method and fair value of the options and impact of this difference on:-	
	1. Profit	Net Profit would be lower by Rs.56,86,857
	2. EPS Of the Company	EPS would be lower by Rs.0.12
n.	Weighted - average exercise prices of options granted during the year where exercise price is less than, equals or exceeds market price.	Rs.80/-
o.	Weighted - average fair value of options granted during the year where exercise price is less than, equals or exceeds market price.	Rs 26/-
p.	Significant assumptions made in computation of the fair value	
	i. Risk-free interest rate	6.89 % to 7.67 %
	ii. Expected life	3.5 years to 6.5 years
	iii. Expected volatility	55 %
	iv. Expected dividend Yield	4%
	v. Price of underlying shares in market at the time of grant of options	Rs. 68.50

DIRECTORS' REPORT

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.

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:

- (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 – Nil
Outgo – Rs. 25,191,707

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.

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 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

Date: 14th February, 2011

Place: 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 (formerly Reliance Media World 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:

Global economic activity in the second half of 2010 turned out to be stronger than earlier expectations. However, the uneven pace of growth across regions and uncertainty about the durability of recovery in the advanced economies persist. The positive sentiments arising from the growth momentum in major advanced economies was neutralized by the persistence of high unemployment and downside risks from weak housing markets and unfinished deleveraging. The combination of developments resulted in additional policy stimulus. While in the US the second dose of quantitative easing (QE2) was followed up with extension of fiscal stimulus, other advanced economies faced a difficult choice between delaying fiscal exit to support growth on the one hand and early exit to contain the sovereign debt concerns on the other. The risk of sovereign debt crisis spreading from the Euro-zone periphery has resurfaced in recent months.

Emerging Market Economies (EMEs), which had recovered ahead of the advanced economies, exhibited robust growth momentum driven by domestic demand. Inflation and overheating risks have, however, prompted monetary tightening at varied pace. Commodity prices also firmed up, largely reflecting easy liquidity conditions in advanced economies, as well as growing demand pressures in EMEs. The asymmetry in monetary and liquidity conditions between the advanced and the emerging economies and the imbalance in their growth outlook have led to larger capital inflows to EMEs. The familiar policy challenges of asset price inflation and upward pressure on exchange rates have re-emerged. A number of EMEs resorted to soft capital controls and exchange market intervention to limit the adverse impact of excess capital inflows on their economies.

(Source: <http://rdocos.rbi.org.in/rdocos/Publications/DFs/01MD240111F.pdf>)

Global Entertainment and Media Market by Region (USD Million)

Region	2005	2006	2007	2008	2009p	2010	2011	2012	2013	2014	2010-14
North America	461,873	484,406	500,920	494,203	460,457	465,880	479,989	503,923	527,406	557,756	
% Change	3.9	4.9	3.4	-1.3	-6.8	1.2	3.0	5.0	4.7	5.8	3.9
EMEA	405,277	430,440	461,715	475,951	462,772	471,602	489,715	515,853	547,932	580,814	
% Change	5.5	6.2	7.3	3.1	-2.8	1.9	3.8	5.3	6.2	6.0	4.6
Asia Pacific	273,701	295,875	322,009	343,579	348,172	365,656	388,223	414,574	443,878	474,913	
% Change	11.3	8.1	8.8	6.7	1.3	5.0	6.2	6.8	7.1	7.0	6.4
Latin America	33,410	37,982	43,930	48,616	50,489	53,436	57,680	63,463	69,706	76,815	
% Change	12.3	13.7	15.7	10.7	3.9	5.8	7.9	10.0	9.8	10.2	8.8
Total	1,174,261	1,248,703	1,328,574	1,362,349	1,321,890	1,356,574	1,415,607	1,497,813	1,588,922	1,690,298	
% Change	6.3	6.3	6.4	2.5	-3.0	2.6	4.4	5.8	6.1	6.4	5.0

(Sources: Price water house Coopers LLP, Wilkofsky Gruen Associates)

MANAGEMENT DISCUSSION AND ANALYSIS

Global Radio Market (USD Millions)

Component	2005	2006	2007	2008	2009 P	2010	2011	2012	2013	2014	2010 14 CAGR
Radio Advertising	32,924	33,878	34,123	32,582	27,925	28,440	29,419	30,660	32,131	33,740	3.9
% Change	3.0	2.9	0.7	-4.5	-14.3	1.8	3.4	4.2	4.8	5.0	
Public Radio License Fees	11,804	12,022	12,329	12,490	12,726	12,903	13,028	13,169	13,459	13,527	1.2
% Change	3.6	1.8	2.6	1.3	1.9	1.4	1.0	1.1	2.2	0.5	
Satellite Radio Subscriptions	759	1,360	1,913	2,415	32,559	32,065	32,803	32,803	32,803	32,803	32,803
% Change	157.3	79.2	40.7	-5.3	-5.9	-1.5	2.3	2.3	2.3	2.3	2.3
In-Store Rentals	17,774	17,855	18,013	17,547	2,539	2,869	3,190	3,486	3,781	4,093	10.0
% Change	-4.6	0.5	0.9	26.2	5.1	13.0	11.2	9.3	8.5	8.3	
Total Radio	45,487	47,260	48,365	47,487	43,190	44,212	45,637	47,315	49,371	51,360	
% Change	4.2	3.9	2.3	-1.8	-9.0	2.4	3.2	3.7	4.3	4.0	3.5

(Source: PwC Entertainment & Media Global Outlook 2010-2014)

Indian Economic Overview:

The services sector has been at the forefront of the rapid growth in the Indian economy.

As per the Central Statistical Organization (CSO), Ministry of Statistics and Programme Implementation:

- Trade, hotels, transport and communication grew 12.2 % in April-June 2010 over the corresponding quarter from a year earlier
- Similarly, financing, insurance, real estate and business services grew at 8 % in the first-quarter of 2010-11
- Community, social & personal services grew by 6.7 % during April-June 2010-11.

India's Gross Domestic Product (GDP) expanded at the rate of 9.2% in 2010-11 as compared to the growth of 7.4% in 2009-10. Overall growth in industrial output was 10.8% year-on-year (y-o-y) in October 2010. The growth in the industrial sector is expected to increase at 9.4% in 2010-11, as compared to 9.2% in 2009-10. According to a survey by the Confederation of Indian Industry (CII) and ASCON, around 50 segments (out of 127) in the manufacturing sector grew by 39% , entering the 'excellent growth' category, during April-December 2010-11 compared to 29 sectors (22.9 %) in April-December 2009 which shows a marked improvement. Also, services sector is projected to expand by 10 % as compared to 8.6 % last year, led by the trade and transport segment. The major turnaround is expected from the agriculture and allied sector, which is being projected to grow by 5.7 % in 2010-11.

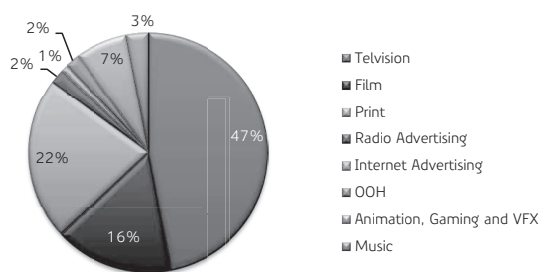
(Source: http://www.ibef.org/artdisplay.aspx?cat_id=84&art_id=26479)

Indian Media & Entertainment Industry overview:

The Indian radio industry has a strong growth potential, if mechanisms and policies are put in place to provide it with appropriate support. India, with its diverse regional influences, is in a prime position to take advantage of the growth potential of this segment. With privatization gathering momentum, the increased number of private radio channels across the country is likely to transform commercial radio from an urban phenomenon to a national one, as has been the case with satellite television.

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

Segment-wise Break up of E & M Industry (2014)



(Source: PwC: Indian Entertainment and Media Outlook 2010)

The size of the OOH industry was around Rs 12.5 billion in 2009 and is projected to reach Rs. 21 billion in 2014. Its share in the total ad pie is expected to go down marginally to 5.6% in 2014. The industry which showed the highest dip in 2009 is set to rebound owing to introduction of new measurement tools and higher proliferation of digital screens which helps in increasing user interactivity.

Reliance Broadcast Network Limited

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OOH is moving towards digitization, with more and more OOH screens being updated to LED or digital sign boards. It is estimated that there are over 6000-6500 screens. These digital sign boards can be updated remotely depending on the changing customer needs. Moreover, they are considered to be far more engaging with the customers and give more flexibility to the

advertisers to interact with the customers. The digital OOH advertising it is expected to excel with more players getting into interactive forms of OOH media.

The growth forecasts for the FM Radio industry are as below:

(Source: PWC: Indian Entertainment and Media Outlook 2010)

Projected Growth of Indian E & M Industry in 2009-14

Rs. Billion	2009	2010	2011	2012	2013	2014	CAGR
Television	265.5	307.0	345.0	389.5	440.0	488.0	12.9%
% change		15.6%	12.4%	12.9%	13.0%	10.9%	
Film	95.0	114.5	130.0	144.5	157.0	170.5	12.4%
% change		20.5%	13.5%	11.2%	8.7%	8.6%	
Print	161.5	175.0	186.0	199.0	216.0	230.5	7.4%
% change		8.4%	6.3%	7.0%	8.5%	6.7%	
Radio Advertising	9.0	10.0	11.0	12.3	14.0	16.0	12.2%
% change		11.1%	10.0%	11.8%	13.8%	14.3%	
Internet Advertising	6.0	7.0	8.0	9.5	12.0	15.0	20.1%
% change		16.7%	14.3%	18.8%	26.3%	25.0%	
OOH	12.5	13.5	15.0	16.5	18.5	21.0	11.0%
% change		8.0%	11.1%	10.0%	12.1%	13.5%	
Animation, Gaming & VFX	23.8	31.1	38.2	47.1	58.8	73.4	25.2%
% change		30.6%	22.8%	23.3%	24.7%	24.9%	
Music	7.5	10.6	14.8	18.6	22.3	26.5	29.0%
% change		41.3%	39.0%	26.0%	19.4%	18.8%	
Total	580.8	668.8	748.0	837.1	938.5	1040.8	12.4%
% change		15.1%	11.9%	11.9%	12.1%	10.9%	

(Source: PwC Analysis and Industry Estimates)

The report expects the radio industry to grow at a CAGR of 12.2 % by the year 2014 and reach a size of Rs 1 600 crores. Key drivers of this growth include increase in the number of radio stations in Phase 3, expected regulatory reforms that are likely to improve profitability and stimulate foreign investments, enhancement of current measurement systems and growth in locally targeted advertising.

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.

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.

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 2 & 3

MANAGEMENT DISCUSSION AND ANALYSIS

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 ("RBNL") is part of the Reliance ADA Group. One of India's youngest media houses, it has grown at a steady pace and is reckoned today amongst India's leading media businesses. RBNL currently has play in the spaces of Radio, Experiential Marketing, Out of Home and Digital and specializes in creating & executing integrated solutions for clients, across the country. Its latest business venture marks the Reliance ADA Groups entry into television, through its 50:50 JV with America's leading media house, CBS Corporation.

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; BIG Live – the experiential marketing wing of the Company covers activations, events, intellectual properties and rural marketing; BIG Street – in the business of out of home media; and BIG Digital – an initiative in the digital space offering Content and digital marketing solutions. BIG CBS– the television foray of the Group will see the launch of 3 English entertainment channels in India. With Reliance Broadcast Network Limited's multi-media presence and an integrated sales offering, combined with the content muscle of CBS Corporation, BIG CBS stands make a significant impact in India's burgeoning television industry. All these business verticals come together to offer a truly integrated solution to clients having built significant multi-media capabilities.

Key Performance Indicators of FY ended 30th September, 2010 over same period previous year:

- A 18 % market share makes BIG FM one of the largest media / radio players in the country
- Retail revenues have seen a healthy growth of 15 %
- Inventory utilization in tier II and III cities experienced over 65% growth while utilization in tier I grew by 38%
- Key stations like Chandigarh, Jalandhar, Amritsar, Jodhpur, Bikaner, Agra, Aligarh, Mysore, Asansol,

Jamshedpur, Ranchi and Jammu rated No.1 in audience ranking [IRS]

- A 59% increase in listenership as per RAM's new Baseline study for Metro cities.
- Audience ranking showed growth by 5.9 % in listenership for BIG FM national [IRS]
- Growth in BIG Street's revenues by 50%

Segment wise Analysis:

1. FM Radio Broadcasting:

92.7 Big FM

92.7 BIG FM is India's largest radio network with reach of 45 radio stations. We cover over 1200 towns and more than 50000 villages. Our reach stands at over 3.6 crores listeners as per RAM and IRS 2010 Q3.

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 percent of available frequencies on pan-India basis. We will expand to more cities as and when these restrictions are lifted.

As per weekly RAM data released over the six months from April to September 2010, 92.7 Big FM has maintained consistent ranking in the 4 markets where the Radio Audience Measurement operates. It is the leader in Bangalore where it has held its #1 consistently, followed by Kolkata where it has maintained #2, after Radio Mirchi. Big FM has also gained ground in Mumbai where it has raced from #6 to #4 in recent months, However it is yet to establish itself in Delhi where it ranks at #6. Big FM has ensured constant innovation in its programming strategy such that the radio channels remains appealing to listeners. We have also been reaching out to our audiences through marketing campaigns and on ground tactical initiatives.

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.

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The **Top 15 Exclusive Advertisers** on BIG FM from April 2010 to January 2011 are as follows:-

- Torque Pharma
 - Kesoram Industries Ltd
 - Rotomac Global Pvt Ltd
 - Shivek Labs
 - Alchemist Ltd
 - Hayagrivas Silk House
 - Bhawani Textiles
 - Mankind Pharma Ltd
 - Agri Gold Organics Pvt Ltd
 - Kunnath Pharmaceutical
 - Amara Raja Batteries Ltd
 - The Loot
 - Shri Lakshmi Cotsyn Ltd
 - Fans On Stands Sports Pvt Ltd
 - Goldie Masale Pvt Ltd
- Top 5 exclusive advertisers have contributed to over 85,000 sec per month across Metros from April '10-Jan '11, contributing to about 5% of inventory fill.
 - Out of total 1468 advertisers on BIG (metros), 393 were exclusive advertisers i.e. 27% and they contributed to about 12% of inventory burn on BIG.
 - Total 393 advertisers did exclusive campaign on BIG FM out of 5403 advertisers Radio i.e. 7% advertisers were exclusive on BIG FM.
 - Exclusive advertisers burnt about 2% FCT on BIG FM of total Radio burn.

(Source: Adex April 10' - Jan '11)

Awards and recognitions:

- **LINTAS TRUE Award 2007:**Fastest reach build up by a media brand
- **New York Radio Festival 2007 & 2008** - BIG 92.7 FM was the only Indian Radio Station to win an award!
- **New York Radio Festival 2009** - 92.7 BIG FM was recognized for its entry being a finalist
- **IRF - Promax Awards 2009** - Won over 15 awards in the last 2 years
- **RAPA Awards** - Best Station Promo of BIG 92.7 FM" Hum Big Hai"
- **Cannes Lion Gold** for Nokia Express activation in 2009

- **India Excellence in Radio Awards 2009:** Won 10 awards (Radio -9 Awards BTL - 1 Award), the highest by a radio brand

- **Exchange4Media Radio Advertising Awards 2010** - 92.7 BIG FM won 2 awards

The revenues for Radio Broadcasting - for FY ended September 30, 2010 stood at Rs 79.37 Crores.

2. Big Live - Experiential Marketing Arm:

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, Big Star Entertainment Awards, Regional Television Awards - Marathi, Telugu, Kanada & Bangla, Regional Entertainment Awards - Oriya, Gujarati, Regional Music Awards - Punjabi, Kanada, Bangla, Marathi & Telugu. Coming up is Big Star IMA awards which is the Music awards in association with Indian Music Academy and Star TV. This is the first of its kind Music awards wherein more than 2500 Musicians have sent in their Nominations.

Big LIVE - Activation 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),Coca Cola retail promotion across 700 outlets, COCA Cola FIFA activation, Nutrbar gym, corporate contact programme, Colors Khatron Ke Khiladi 6 city launch activation.

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

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include Zee Nite Bangkok, MAMI Films Festival, Rehman Unplugged, Pushkar Mela, Sur Sangam Finale, Suraj Kund Mela 2010, Raavan Music launch in Yashraj studio and execution of Big Live IP events like BIG IMA Music Awards, TV Biggies across all markets, BIG STAR Entertainment awards etc. Keeping in mind the growing industry trends and client requirements, BIG LIVE- Events would be shifting the focus on developing large scale live entertainment event properties, that can be monetized through sponsorship, ticketing revenue and alternate revenues such as TV rights, merchandise, digital rights etc. BIG Live events would operate in the space of Multicity concerts of Indian/International artistes, large entertainment events like musicals/show. The end to end of these events would be undertaken by the BIG Live events team.

In a historic, collaboration between media conglomerate **STAR India Pvt. Ltd.** our Company announced its alliance to offer India clutter breaking, pioneering and unique entertainment, never witnessed before! Marking the first of a slew of properties, from this alliance was the '**BIG STAR Entertainment Awards**' India's FIRST Entertainment awards that sought to create a unique platform which honors entertainers across genres viz. Movies, Music, Television and Sports. India's first ever 'people's award' – right from nominations to the final winners, The **BIG STAR Entertainment Awards** reached out to Indians across the country through each of the media platforms of both Companies, ensuring multiple touch points to audiences. It got a TVR rating of 5.78 which is the highest for any award in this season.

BIG STAR Entertainment Awards has been conceptualized by the Company's experiential marketing arm, **BIG LIVE**. This is the first award platform that democratizes the awards platform by giving audiences the opportunity to nominate their favorites personalities in Movies, Music, Theatre and Sports in the award categories. Some of the USP's...

- For the first time ever, Entertainers being honored across platforms.
- An award where entertainers and entertainment are judged by the people, no 'Jury', no 'Experts'. Absolutely transparent.
- Celebrating Entertainers from the last decade as well as this year
- A holistic property supported by multi-media promotions across relevant markets pan India.

- A Grand Finale which will feature, the who's who of the world of Entertainment.

The Big Star Entertainment Awards was promoted through a number of high-decibel marketing and BTL initiatives with a holistic approach, ranging from on-ground, off-ground, television, radio & digital activities. Audience opinion (through SMS & online voting) selected the nominees and winners across the categories.

The revenues for Experiential Marketing for FY ended September 30, 2010 stood at Rs 18.21 Crores.

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 52000 villages. It plans to tap the vast and under penetrated rural markets. The rural consumption in 2002 amounted to 470000 Cr., which is 60% of India's consumption; a market with 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.

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. 17 billion in 2010 and grew by 36% from Rs. 12.5 billion in 2009 to form 7% 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

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and high impact media like Delhi Metro Rail – Line II inside platform, Civil structures in DMRC Line II, Line II-Extension inside station, Line III inside station branding, 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 FY2009–10).

We also have exclusive marketing tie ups for 50 LED screens across Delhi.

BIG Street also added premium inventory on the prestigious Delhi Airport Metro Express thus enabling brands to reach out to Air Travelers in and out of Delhi.

In addition to the above we have commissioned street furniture inventory across more than 20 Kms. of Roads across Delhi 20 digital information kiosks with 65 inch High Definition Advertising Screens across key stations of DMRC and the top malls in Delhi

In future 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. The revenues for Out Of Home business for Financial Year ended 30th Sept 2010 stood at Rs 8.96 Crores.

4. Other Businesses

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 Content & Digital marketing 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 services the vast mobile and online consumer with innovative and exclusive, highly engaging content.

As a business it has great potential to grow exponentially and the way forward will see focus on digital IP content and content acquisitions. Given our lineage in music through our radio business 92.7 BIG FM, BIG Digital has the potential to leverage the music expertise and offer the mobile and online consumer an exclusive digital experience. We work closely with artists to create and market specific highly talented

musicians from across India. The ability to use the power of the digital platform to reach out to a 700 million audience base showcases the potential that it has.

Going forward, we will see BIG Digital play an increasing role in the multi-media strength of Reliance Broadcast Network Ltd.

BIG Digital, announced the launch of **BIG Mobile Radio**, the best ever radio experience on mobile, with **IDEA Cellular**, through its 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 **557557** on IDEA, Tata Docomo, BSNL & Reliance in 9 languages including **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.

The revenues from digital – for FY ended September 30, 2010 stood at Rs 1.41 Crores.

BIG CBS Networks Private Limited (BIG CBS) – Television:

Reliance Broadcast Network Limited and CBS Studios International, a division of CBS Corporation, announced their equally owned joint venture – BIG CBS Networks Private Limited. This venture has the programming rights to launch three new television channels in English entertainment space and customized for the Indian market. Out of the three channels, one channel viz. BIG CBS PRIME was launched on 29th November 2010. The second channel called BIG CBS LOVE will be launched in March 2011 and the third channel viz. BIG CBS SPARK is scheduled to be launched in April 2011. These are Category creators, and will serve to offer to the Indian viewers a different perspective of how TV is watched. These channels would offer Indian audiences immediate window

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to consume new and concurrent CBS programs. The channels are targeted at India's fast-growing upwardly mobile population and are branded as BIG CBS Prime (a premium English general entertainment channel), BIG CBS Spark (India's first ever International youth channel) and BIG CBS Love (India's first international women's channel). BIG CBS channels would draw the best from 70,000 hours of content of CBS's program library, and would also showcase quality content from third party suppliers. BIG CBS would also consider producing original English language programming in the future.

BIG CBS Networks, within a short period, has already become one of most widely Distributed Channel in India. Accessed by almost 30 million Homes already, it is already amongst the top 3 channel in its genre. It has already tied up with all national and regional MSOs like Digicable, DEN, Hathway, Incable WWIL, ICNCL, Manthan, 7 Star, SCV etc. On the DTH front too, it has presence across platforms, including Reliance Digital TV, Airtel Direct, Videocon D2H and Sun Direct. Amongst the top Shows on PRIME, we have the latest Seasons of Survivor, the worlds oldest and most popular Reality show, NCIS, Entertainment Tonight, the worlds most watched daily entertainment magazine, Insider, Bellator, Blue Bloods, the US # 2 new show, CSI etc.

In fact, the BIG CBS channel has already signed up its first Subscription deal, which is very creditable, vis-à-vis any of the contemporary channels.

This is first time in the history of Indian television, that the top international shows will telecast almost concurrent to the US broadcast.

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 \$'s. This reflects positive projections for the media and entertainment industry, slated to grow at 12.5% CAGR.

As per KPMG report on "Investing In India" October 2010 edition, Radio and Music Industry with a market size of USD 0.16 billion each in 2009 are projected to grow to USD 0.33 billion and USD 0.35 billion at a CAGR of 16 percent each over 2009-14 respectively.

The liberal foreign investment norms laid down by

the Finance ministry across all media segments would constitute to about 20 percent (FDI + FII) Investment in FM Radio broadcasting.

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:-

Phase III targeting towards smaller towns Ministry of Information and Broadcasting (MIB) is looking to roll-out the Phase-III licenses for radio industry sometime in 2011. Phase-III may witness an addition of 200+ towns for private FM. It is estimated that 780 to 800+ new stations would be added to the existing 248 stations across India. Phase-III is said to be focused on tier-II and tier-III cities and will further enhance the spread of radio in India.

- U.P & Uttaranchal account for 123 proposed stations
- Andhra Pradesh is proposed to host 94 stations
- Maharashtra is proposed to have 87 new stations

The new stations auction under Phase III will be E-Auction. The main features of Phase III are:

1. Extension of License period from 10 years to 15 years
2. Limited News allowed
3. Current Affairs and Sports allowed.
4. Networking across all stations allowed.

MANAGEMENT DISCUSSION AND ANALYSIS

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.

3) Resolution of Music Royalty issues

In one of the matter concerning the Music Royalty issue before the Copyright Board, the Copyright Board had on 25th August, 2010 passed an order stating that the FM Radio Broadcasters would be liable to pay 2% of the Net Revenue earnings to PPL. This is a welcome order and favourable to the FM Radio Broadcasters. However PPL has gone into appeal against the order of the Copyright Board and the said appeal is pending for disposal.

4) 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.

5) Possible tradability of FM licenses, change of ownership of the radio license may be permitted after 3 years of operations instead of the current 5 years. Since these FM radio licenses are regarded as important assets in this business, such a change will help consolidation in the industry which still has too many players, most of whom are still making losses who may want to look at options to sell. It is in the interest of the large networks also as it gives them an opportunity for growth through acquisitions and not be just dependent only on new frequency allocation from the government.

6) Our ability to successfully monetize the newly launched TV broadcasting business. Our results in the newly launched TV broadcasting business will be primarily dependent on our ability to successfully monetize the syndicated content that our TV joint venture will receive from CBS International through the sale of advertisement space on those television channels. Other two channels to be launched under the company's TV broadcasting business are niche channels specifically and will broadcast CBS syndicated content that fall under these particular niche categories. Acceptance of this particular niche programming of these two channels will affect the eventual financial performance of the television business, as a whole. Other than the programming itself, the other factors that may also affect

the performance are the strength of networks on which the programming is broadcast, the promotion and scheduling of the programming and the quality and acceptance of competing television programming, and other sources of entertainment.

7) Increasing mobile penetration will help in increasing radio listenership as mobile is becoming one of the primary medium of radio access. Interestingly, 2010 witnessed a significant growth in listeners over the entire day and especially during early morning (5am-7am) and late evening (9pm-12pm) periods. One of the prime reasons attributable to this high growth is that listeners are tuning into radio via their mobile phones which have in-built FM receivers.

8) 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. Group of Ministers ("GOM") is evaluating increasing the tenure to fifteen (15) years from present ten (10) years.
- 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

MANAGEMENT DISCUSSION AND ANALYSIS

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.
- 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 exists. Demand exists. 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 has framed laws and by laws for regulating the media. Any change in such laws and by 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.

As business opportunities increase, there would be an increased need to focus on retaining the right talent, while improving the company's cost efficiencies subsequently. While we continue our focus on running a lean and efficient outfit, it is imperative to keep good resources across functions and hierarchies engaged productively. The HR practices of the Company are designed towards meeting this objective and also retaining the best talent through transparent and meritocratic evaluation processes.

Business Outlook

The outlook for media advertising in 2011 appears extremely positive in India. Consumers are spending and intending to 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

MANAGEMENT DISCUSSION AND ANALYSIS

infrastructure. Rising disposable incomes of the working population and increased spend on discretionary items, not only in Tier 1 but also Tier 2 and 3 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 reported a total income of Rs. 110.51 crores for FY ended 30th September 2010, with radio EBIDTA at Rs. 8.06 crores, crediting its performance to higher inventory utilization and continued focus on cost reduction. The Company reported a profit/loss of Rs. 29.42 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 September 30, 2010, we had 832 employees, of whom more than 317 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 has implemented 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. On July 17, 2010, the ESOS Remuneration & Compensation Committee of the Board of Directors had approved grant of 2,189,000 options exercisable into equal number of fully paid up equity shares of the Company, to the eligible employees of the Company under the Employees Stock Option Scheme of the Company based on specified criteria and accordingly the Company has granted an aggregate of 20,18,000 options.

For and on behalf of the Board of Directors

Gautam Doshi
Director

Rajesh Sawhney
Director

Date: 14th February, 2011

Place: Mumbai

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 (formerly known as Reliance Media World 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 ensure 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, rules 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 a number of policy documents and introduced following set of governance practices 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 viz. 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 and by excluding any consideration of personal profit or advantage.

C) Business policy

Our 'business policies' cover a comprehensive range of issues such as fair market practices, insider information to financial records and accounting integrity, external communication, personal conduct, work ethics policy on prevention of sexual harassment, 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 the 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.

F) Prevention of sexual harassment

Our policy on prevention of sexual harassment aims at promoting a productive work environment and protects individual rights against 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.

CORPORATE GOVERNANCE REPORT

H) Environment policy

The Company is committed to achieving excellence in environmental performance, preservation and promotion of clean environment. These are the fundamental concern in all our business activities.

I) Risk management

Our risk mitigation procedures ensure that the management controls various business related risk through means of properly defined framework.

J) 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. Board committees

The Board constituted Audit Committee, ESOS, Remuneration and Compensation Committee, Nomination Committee and Shareholders'/ Investors' Grievance Committee. The Board rotates the Chairman of these Committees periodically.

iv. Independent director's interaction with shareholders

Member(s) of the Shareholders' / Investors' Grievances Committee interact with shareholders on their suggestions and queries, if any, which are forwarded to the Company Secretary.

v. Lead independent director

Recognizing the need for 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, meeting agenda and meeting schedules;

- 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. The position of the lead independent director is rotated periodically.

vi. Training of Board Members

The Board members are periodically given formal orientation and training with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters and business operations. The Directors are facilitated to get familiar with the Company's functions at the operational levels. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, global business environment, business strategy and risks involved. The Board members are also provided with the necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices.

Periodic updates and training programs for Board members are also conducted on relevant statutory changes and landmark judicial pronouncements encompassing important laws. In the current year this included seminars on GST, Direct Tax Code, IFRS, Companies Bill, Corporate Governance Guidelines, etc.

vii. 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 members of the management and other advisors as the independent directors may determine and deem fit.

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viii. Monitoring of Subsidiary

The minutes of the meetings of the subsidiary company are periodically placed before the Board of the Company.

ix. Commitment of directors

The meeting dates for the entire financial year are scheduled in the beginning of the year and an annual calendar of meetings of the Board and its committees is circulated to the directors. This enables the directors to plan their commitments and facilitates attendance at the meetings of the Board and its committees.

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

We have introduced several trend setting governance practices to improve stakeholders' satisfaction.

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.

v. Shareholders

The Company recognises the importance of two-way communication with shareholders and of giving a balanced report of results and

progress and responds to questions and issues raised in a timely and consistent manner. To ensure this, the Company's corporate website; www. reliancebroadcast.com has information for institutional and retail shareholders alike. The shareholders seeking information may contact the Company directly throughout the year. They also have the opportunity to ask questions in person at the Annual General Meeting. Shareholders can contact the Company via dedicated shareholders contact points as provided in this Report or through Company's Registrar and Transfer Agents spread in more than 80 cities across India, details of which are available on Company's website.

L) Role of the Company Secretary in Governance Process

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

M) Independent Statutory Auditors

The Company's accounts are audited by leading independent audit firm i.e. M/s. Charturvedi & Shah, Chartered Accountants.

Compliance with clause 49 of the listing agreement

The Company is fully compliant with the mandatory requirements of Clause 49 of the Listing Agreement formulated by the Securities and Exchange Board of India (SEBI).

We present our report on compliance of governance conditions specified in clause 49 of the listing agreement.

I. Board of Directors

1. Board composition - Board strength and representation

As at September 30, 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	Names of 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

Notes

- None of the Directors is related to any other director.
- None of the Directors has any business relationship with the Company.
- None of the Directors received any loans and advances from the Company during the year.
- All independent directors furnish a declaration at the time of their appointment as also annually that they qualify the conditions of being independent. All such declarations are placed before the Board.

The Company has appointed Shri Gururaja Rao, Company Secretary as the Manager of the Company in terms of 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 executives and the business heads of the Company 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 overseeing 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.
- ensure that processes are in place for maintaining the integrity of
 - the Company
 - the financial statements
 - compliance with law
 - relationships with all stakeholders
- delegation of appropriate authority to the senior executives of the Company for effective management of operations.

3. Board meetings

The Board held four meetings during the Financial Year ended on September 30, 2010 (i.e. April 1, 2010 to September 30, 2010) on May 28, 2010, July 24, 2010, August 6, 2010 and September 30, 2010. The maximum time gap between any two meetings was 56 days and the minimum gap was 12 days.

4. Standards issued by ICSI

The Institute of Company Secretaries of India (ICSI) has issued various 'Secretarial Standards' on key corporate functions like Board Meetings, General Meetings, Payment of Dividend, Maintenance of Registers and Records, Minutes of Meetings, Transmission of Shares and Debentures, Passing of Resolutions by Circulation, Affixing of Common Seal, Forfeiture of Shares and Board's Report.

Although these standards are not mandatory, the Company adheres to them voluntarily.

5. Attendance of Directors

Attendance of Directors at the Board meetings held during Financial Year ended on September 30, 2010 (April 1, 2010 to September 30, 2010) and the last Annual General Meeting (AGM) held on August 31, 2010.

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Name of the Director	Meetings held during the tenure	Meetings Attended	Attendance at the last AGM
Shri Gautam Doshi	4	4	Present
Shri Rajesh Sawhney	4	2	Present
Shri Anil Sekhri	4	4	Present
Shri Pradeep Shah	4	3	Present
Shri Darius Kakalia	4	3	Absent
Shri Prasoon Joshi	4	3	Absent

6. Other Directorships

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

The details of Directorships (calculated as per provisions of Section 275 and 278 of the Companies Act, 1956), Chairmanships and the Committee memberships held by the directors as on September 30, 2010.

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

1. The information provided above pertains to the following committees in accordance with the provisions of Clause 49 of the listing agreement:

- i. Audit committee
 - ii. Shareholders'/investors' grievances committee
2. Membership of committees includes chairmanship, if any.

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

8. Details of Directors

The abbreviated resumes of all Directors are furnished hereunder:

Shri Gautam Doshi, 58, 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, Reliance Home Finance Private Limited, Telecom Infrastructure Finance Private Limited and Connect Infotain Private Limited.

Shri Rajesh Sawhney, 45, is an alumnus of Harvard Business School [AMP], and has received 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, 51, 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, 56, is an eminent Practicing Chartered Accountant and also a partner with M/s. Chandrakant & Sevantilal,

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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 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, 62, 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, 43, 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. Shri Joshi is on the Board of Reliance MediaWorks Limited, McCann Erickson (India) Private Limited, Result Services Private Limited , Associated Corporate Consultants India Private Limited.

II. Audit Committee

In terms of Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956, the Board has constituted Audit Committee of the Board of Directors at its meeting held on June 30, 2009. At present, the Audit Committee comprises of two Independent Non-executive Directors Shri Anil Sekhri, Chairman and Shri Pradeep Shah and one Non-executive viz. Shri Rajesh Sawhney, as its members. Shri Anil Sekhri is an eminent Chartered Accountant and has accounting and related financial management expertise. All other members of the committee are financially literate.

The audit committee, inter alia, advises the management on the areas where systems, processes, measures for controlling and monitoring revenue assurance, 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, reappointment 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 and reasons thereof.

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- c) Major accounting entries based on exercise of judgment by management.
- d) Qualifications in draft audit report.
- e) Significant adjustments arising out of audit.
- f) Compliance with listing and other legal requirements concerning financial statements.
- g) Disclosure of related party transactions.
- 5. Reviewing with the management the quarterly financial statements before submission to the Board for approval.
- 6. Reviewing with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 7. Reviewing with the management the performance of the external and internal auditors, the adequacy of internal control systems.
- 8. 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.
- 9. Discussion with internal auditors on any significant findings and follow up thereon.
- 10. 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.
- 11. 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.
- 12. 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.

- 13. To review the functioning of the Whistle Blower mechanism.
- 14. Approval of appointment of Chief Financial Officer (CFO) after assessing the qualifications, experience & background, etc.
- 15. Carrying out all other functions as is mentioned in the terms of reference of the audit committee.
- 16. 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 auditors;
 - d) Statement of significant related party transactions and
 - e) The appointment, removal and terms of remuneration of the Chief internal auditor.

The Audit Committee has the following powers

- i. to investigate any activity within its terms of reference;
- 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 the financial year ended September 30, 2010 (April 1, 2010 – September 30, 2010)

The Audit Committee held its meetings on May 28, 2010 and August 6, 2010.

Members	Number of Meeting held during the tenure	Number of Meetings Attended
Shri Rajesh Sawhney	2	1
Shri Anil Sekhri	2	2
Shri Pradeep Shah	2	2

The Chairman of the Audit Committee was present at the last Annual General Meeting.

The meeting considered all the points in terms of its reference at periodic intervals.

CORPORATE GOVERNANCE REPORT

Shri Gururaja Rao, Company Secretary & Manager acts as the Secretary to the Audit 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 the Company's audited financial statements, the rationality of significant judgments and the clarity of disclosures in the financial statements. Based 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, the committee has recommended the following to the Board of Directors:

1. the audited annual financial statements of the Company for the year ended September 30, 2010, be accepted by the Board as a true and fair statement of the financial status of the Company.
2. the audited consolidated financial statements of the Company and its subsidiary for the year ended September 30, 2010, be accepted by the Board as true and fair statement of the financial status.

III. ESOS, Remuneration & Compensation Committee

The ESOS, Remuneration & Compensation Committee of the Board is constituted to recommend to the Board from time to time, a compensation structure for directors and the manager and formulate, approve, decide and

modify, one or more Plan(s) under a ESOS Scheme and to determine the terms and conditions thereof for such number of Eligible Employees and Directors, in India or Abroad of the Company and its Holding / Subsidiaries within the framework of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 as amended from time to time. Presently, the Company has no executive director.

The ESOS, Remuneration & Compensation Committee of the Board comprises of four directors i.e. Shri Anil Sekhri, Chairman, Shri Rajesh Sawhney, Shri Pradeep Shah and Shri Darius Kakalia as members.

During the year under review, ESOS, Remuneration & Compensation Committee met only once on June 17, 2010.

Attendance at the meetings of the ESOS, remuneration & Compensation committee held during the year ended September 30, 2010 (i.e. April 1, 2010 to September 30, 2010)

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

Shri Gururaja Rao, the Company Secretary and Manager of the Company, acts as a Secretary of the ESOS, Remuneration & Compensation Committee

Equity shares held by Directors

Name of the Director	No. of equity shares of the Company
Shri Gautam Doshi	Nil
Shri Rajesh Sawhney	55
Shri Anil Sekhri	Nil
Shri Pradeep Shah	Nil
Shri Darius Kakalia	Nil
Shri Prasoon Joshi	Nil

Managerial remuneration policy

ESOS, Remuneration & Compensation Committee determines and recommends to the Board, the compensation of the Directors and the

CORPORATE GOVERNANCE REPORT

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.

Criteria for making payments to non-executive directors

The remuneration to non-executive directors is benchmarked with the relevant market and performance oriented, balanced between financial and sectoral market, comparative scales, aligned to Corporate goals, role assumed and number of meetings attended.

The details of payments made by the Company to Directors during the year ended September 30, 2010 was as follows:

Sr. No.	Name of the Director	Commission	Sitting Fees (in Rs.)
1	Shri Gautam Doshi	-	40,000
2	Shri Rajesh Sawhney	-	25,000
3	Shri Anil Sekhri	-	50,000
4	Shri Pradeep Shah	-	40,000
5	Shri Darius Kakalia	-	30,000
6	Shri Prasoon Joshi	-	30,000
	Total	-	2,15,000

Notes:

- a. There were no other pecuniary relationship or transactions of Non-Executive Directors vis-a-vis the Company.
- b. The Company has so far not issued any stock options to its Directors.
- c. Pursuant to the limits approved by the Board, all directors being Non-Executives, are paid sitting fees of Rs.10,000 per Board meeting and Rs.5,000 per Audit Committee meeting.

IV. Nomination Committee

The Nomination Committee consists of 3 Directors of the Company viz. Shri Darius Kakalia, Chairman

and Shri Gautam Doshi and Shri Anil Sekhri as members.

The terms of reference of the Nomination Committee are as follows:

1. Identifying, screening and reviewing candidates for Director positions, consistent with qualifications and criteria approved by the Board (including evaluation of incumbent Directors for potential re-nomination), and making recommendations to the Board on candidates for: (i) nomination for election or re-election by the shareholders; and (ii) any Board vacancies that are to be filled by the Board.
2. The Nomination Committee may act on its own in identifying potential candidates, inside or outside the Company, or may act upon proposals submitted by the Chairman of the Board of Directors. The Committee will review and discuss all documents pertaining to candidates and will conduct evaluation of candidates in accordance with a process that it seems fit and appropriate, passing on the recommendations for the nomination to the Board.
3. The Nomination Committee shall play a consultative role for any appointment requiring Board approval, as stipulated by law or regulation, for top management positions such as CFO, Company Secretary. It shall provide its advice and recommendations to the Board.

During the financial year under review no meeting was conducted by the Nomination Committee.

V. Shareholders' / Investors' Grievance Committee

The Shareholders / Investors' Grievance Committee consist of 3 directors of the Company viz. Shri Anil Sekhri, Chairman, Shri Rajesh Sawhney, and Shri Darius Kakalia as members. 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' grievance. Particulars of investors' grievance 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

CORPORATE GOVERNANCE REPORT

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:

Attendance of members at the meeting of the Shareholder / Investors' Grievance Committee held during the year ended September 30, 2010 (i.e. period from April 1, 2010 to September 30, 2010)

The Shareholders' / Investors' Grievances Committee held its meeting on May 28, 2010 and on August 6, 2010.

Name of the Member	Meetings held during the tenure	Number of Meetings attended
Shri Rajesh Sawhney	2	1
Shri Anil Sekhri	2	2
Shri Darius Kakalia	2	2

Shri Gururaja Rao, Company Secretary & Manager acts as a Secretary to the Shareholders' / Investors' Grievances Committee.

VI. Compliance Officer

Shri Gururaja Rao, Company Secretary & Manager, is the Compliance Officer for complying with the requirements of SEBI Regulations and the Listing Agreements with the Stock Exchanges. The total number of complaints received and replied to the satisfaction of shareholders was 01. There were no complaints pending as on September 30, 2010.

The details of period taken for transfer of shares and nature of complaints are furnished in the investor information section of this annual report.

No request for transfer and dematerialisation of shares were pending for approval as on September 30, 2010.

VII. Employees Stock Option Scheme

In order to share the growth in value and reward the employees for having participated in the success of the Company, our Employee Stock Option Scheme (the Scheme) has been implemented by the Company to the eligible employees based on specified criteria, under Employee Stock Option Plan – 2010 (ESOS – Plan A) .

The Plans are prepared in due compliance of Scheme, Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws. The Options would be vested at the end of one year from the date of Grant and shall be eligible for exercise up to a period of five years from the date of Vesting or ten years from the date of grant, whichever is later as prescribed in the ESOS Plan.

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

The Company held its last Annual General Meetings as under:-

Year	Location	Date	Time	Whether Special Resolution passed or not
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, 1st Floor, Dhirubhai Ambani Knowledge Centre, Mumbai 400 710	May 25, 2009	10.00 a.m.	No
2009 – 2010	Rangsharda Natyamandir, K. C. Marg, Bandra Reclamation, Bandra (West), Mumbai – 400 050.	August 31, 2010	1.00 pm	No

IX. Postal Ballot

During the year, the Company had conducted Postal Ballot on June 14, 2010 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 were passed with requisite majority:

Date of declaration of the result of postal ballot	Particulars of special resolution	Percentage of votes cast in favour of resolution
June 14, 2010	Special Resolution for change of the Company's name to Reliance Broadcast Network Limited	99.983
June 14, 2010	Special Resolution under Section 80 and 81 of the Companies Act, 1956 for issue of Preference Shares	99.956

CORPORATE GOVERNANCE REPORT

Date of declaration of the result of postal ballot	Particulars of special resolution	Percentage of votes cast in favour of resolution
June 14, 2010	Special Resolution under Section 81 (1A) of the Companies Act, 1956 for raising of long term funds through issue of securities under SEBI Regulations for Qualified Institutional Placements.	99.531
June 14, 2010	Special Resolution under Section 81(1A) of the Companies Act, 1956 for raising of resources through Issue of Securities in the International Markets	99.543
June 14, 2010	Special Resolution under Section 81(1A) of the Companies Act, 1956 for issue of securities under the Employee Stock Option Scheme	99.557
June 14, 2010	Special Resolution under Section 81(1A) of the Companies Act, 1956 for issue of securities under the Employee Stock Option Scheme to the employees and directors of the holding / subsidiary companies	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 as amended thereto from time to time. None of the Businesses proposed to be transacted in the ensuing Annual General Meeting require passing a special resolution through postal ballot.

X. Means of communication

a) Quarterly Results: Quarterly Results are published in One English daily newspaper circulating in the whole or substantially the whole of India and One Marathi daily newspaper and are also posted on the Company's website www.reliancebroadcast.com.

b) Media Releases and presentations: Official Media Releases are sent to the Stock Exchanges before they are released for wider dissemination. Presentations made to media, analysts, institutional investors, etc. are posted on the Company's website.

c) Website: The Company's website contains a separate dedicated section on 'Investors Desk'. It contains comprehensive database of information of interest to our investors including the financial results and Annual Report of the Company in a downloadable form, any price

sensitive information disclosed to the regulatory authorities from time to time, business activities and the services rendered/ facilities extended by the Company to our investors, in a user-friendly manner.

d) Annual Report: Annual Report containing, inter alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report and is displayed on the Company's website.

e) Corporate Filing and Dissemination System (CFDS): The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed Companies.

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.

f) Designated Exclusive email – id: The Company has also designated the email – id : investors@reliancebroadcast.com exclusively for investor servicing.

g) Shareholders Feedback Survey: The Company regularly send feedback form seeking shareholders' views on various matters relating to investor services and the Annual Report of the Company. The feedback received from the shareholders was placed before the Shareholders' / Investors' Grievance Committee. The feedback survey form as also been posted in the website of the Company to facilitate their feedback.

XI. Compliance with other mandatory requirements

1. Management Discussion and Analysis

A Management Discussion and Analysis report forms part of this annual report and includes discussions on various matters specified under clause 49(IV)(F) of the Listing Agreement.

2. Subsidiary

Reliance Television Private Limited is a wholly owned subsidiary of the Company.

The Company monitors performance of its wholly owned subsidiary with respect to the below:

- i. Minutes of the meetings of the Board

of Directors of the unlisted wholly owned subsidiary company is placed at the Board meeting of the Company and the attention of the directors is drawn to all significant transactions and arrangements entered into by subsidiary company.

3. Disclosures

- a. There has been no instance of non-compliance by the Company on any matter related to capital markets during the last three years and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority.

b. Related Party Transactions

During the year ended September 30, 2010, no transactions of material nature had been entered into by the Company with the Promoters or Directors or Management, their subsidiaries and their relatives that may have a potential conflict with interest of the Company. The related party transactions with the subsidiary company and others are disclosed in the Notes to Accounts.

c. 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. Risk Management

The Company has laid down a robust Risk Management Policy, defining Risk profiles involving Strategic, Technological, Operational, Financial, Organisational, Legal and Regulatory risks within a well defined framework. The Risk Management Policy acts as an enabler of growth for the Company by helping its businesses to identify the inherent risks, assess, evaluate and monitor these risks continuously and undertake effective steps to manage these risks.

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 personnel affirmation that they have complied with the code of conduct for Directors and senior management of the Company for the year ended September 30, 2010".

Sd/-

Gururaja Rao
Company Secretary & Manager

f. CEO / CFO Certification

Shri Tarun Katial, CEO and Shri Ismail Dabhoya, CFO of the Company give certification on the financial reporting and internal controls to the Board as required under Clause 49 (V) of the Listing Agreement.

g. Review of Directors' responsibility statement

The Board in its report have confirmed that the annual accounts for the year ended September 30, 2010 have been prepared as per applicable Accounting Standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

XII. Policy on insider trading

The Company has formulated a Code of Conduct for Prevention of Insider Trading (Code) in accordance with the guidelines specified under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992. The Board has appointed Shri Gururaja Rao, Company Secretary and Manager as the Compliance Officer under the Code responsible

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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, while in possession of unpublished Price Sensitive Information in relation to the Company during certain prohibited periods. The Company's updated Code is available on the Company's website.

XIII. Compliance with non-mandatory requirement

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. ESOS, Remuneration and Compensation Committee

The board has set up an ESOS, Remuneration and Compensation Committee details whereof are furnished at Sr. No. III of this report.

3. Shareholders' rights

The quarterly financial results including summary of the significant events of the relevant period are published in newspapers and also posted 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 action against employees who are 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 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.

XIV. Corporate Governance Voluntary Guidelines 2009

The Ministry of Corporate Affairs, Government of India, has released the "Corporate Governance Voluntary Guidelines 2009". These guidelines are intended to serve as a benchmark for corporates to help them to adopt highest standard of corporate governance. These guidelines do not substitute any extant law or regulation but are essential for voluntary adoption by the corporates. The Company is already in compliance with most of the requirements and has initiated action for appropriate compliance.

XV. General shareholder information

The mandatory and various additional information of interest to investors are voluntarily furnished in a separate section on investor information in this annual report.

Practising Company Secretary's 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 (formerly Reliance Media World Limited), as evolved over a period, 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 Sixth Annual General Meeting (AGM) will be held on Thursday, March 31, 2011 at 10.00

CORPORATE GOVERNANCE REPORT

A.M. at Auditorium, Reliance Energy Management Institute, 19, Aarey Colony, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 065,

Financial year of the Company

The Board of Directors of the Company had decided to close its books of accounts as on September 30, 2010 and accordingly restricted the current financial year which commenced on April 1, 2010 to a period of six months ending on September 30, 2010.

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,
Survey No. 74 & 75, Madhapur Village
Hyderabad – 500 081
Email: rbnl@karvy.com
Telephone No. : 040 – 40308000
Contact Person: Praveen Chaturvedi

Shareholders / investors are requested to forward share transfer documents, dematerialization requests (through their respective Depository Participants) and other related correspondence directly to M/s 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 Friday, March 25, 2011 to Thursday, March 31, 2011, (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.

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 Desk section at our website: www.reliancebroadcast.com

Share transfer system

Shareholders / investors are requested to send share transfer related documents directly to our Registrar and Transfer Agents (RTA) whose address is given elsewhere in this report. 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, Hansdhwani Trading Company Private Limited, KDA Enterprises Private Limited, Shreeji Comtrade LLP, Guruvas Commercials LLP, Shrikrishna Tradecom LLP, Lord Comtrade LLP, Krupa Commercials LLP, Dhvani Enterprises 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 Industries 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 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 Management Consultancy Services Private Limited, AAA Project Finance Management Private Limited, AAA Financial Services Private Limited, AAA Management 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

CORPORATE GOVERNANCE REPORT

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, AAA Cinecreation Services Private Limited, Alpsoft Techventures Private Limited, AAA Allied Services Private Limited, AAA Advisory 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 Enterprises 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 Big Entertainment Private Limited, Big Flicks Private Limited, Big Animation (India)

Private Limited, Jump Games Private Limited, ND's Art World Private Limited, Reliance Big Broadcasting Private Limited, Reliance Big News Private Limited, Zapak Digital Entertainment Limited, Reliance MediaWorks Limited, Digital Media Imaging Limited, Adlabs Distributors and Exhibitors Limited, Big Synergy Media Limited, Reliance Capital Limited, Reliance General Insurance Company Limited, Reliance Wealth Management Limited, Reliance Infrastructure Finance Private Limited, Reliance Commercial Finance Private Limited, Quant Capital Private Limited, Quant Broking Private Limited, Quant Securities Private Limited, Quant Commodities Private Limited, Quant Commodity Broking Private Limited, Quant Capital Finance and Investments 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, Bharuch Power Limited, Atos Mercantile Private Limited, Atos Trading Private Limited, Dahanu Solar Power Private Limited, Rajasthan Sun Technique Energy Private Limited, Reliance CleanGen Limited, Solar Generation Company (Rajasthan) Private Limited, Samalkot Power Limited.

Reliance Broadcast Network Limited

Shareholding Pattern

S No	Category	As on 30-09-2010		As on 31.03-2010	
		No. of shares	%	No. of shares	%
1	Promoters & Person Acting in concert	50576094	63.66	28355000	61.47
2	Foreign holdings				
A.	Foreign holdings – GDRs	0	0.00	0	0.00
B.	Direct By Foreign Companies	97	0.00	97	0.00
C.	Individual and Others	205623	0.26	261212	0.57
D.	Foreign Institutional Investors	513926	0.65	962694	2.09
	Sub-Total (1 & 2)	51295740	64.57	29579003	64.13
3	Public Financial / Development Institutions and Central and State Government owned Institutions holdings	11750893	14.79	4967614	10.77
4	Bank and Mutual Funds	33050	0.04	114575	0.25
5	General Public	16371487	20.60	11464978	24.86
	Sub-Total (3, 4 & 5)	28155430	35.43	16547167	35.87
	GRAND TOTAL	79451170	100.00	46126170	100.00

Note:

- a. The outstanding options are 20,18,000 options exercisable into equal number of fully paid up Equity Shares of the Company granted to the Eligible employees under ESOS Plan A.

Distribution of Shareholding

Sl. No.	No. of shares	Number of shareholders as on 30.09.2010		Total shares as on 30.09.2010		Number of shareholders as on 31.03.2010		Total shares as on 31.03.2010	
		Number	%	Number	%	Number	%	Number	%
1	1 to 500	91824	87.15	2901298	3.65	115331	98.90	7831957	16.98
2	501 to 5000	12473	11.84	3666493	4.61	1168	1.00	3084452	6.69
3	5001 to 10000	984	0.93	3459908	4.35	56	0.05	810606	1.76
4	10001 & above	86	0.08	69423471	87.38	64	0.05	34399155	74.58
	Total	105352	100.00	79451170	100.00	116619	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).

Out of total 7,94,51,170 equity shares, 7,94,18,435 equity shares constituting 99.96% of total equity share capital are held in dematerialised form with NSDL and CDSL as on September 30, 2010

Electronic Holdings			Physical Holdings			Total		
No. of beneficial owners	No. of Shares	%	No. of folios	No. of Shares	%	No. of shareholders	Total No. of Shares	%
104988	79418435	99.96	379	32735	0.04	105367	79451170	100.00

CORPORATE GOVERNANCE REPORT

Equity Capital Built-up

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*
5	30.09.2010	Preferential allotment to promoters/promoter group entities of the Company and certain institutional/strategic/other investors/entities	85	33325000	80 Per share	79451170

*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.

Investor Grievance attended

Received from	Received during		Redressed during		Pending as on	
	April 1, 2010 – September 30, 2010	April 1, 2009– March 31, 2010	April 1, 2010 – September 30, 2010	April 1, 2009– March 31, 2010	September 30, 2010	March 31, 2010
SEBI	0	0	0	0	0	0
Stock Exchanges	1	0	1	0	0	0
NSDL/CDSL	0	0	0	0	0	0
Direct from investors	0	1	0	1	0	0
Total	1	1	1	1	0	0

Analysis of grievances

	April 1, 2010 to September 30, 2010		April 1, 2009 to March 31, 2010	
	Numbers	Percentage (%)	Numbers	Percentage (%)
Non Receipt of Annual Reports	1	100.00	1	100.00

1. Notes

- 1) There were no complaint pending as on September 30, 2010
- 2) 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.
- 3) The queries and grievances received correspond to 0.01 % of the number of members.

Reliance Broadcast Network Limited

CORPORATE GOVERNANCE REPORT

Legal proceedings

There are certain pending cases relating to disputes over title to the Company's shares, in which the Company is made a party. These cases are however not of material in nature.

Stock Exchange listings

The Company's equity shares are actively traded on the Indian Stock Exchanges.

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

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

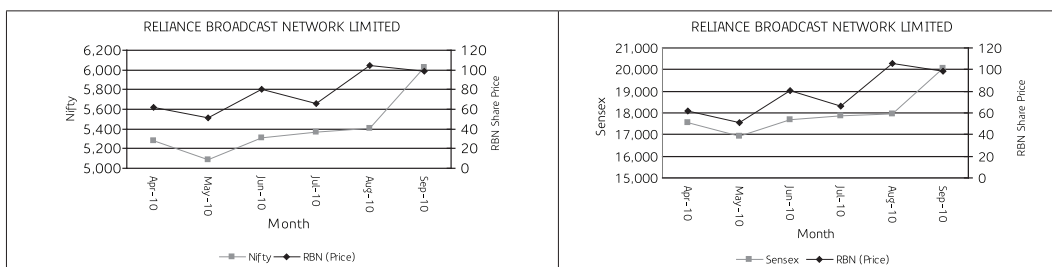
Name of the Exchange	Physical	Electronic
BSE	533143	INE445K0108
NSE	RBN	INE445K0108

Stock Price and Volume

The Company's equity shares are actively traded on the Indian Stock Exchanges.

Financial Year ended September 30, 2010	NSE			BSE		
	Highest (Rs.)	Lowest (Rs.)	Volume (No. of Shares)	Highest (Rs.)	Lowest (Rs.)	Volume (No. of Shares)
April 2010	69.8	60	948563	69.9	60.65	572081
May 2010	62.5	46	897559	62.45	45.6	503849
June 2010	83.4	53.45	3144457	83.05	53.35	2165411
July 2010	81.75	64	1088004	81.9	65	675564
August 2010	108.55	62.2	2673038	108.65	62.2	2057520
September 2010	121.55	96.35	1872824	121.8	96	1574027

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 Registrar and Transfer Agent (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,

CORPORATE GOVERNANCE REPORT

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 45 days of the end of the respective quarter. The Company's media releases and details of significant developments are also made available on the Company's website. These are published in leading newspapers in addition to hosting them on the Company's website: www.reliancebroadcast.com.

Reconciliation of Share Capital Audit

The Securities and Exchange Board of India has directed vide circular no.D&CC/FITTC/CIR-16/2002 dated December 31, 2002 and Circular No. CIR/MRD/DP/30/2010 dated 6th September, 2010 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 Chartered Accountant 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 which commenced on October 1, 2010

Unaudited results for the first quarter ended December 31, 2010: On or before February 14, 2011

Unaudited results for the second quarter / half year ending March 31, 2011: On or before May 14, 2011

Unaudited results for the third quarter ending June 30, 2011: On or before August 14, 2011

Audited results for the financial year ending September 30, 2011: On or before November 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

(formerly Reliance Media World Limited)

401, 4th Floor, Infiniti,

Link Road, Andheri West, Mumbai – 400 053

Tel.: 022 3068 9444

Fax: 022 3988 8927

Email: ismail.dabhoya@reliancebroadcast.com

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

Shri Gururaja Rao

Company Secretary and Manager

Reliance Broadcast Network Limited

(formerly Reliance Media World Limited)

401, 4th Floor, Infiniti,

Link Road, Andheri West, Mumbai – 400 053

Tel.: 022 3068 9444

Fax: 022 3988 8927

Email: gururaja.rao@reliancebroadcast.com

Plant Locations

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

Reliance Broadcast Network Limited

CORPORATE GOVERNANCE REPORT

CERTIFICATE ON CORPORATE GOVERNANCE

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 30th September 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.

Sd/-

Ashita Kaul

Practising Company Secretary

Membership No: ACS 17756

COP No. 6529

Mumbai

Date: 30th October, 2010

AUDITORS' REPORT

To,
**The Members of
Reliance Broadcast Network Limited**
(formerly known as Reliance Media World Limited)

1. We have audited the attached Balance Sheet of Reliance Broadcast Network Limited (formerly known as Reliance Media World Limited) ("the Company") as at September 30, 2010, and the Profit and Loss Account and Cash Flow Statement (together referred to as "the financial statements") for the period ended on that date both annexed thereto. 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 required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. 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 so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from Directors, as on September 30, 2010 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on September 30, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereto, gives the information required by the Companies Act, 1956, in the manner so required, and present 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 September 30, 2010;
 - ii) in the case of the Profit and Loss Account of the loss for the period ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No: 101720W

Parag D. Mehta

Partner
Membership No.: 113904
Place : Mumbai
Date : October 30, 2010

Reliance Broadcast Network Limited

AUDITORS' REPORT (Contd.)

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in phased manner over a period of three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Pursuant to the programme certain fixed assets were physically verified during the period and no material discrepancies were noted on such verification;
- c) In our opinion, the Company has not disposed off a substantial part of the fixed assets during the period and the going concern assumption of the Company is not affected;
- ii) a) The inventory has been physically verified by the management during the period. In our opinion, the frequency of verification is reasonable;
- b) The procedures of physical verification of inventories followed by the management were reasonable and adequate in relation to the size of the Company and the nature of its business;
- c) The Company is maintaining proper records of inventory; No material discrepancies were noticed on physical verification;
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act;
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regard to purchase of inventory, purchase of fixed assets and also for the sale of telecast rights 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;
- vii) In our opinion, the Company has internal audit system commensurate with the size and the nature of its business;
- viii) The Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Act for any of the products sold / services rendered by the company;
- ix) a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Service Tax, Cess and other material statutory dues have been generally regularly deposited during the period by the company with the appropriate authorities. As at September 30, 2010 there are no undisputed statutory dues which are outstanding for a 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 statute	Nature of the Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Service tax	87,975,819	2006-2007 & 2007-2008	Commissioner, Service Tax, Mumbai
The Jammu & Kashmir General Sales Tax Act, 1962	General Sales Tax	3,544,954 3,258,854	2007-2008 2008-2009	Commercial Tax Office, Jammu

AUDITORS' REPORT (Contd.)

- 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) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to any financial institution or bank during the period;
- 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 and according to the information and explanation given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society;
- xiv) According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures or other investments;
- xv) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the period;
- xvi) According to the information and explanation given to us, the Company has not accepted any term loan during the period;
- xvii) The short term borrowings were allocated to the Company pursuant to the Scheme of Arrangement and during the period 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 during the period to companies/firms/parties covered in the register maintained under Section 301 of the Act;
- xix) The Company has not issued any debentures during the period;
- xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the period;
- xxi) According to the information and explanations given to us and on the basis of the examination of the records, no fraud on or by the Company was noticed or reported during the course of our audit.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

Reliance Broadcast Network Limited

BALANCE SHEET AS AT 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	Schedule	As At 30 September, 2010	As At 31 March, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	2	397,255,850	230,630,850
Reserves and Surplus	3	<u>4,096,852,035</u>	<u>1,440,173,753</u>
		4,494,107,885	1,670,804,603
Loan Funds			
Unsecured Loans	4	<u>3,041,258,794</u>	<u>3,065,617,205</u>
		7,535,366,679	4,736,421,808
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	3,540,601,294	3,529,260,021
Less : Accumulated Depreciation / Amortisation		<u>1,291,576,878</u>	<u>1,109,247,094</u>
Net Block		2,249,024,416	2,420,012,927
Capital Work in Progress (Including Capital Advances)		<u>83,351,450</u>	<u>65,916,932</u>
		2,332,375,866	2,485,929,859
Investments	6	10,000,000	-
Current Assets, Loans and Advances			
Inventories	7	36,401,070	3,423,183
Sundry Debtors	8	657,034,304	705,255,397
Cash and Bank Balances	9	2,605,178,873	120,978,158
Loans and Advances	10	<u>799,500,091</u>	<u>523,156,949</u>
		4,098,114,338	1,352,813,687
Current Liabilities and Provisions			
Current Liabilities	11	905,634,246	811,852,469
Provisions	12	<u>30,252,214</u>	<u>27,059,464</u>
		935,886,460	838,911,933
Net Current Assets		3,162,227,878	513,901,754
Profit and Loss Account Debit Balance	3A	<u>2,030,762,935</u>	<u>1,736,590,195</u>
		7,535,366,679	4,736,421,808
Significant accounting policies	1		
Notes to the accounts	19		

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

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No.: 101720W

Parag D. Mehta

Partner
Membership No.: 113904

Place : Mumbai
Date : October 30, 2010

For and on behalf of the Board

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

Company Secretary & Manager

Reliance Broadcast Network Limited

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	Schedule	For the Period Ended 30 September, 2010	Year Ended 31 March, 2010
INCOME			
Service Revenue and Other Operating Income	13	1,084,387,079	1,807,246,500
Other Income	14	<u>20,690,686</u>	<u>40,662,549</u>
		1,105,077,765	1,847,909,049
EXPENDITURE			
Direct Costs	15	489,547,803	787,835,703
Personnel Costs	16	261,573,359	450,073,937
Other Operating and General Administrative Expenses	17	329,866,671	731,628,599
Interest & Finance Charges	18	135,443,389	275,434,254
Amortisation	5	83,562,479	166,001,181
Depreciation	5	<u>99,066,059</u>	<u>198,202,429</u>
		1,399,059,760	2,609,176,103
Profit/(Loss) Before Tax		(293,981,995)	(761,267,054)
Less : Provision for Taxation			
- Current Tax / Wealth Tax		190,745	-
Net Profit / (Loss) After Tax		<u>(294,172,740)</u>	<u>(761,267,054)</u>
Balance Carried to Balance Sheet		<u>(294,172,740)</u>	<u>(761,267,054)</u>
Earnings Per Share Basic / Diluted (Not Annualised)		(6.35)	(24.90)
(Refer note 14 of Schedule 19)			
Significant accounting policies	1		
Notes to the Accounts	19		

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

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

For and on behalf of the Board

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

Company Secretary & Manager

Reliance Broadcast Network Limited

CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	30 September, 2010	31 March, 2010
A Cash flows from operating activities		
Net profit / (loss) before taxes	(293,981,995)	(761,267,054)
Less: Interest Income	(5,935,067)	(9,588,331)
Add: Interest Expense	135,443,389	275,434,254
Add: Depreciation/Amortisation	182,628,538	364,203,610
Add: Provision for Doubtful Debts	39,727,271	78,636,165
Add: Provision for Doubtful Advances	1,782,819	83,774,528
Less: Profit / (Loss) on sale of fixed assets	828,333	237,888
Operating profit / (loss) before working capital changes	60,493,288	31,431,060
(Increase) / Decrease in Inventories	(32,977,887)	(899,789)
(Increase) / Decrease in Loans and Advances	(277,475,864)	(106,889,470)
(Increase) / Decrease in Debtors	8,493,822	28,048,809
Increase / (Decrease) in Current Liabilities and Provisions	(21,586,670)	2,861,504
Cash generated from operations	(263,053,311)	(45,447,886)
Taxes Paid	(6,157,225)	(23,135,361)
Net cash generated from / (used in) operating activities (A)	(269,210,536)	(68,583,247)
B Cash flows from investing activities		
Purchase of fixed assets	(30,007,450)	(18,289,322)
Sale Proceeds from Fixed Assets	104,571	2,022,459
Purchase of Investments	(10,000,000)	-
Interest Income	8,623,999	11,252,295
Net cash generated from / (used in) investing activities (B)	(31,278,880)	(5,014,568)
C Cash flows from financing activities		
Proceeds from Issue of Shares (Net of share issue expenses)	2,823,303,282	-
Proceeds from Unsecured Loan	300,000,000	-
Repayment of Unsecured Loan	(320,000,000)	-
Interest Payment on Unsecured Loan	(18,613,151)	(23,896,146)
Net cash generated from / (used in) financing activities (C)	2,784,690,131	(23,896,146)
Net increase in cash and cash equivalents (A + B + C)	2,484,200,715	(97,493,961)
Cash and cash equivalents at beginning of the period / year	120,978,158	118,503,240
Cash & Cash equivalents received as per the Scheme of Arrangement	-	99,968,879
Cash and cash equivalents at end of the period / year	2,605,178,873	120,978,158

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 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 PERIOD ENDED 30 SEPTEMBER, 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 / amortisation

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 Car	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.

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

4. Impairment

In accordance with AS 28 – 'Impairment of Assets', where there is an indication of impairment of the Company's assets, 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 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. Investments

Investments are classified as long term or current based on intention of the management at the time of purchase. Current investments are valued, scrip wise, at cost or fair value, whichever is lower.

Long-term investments are carried at carrying cost less diminution in value which is other than temporary, determined separately for each individual investment.

6 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of Event / Content which does not create any rights are charged to the profit and loss account on exploitation.

Event / Content cost covers the cost of acquisition / execution of the award, function / concerts, cost of content like sports events, video albums etc.

Amortisation Policy for Event / Content Cost:

In case rights are available in perpetuity

Costs of Annual Award/Concerts are amortised at 80% in the year of event execution and 20% in the subsequent year.

Costs of Other Content are amortised at 60% in the year of commercial exploitation and 40% over the subsequent two years equally.

7 Share Issue Expenses

Share Issue expenses are adjusted against securities premium account.

8 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.

9 Employee Stock Option Scheme ("ESOS")

The Employees Stock Option Scheme ("the Scheme") provides for grant of equity shares of the Company to Directors (including whole time) and employees of the Company and its subsidiaries. The Scheme provides that employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The options may be exercised within a specified period. The Company follows the

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

intrinsic value method to account for its stock – based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and is amortised over the vesting period of the option on a Straight Line Basis.

The fair market price is the latest closing price, immediately prior to the date of the Board of Directors meeting in which the options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

10 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.

Revenue from sale of telecast rights

Revenue from sale of telecast rights of event and content is recognized on the date when the rights are made available to the assignee for exploitation.

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 Experiential Marketing

Revenue from experiential marketing which includes event management and activations are 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.

11 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.

12 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.

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

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.

13 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.

14 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.

15 Leases

The Company has various operating leases, principally for radio stations and office space, with various renewal options. Substantially all operating leases are cancelable 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.

16 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 PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	As At 30 September, 2010	As At 31 March, 2010
Schedule 2 – Share Capital		
Authorised:		
15,00,00,000 (Previous Year: 10,00,00,000) Equity Shares of Rs.5/- each	750,000,000	500,000,000
10,00,00,000 (Previous Year: 10,00,00,000) Preference Shares of Rs.5/- each	<u>500,000,000</u>	<u>500,000,000</u>
	<u>1,250,000,000</u>	<u>1,000,000,000</u>
Issued, Subscribed and Paid Up:		
7,94,51,170 (Previous Year: 4,61,26,170) Equity Shares of Rs.5/- each	<u>397,255,850</u>	<u>230,630,850</u>
	<u>397,255,850</u>	<u>230,630,850</u>
Schedule 3 – Reserves and Surplus		
a <i>Securities premium account:</i>		
At the commencement of the period / year	1,090,450,000	90,450,000
<u>Additions during the period / year</u>		
On Issue of Shares	2,666,000,000	-
Addition pursuant to Scheme of Arrangement	-	1,000,000,000
Less: Share Issue Expenses	<u>9,321,718</u>	<u>-</u>
	<u>3,747,128,282</u>	<u>1,090,450,000</u>
b <i>Capital Reserves:</i>		
At the commencement of the period / year	349,723,753	-
Arising pursuant to Scheme of Arrangement	<u>-</u>	<u>349,723,753</u>
	<u>349,723,753</u>	<u>349,723,753</u>
	<u>4,096,852,035</u>	<u>1,440,173,753</u>
Schedule 3A – Profit & Loss Account		
Loss / (Profit) at the commencement of the period / year	1,736,590,195	(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 period / year	<u>294,172,740</u>	<u>761,267,054</u>
	<u>2,030,762,935</u>	<u>1,736,590,195</u>
Schedule 4 – Unsecured Loans		
Short Term Loans from Body Corporates [Repayable On Demand]	3,041,258,794	3,065,617,205
(Includes interest accrued Rs. 254,383,982 (Previous Year: Rs. 256,114,940))	<u>3,041,258,794</u>	<u>3,065,617,205</u>

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

Schedule 5 – Fixed Assets

(Currency: Indian Rupees)

Particulars	Gross Block		As on		Depreciation/Amortisation			Net Block		
	As on 1 April 2010	Addition April to Sept 2010	Deletions April to Sept 2010	30 Sept 2010	As on 1 April 2010	For the Period April to Sept 2010	Deletions April to Sept 2010	As on 30 Sept 2010	As on 30 Sept 2010	As on 31 March 2010
Tangible Assets										
Plant & Machinery	1,361,026,668	846,206	-	1,361,872,874	410,614,370	69,344,002	-	479,958,372	881,914,502	950,412,298
Office Equipments	37,930,146	1,596,957	-	39,527,103	9,501,407	1,906,197	-	11,407,604	28,119,499	28,428,739
Furniture & Fixtures	21,562,661	75,000	-	21,637,661	10,545,876	817,193	-	11,363,069	10,274,592	11,016,785
Data Processing Equipments	76,179,057	1,434,657	-	77,613,714	42,515,846	7,308,159	-	49,824,005	27,789,709	33,663,211
Leasehold Improvements	324,526,809	184,902	-	324,711,711	98,772,633	16,272,100	-	115,044,733	209,666,978	225,754,176
Vehicles	43,917,012	76,938	1,231,659	42,762,291	13,650,537	3,418,408	298,755	16,770,190	25,992,101	30,266,476
Intangible Assets										
Radio broadcasting license (Refer Note 3(b) of Schedule 1)	1,602,886,950	-	-	1,602,886,950	505,028,807	80,363,921	-	585,392,728	1,017,494,222	1,097,858,143
Computer Software	57,080,451	8,358,272	-	65,438,723	17,156,499	2,990,476	-	20,146,975	45,291,748	39,923,952
Copyrights	4,150,267	-	-	4,150,267	1,461,120	208,082	-	1,669,202	2,481,065	2,689,147
Total	3,529,260,021	12,572,932	1,231,659	3,540,601,294	1,109,247,094	182,628,538	298,755	1,291,576,878	2,249,024,416	2,420,012,927
Previous Year	103,137	3,534,775,348	5,618,464	3,529,260,021	32,706	1,111,770,448	2,556,060	1,109,247,094	2,420,012,927	70,431
Capital Work In Progress (Including Capital Advances)									83,351,450	65,916,932

Note:

1. Intangible assets are other than internally generated
2. Balance Life of Intangible Assets is 7-10 years
3. Capital Work In Progress comprises of the following :

Particulars	Amount
Capital Advances	55,540,921
Capital Stores/Inventory	27,810,529
Total	83,351,450

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	As At 30 September, 2010	As At 31 March, 2010
Schedule 6 – Investments		
Long term (non-trade, unquoted and at cost)		
In subsidiary company		
19,900 (Previous Year :Nil) Equity Shares of Reliance Television Private Limited of Rs. 10 each	10,000,000	-
	<u>10,000,000</u>	<u>-</u>
Schedule 7 –Inventories		
Events / Contents	36,355,969	1,500,000
Events / Content In Progress	45,101	1,923,183
	<u>36,401,070</u>	<u>3,423,183</u>
Schedule 8 –Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
- Considered Good	186,043,222	227,451,809
- Considered Doubtful	182,883,092	135,899,024
	<u>368,926,314</u>	<u>363,350,833</u>
Other debts		
- Considered Good	470,991,082	477,803,588
- Considered Doubtful	-	7,240,990
	<u>470,991,082</u>	<u>485,044,578</u>
	<u>839,917,396</u>	<u>848,395,411</u>
Less: Provision for doubtful debts	182,883,092	143,140,014
	<u>657,034,304</u>	<u>705,255,397</u>
Schedule 9 –Cash and Bank Balances		
Cash in Hand	591,862	353,623
Balances with Scheduled Banks		
- In Current Accounts	1,445,081,541	17,900,672
- In Fixed Deposits	1,159,505,470	102,723,863
(Deposits aggregating to Rs. 3,86,40,498/- (Previous Year Rs. 9,27,23,863) are lying under lien with Banks)		
	<u>2,605,178,873</u>	<u>120,978,158</u>
Schedule 10 – Loans and Advances (Unsecured Considered Good Unless Otherwise Stated)		
Loans and Advances to Subsidiary	10,000	-
Advances recoverable in cash or in kind or for value to be received		
- Considered Good*	274,262,631	123,654,611
- Considered Doubtful	6,941,618	5,158,799
	<u>281,204,249</u>	<u>128,813,410</u>
Less: Provision for Doubtful Advances	6,941,618	5,158,799
	<u>274,262,631</u>	<u>123,654,611</u>
Income Accrued but not due	2,595,700	5,284,632
Prepaid Expenses	157,949,124	125,686,817
Deposits		
- Considered Good	291,167,147	202,589,271
- Considered Doubtful	79,000,000	79,000,000
	<u>370,167,147</u>	<u>281,589,271</u>
Less: Provision for Doubtful Deposits	79,000,000	79,000,000
	<u>291,167,147</u>	<u>202,589,271</u>
Taxes Paid (Net of Provision for Taxation)	73,515,489	65,941,618
	<u>799,500,091</u>	<u>523,156,949</u>

*Includes loan given to Manager of Rs. 2,50,000 (Previous Year Rs. Nil)

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	As At 30 September, 2010	As At 31 March, 2010
Schedule 11 – Current Liabilities		
Sundry Creditors for Goods and Services*	715,128,909	558,894,513
Advance Payments by Customers	34,634,408	90,495,283
Other Current Liabilities	155,870,929	162,462,673
*(Refer Note 3 of Schedule 19)		
	<u>905,634,246</u>	<u>811,852,469</u>
Schedule 12 – Provisions		
Gratuity	11,670,814	10,245,086
Leave Encashment	18,581,400	16,814,378
	<u>30,252,214</u>	<u>27,059,464</u>
	For the Period Ended 30 September, 2010	Year Ended 31 March, 2010
Schedule 13 –Service Revenue and Other Operating Income		
Sale of Airtime	793,716,521	1,505,229,400
Experiential Marketing	182,149,104	137,901,194
Out of Home Media Income	89,363,131	157,583,822
Others	19,158,323	6,532,084
	<u>1,084,387,079</u>	<u>1,807,246,500</u>
Schedule 14 – Other Income		
Interest income from:		
– Bank deposits (TDS Rs. 5,14,541, Previous Year Rs. 11,01,479)	5,144,467	9,463,121
– Others	790,600	125,210
Income from facility sharing (net of service tax)	7,164,895	16,918,436
Excess Accruals Written Back	6,987,568	12,331,974
Miscellaneous income	603,156	161,061
Foreign Exchange Gain (net)	-	1,662,747
	<u>20,690,686</u>	<u>40,662,549</u>
Schedule 15 –Direct Costs		
Royalty	90,832,599	177,088,039
Event Expenses	119,571,010	103,599,156
Agency Commission and Incentive	97,533,409	168,941,497
Transmission Expenses	30,473,869	57,266,870
Out of Home Media Expenses	78,918,356	148,375,739
Revenue Sharing License Fees	37,176,253	80,159,517
Other Production Expenses	35,042,307	52,404,885
	<u>489,547,803</u>	<u>787,835,703</u>

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	For the Period Ended 30 September, 2010	Year Ended 31 March, 2010
Schedule 16 - Personnel Cost		
Salaries, Wages and Allowances	240,634,222	418,628,236
Contribution to Provident Fund	11,198,118	20,235,352
Gratuity	1,425,728	1,526,338
Leave Encashment	2,273,323	-
Staff Welfare Expenses	4,890,489	7,557,634
Provident Fund Admin Expenses	1,151,479	2,126,377
	261,573,359	450,073,937
Schedule 17 - Other Operating and General Administrative Expenses		
Advertisements	89,506,813	182,971,368
Bank Charges	1,089,745	2,976,753
Bad Debts	4,062,603	27,462,537
Business Promotion	1,471,254	3,565,064
Rent, Rates and Taxes	75,082,201	146,006,204
Travelling and Conveyance	17,706,942	51,017,663
Auditors' Remuneration (Refer Note 6 of Schedule 19)	2,250,000	4,500,000
Electricity Charges	21,438,357	44,370,092
Insurance Charges	1,355,829	2,826,991
Legal and Professional Fees	16,637,635	21,492,358
Director's Sitting Fees	135,000	125,000
Loss on Sale/Disposal of Assets	828,333	237,888
Other Miscellaneous Expenses	2,331,294	3,173,251
Communication Expenses	7,833,449	14,229,754
Printing and Stationery	1,179,309	2,160,545
Provision for Doubtful Debts	39,727,271	78,636,165
Provision for Doubtful Deposits/Advances	1,782,819	83,774,528
Repairs and Maintenance		
- Repairs to Machinery	4,391,604	7,796,838
- Repairs to Others	23,783,992	23,980,484
Security Charges	3,885,439	7,325,018
Housekeeping Charges	2,812,911	4,492,397
Foreign Exchange Loss (Net)	747,749	-
Computer / Internet / Intranet	6,104,741	10,821,497
Conference Expense	3,721,381	7,686,204
	329,866,671	731,628,599
Schedule 18 - Interest & Finance Charges		
On Loans	134,309,793	274,788,914
On Others	1,133,596	645,340
	135,443,389	275,434,254

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

Schedule 19 - Notes to the accounts

1 Contingent Liabilities

Particulars	30 September, 2010	31 March, 2010
Bank Guarantees	145,670,624	161,282,609
Claims against the company not acknowledged as debt	94,779,627	88,357,721
	240,450,251	249,640,330

The company is a party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of operations or cash flows .

2 Capital Commitment

Particulars	30 September, 2010	31 March, 2010
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	16,026,197	57,383,812

3 Sundry Creditors

Disclosures relating to amounts payable as at the period / year end together with interest paid / payable to Micro, Small and Medium Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Company determined on the basis of intimation received from suppliers regarding their status and the required disclosure are given below:

Particulars	30 September, 2010	31 March, 2010
a) Principal amount remaining unpaid as on 30 September, 2010	15,693	8,830
b) Interest due thereon as on 30 September, 2010	-	-
c) Interest paid by the company in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the period / year	-	-
d) Interest due and payable for the period / year of delay in making payment (which have been paid but beyond the appointed day during the period / year) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-	-
e) Interest accrued and remaining unpaid as at 30 September, 2010	-	-
f) Further interest remaining due and payable even in the succeeding period / year until such date when the interest dues as above are actually paid to the small enterprise.	-	-

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

4 Employee Stock Option Scheme (ESOS)

During the period the Company has introduced Employee Stock Option Plan, under which it has granted 20,18,000 options under Plan A to the eligible employees of the Company on the basis of their performance and other eligibility criteria. ESOS Plans are administered through an ESOS Trust. The vesting of the Options is on the expiry of one year and so on from the date of grant as per Plan. In respect of Options granted the accounting value of Options (based on market price of the share on the date of the grant of option) is accounted as deferred employee compensation, which is amortised on a straight line basis over the vesting period. Each Option entitles the holder thereof to apply for and be allotted/transferred one Equity Share of the Company of Rs. 5 each upon payment of the exercise price during the exercise period. The Company has established a Trust for the implementation and management of ESOS for the benefit of its present and future employees. Advance of Rs. 15,33,00,000 (Previous Year Rs. Nil) has been granted to the Trust. Rs. 15,06,34,180 (Previous Year Rs. Nil) has been utilised by the trust for purchasing 18,46,094 (Previous Year Rs. Nil) Equity Shares during the period upto 30 September, 2010. The fair value of the options granted was estimated on the date of grant using the Black Scholes Model valued by a valuer with the following assumptions :

Particulars	Plan A			
	Vest 1	Vest 2	Vest 3	Vest 4
Date of Grant	17-Jul-10	17-Jul-10	17-Jul-10	17-Jul-10
Prices of the Underlying Stock (Rs.)	68.5	68.5	68.5	68.5
Continuous Risk Free Interest Rate	6.65%	6.97%	7.20%	7.39%
Exercise / Strike Price	80	80	80	80
Volatility	55.00%	55.00%	55.00%	55.00%
Time to Expiration (Years)	3.5	4.5	5.5	6.5
Expected Dividend (%)	4.00%	4.00%	4.00%	4.00%
Fair Value of Stock Option (Rs.)	22.26	25.04	26.93	28.31
Proportion of Vest	25%	25%	25%	25%
Weightage Average Fair Value (Rs.)	26	26	26	26

The information covering stock options granted, exercised, forfeited and outstanding at the period end is as follows:

Particulars	No. of Options	Weighted Avg Exercise Price (Rs.)	Weighted Avg Remaining Contractual Life (in Years)
Outstanding at the beginning of the period	Nil	N.A.	N.A.
Granted	2,018,000	80	3.5 to 6.5
Exercised	Nil	N.A.	N.A.
Lapsed/Forfeited	Nil	N.A.	N.A.
Outstanding at the end of the period	2,018,000	80	3.5 to 6.5
Exercisable at the end of the period	2,018,000	80	3.5 to 6.5

The Company has chosen to account for the plan by the Intrinsic Value Method. The total expense recognised for the period arising from stock option plan as per the Intrinsic Value Method is Rs. Nil (Previous Year :Rs. Nil). Had the Company adopted the fair value method, the net results

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

for the period would have been lower by Rs. 56,86,857 (Previous Year : Rs. Nil) and accordingly EPS (Both Basic and Diluted) would have been lower by Rs. 0.12 (Previous Year : Rs. Nil).

5 Remuneration to Manager

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

Particulars	30 September, 2010	31 March, 2010
Salary	1,941,367	3,253,351
Contribution to provident fund	116,550	222,000
Perquisites	41,626	32,400
	2,099,543	*35,07,751

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.

*Tarun Katial has received a remuneration of Rs. 50,00,000 from Reliance MediaWorks Limited 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.

6 Remuneration to Auditors (Excluding Service Tax)

Particulars	30 September, 2010	31 March, 2010
Audit fees	1,500,000	2,500,000
Tax audit fees	-	500,000
Certifications	850,000	1,500,000
	2,350,000	4,500,000

7 Value of imports on CIF basis

Particulars	30 September, 2010	31 March, 2010
Capital goods	-	199,555
	-	199,555

8 Expenditure in foreign currency (Payment Basis)

Particulars	30 September, 2010	31 March, 2010
License Fees	-	4,509,618
Staff Cost	-	4,586,677
Travelling	218,812	204,733
Professional fees	237,609	9,216,544
Others	24,735,286	12,915,111
	25,191,707	31,432,683

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

9 Earnings in foreign exchange

Particulars	30 September, 2010	31 March, 2010
Sale of Airtime	-	4,135,391
Event Income	-	1,174,922
	-	5,310,313

10 Lease disclosure under AS 19

The Company has taken various office premises, towers and other licenses on cancelable 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. 13,56,09,289 (Previous Year Rs. 25,33,35,025)

11 Deferred Tax

Deferred tax asset of Rs. 63,60,02,258 (Previous Year: Rs. 55,64,78,062/-) as at 30 September, 2010 comprises of the following:

Particulars	30 September, 2010	31 March, 2010
Deferred Tax Asset		
Carry forward business loss / unabsorbed depreciation	723,966,370	629,429,208
Disallowances which would be allowed on payment basis	90,781,040	115,454,662
Employee Benefits	9,347,934	8,361,374
(A)	824,095,344	753,245,244
Deferred Tax Liability		
On account of Depreciation	188,093,086	196,767,182
(B)	188,093,086	196,767,182
Net deferred tax asset / (liability)	(A-B)	
	636,002,258	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.

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

12 Disclosure of Segment Reporting under AS 17

Particulars	Radio Broadcasting		Outdoor		Experiential Marketing		Others		Total
	30.09.2010	31.03.2010	30.09.2010	31.03.2010	30.09.2010	31.03.2010	30.09.2010	31.03.2010	
Segment Revenue	793,716,521	1,505,229,400	89,620,531	162,809,866	182,149,104	137,901,194	1,084,644,479	6,532,084	1,812,472,544
Inter Segment Revenue	-	-	(257,400)	(5,226,044)	-	-	(257,400)	-	(5,226,044)
Total Income	793,716,521	1,505,229,400	89,363,131	157,583,822	182,149,104	137,901,194	1,084,387,079	6,532,084	1,807,246,500
Others / (Unallocated) Revenue	-	-	-	-	-	-	20,690,686	-	40,662,550
Total Revenue	793,716,521	1,505,229,400	89,363,131	157,583,822	182,149,104	137,901,194	1,105,077,766	6,532,084	1,847,909,049
Result									
Segment Result	(97,096,390)	(344,980,972)	(59,932,105)	(147,243,823)	(5,180,447)	(16,362,368)	(157,465,392)	(3,266,572)	(511,853,734)
Unallocated Corporate Expenses (Net of Unallocated Income)							1,073,214		(26,020,935)
Interest Expenses (Net of Income)							135,443,389		275,434,254
Income Taxes							190,745		-
Net Profit After Tax							(294,172,740)		(761,267,054)
Other Information									
Segment Assets	3,259,445,185	3,181,320,791	503,138,273	537,740,703	264,543,641	126,426,632	4,056,923,027	11,472,599	3,856,960,726
Segment Liabilities	611,154,240	571,638,377	196,409,247	189,521,786	218,053,689	136,611,399	1,053,154,634	25,299,169	923,070,731
Unallocated Corporate Liabilities							540,423,442		2,999,675,587
Capital Expenditure							12,572,932		78,352,732
Depreciation and amortisation							182,628,538		364,203,610

The company has disclosed the Business Segment as primary segment. The business of the company is primarily divided into four segments – Radio Business, Outdoor Business, Experiential Marketing 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. Outdoor operations primarily consists of operating advertisement contracts on outdoor media properties awarded under tender and through private tenders / contracts. In the Current period the company has reclassified its experiential marketing segment covering activations, events and contents which in the previous year was reported under Radio Broadcasting and Others. The Segment results for the period ended 30 September, 2010 have been reclassified and regrouped to reflect the change in segments. The businesses, which were not reportable segment during the period have been grouped under "Others" segment. This mainly comprises of Digital and Other Services.

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.

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

13 Disclosure of Related Party under AS 18

Parties where control exists

Subsidiary Company

Reliance Television Private Limited (w.e.f. 16 August, 2010)

Other related parties with whom transactions have taken place during the period / 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

Transactions with Related Parties

Particulars	30 September, 2010	31 March, 2010
Subsidiary Company - Reliance Television Private Limited		
Subscription of Shares	10,000,000	-
Loan given	10,000	-
Key Managerial Personnel		
Remuneration to Tarun Katial	16,129,324	17,897,858
Remuneration to Gururaja Rao	2,099,543	3,507,751
Remuneration to Ismail Dabhoya	2,326,200	4,672,516
Loans & Advances to Key Managerial Personnel		
Loans & Advances given to Tarun Katial	500,000	2,000,000
Loans & Advances received back from Tarun Katial	500,000	2,000,000
Loans & Advances given to Gururaja Rao	500,000	-
Loans & Advances received back from Gururaja Rao	250,000	-
Receiving of Car Hire Services from Relative of Key Managerial Personnel		
Mrs. Akshata Rao	90,000	180,000
Mrs. Irfana Dabhoya	90,000	180,000

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

14 Earnings Per Share ('EPS')

Particulars	30 September, 2010	31 March, 2010
Net Profit / (loss) available for equity shareholders	(294,172,740)	(761,267,054)
Weighted average number of equity shares outstanding during the period / year	46,308,274	30,569,770
Basic / Diluted Earnings Per Share	(6.35)	(24.90)
Nominal value per share	5	5

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

Particulars	30 September, 2010			31 March, 2010		
	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	50,964	1,740,548	SGD	59,964	1,923,495

16 Employee Benefits

Defined Contribution Plan

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

Particulars	30 September, 2010	31 March, 2010
Employers contribution to Provident fund and other funds	11,198,118	20,235,352

Other long term employee benefits comprises encashment of leave. Total expense recognised during the current period is Rs. 22,73,323 (Previous Year: Income of 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.

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

Particulars	30 September, 2010	31 March, 2010
Gratuity (Unfunded)		
Defined Benefit obligation at beginning of the period / year	10,245,086	-
Transferred as per provisions of Scheme	-	8,718,748
Current Service Cost	2,485,143	4,312,116
Interest Cost	629,364	1,021,616
Actuarial (gain)/loss	(1,688,779)	(5,863,646)
Past Service Cost	-	2,056,252
Defined Benefit obligation at the end of the period / year	11,670,814	10,245,086

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

II. Reconciliation of fair value of assets and obligations

Particulars	30 September, 2010	31 March, 2010
Gratuity (Unfunded)		
Fair value of plan assets at the end of the period / year	-	-
Present value of obligation at the end of the period / year	11,670,814	10,245,086
Liability recognised in the Balance Sheet	11,670,814	10,245,086

III. Expense/(Income) recognised during the period / year

Particulars	30 September, 2010	31 March, 2010
Gratuity		
Current Service Cost	2,485,143	4,312,116
Interest Cost	629,364	1,021,616
Expected return on plan assets	-	-
Actuarial (gain) / loss	(1,688,779)	(5,863,646)
Past Service Cost	-	2,056,252
Expense/(Income) recognised during the period / year	1,425,728	1,526,338

IV. Experience Adjustments

Particulars	30 September, 2010	31 March, 2010
Defined Benefit Obligation	11,670,814	10,245,086
Plan Assets	-	-
Surplus / (Deficit)	(11,670,814)	(10,245,086)
Experience Adjustments On Plan Liabilities	(1,573,555)	(4,880,178)
Experience Adjustments On Plan Assets	-	-

The details of experience adjustments arising on account of plan Assets and Liabilities as required by para 120 (n)(ii) of AS - 15 (Revised) on "Employee Benefits", for previous financial years ending 31 March, 2009 and 31 March, 2008 is not applicable to the company.

V. Actuarial assumptions

Particulars	30 September, 2010		31 March, 2010	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.35%	8.35%	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	10% for the first two years and 7% thereafter	10% for the first two years and 7% thereafter

Reliance Broadcast Network Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

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.

- 17 Pursuant to the approval of the Shareholders in the Extraordinary General Meeting held on September 25, 2010, the Company on September 30, 2010, has allotted 1,29,50,000 equity shares of Rs. 5/- each fully paid up to various investors and 2,03,75,000 equity shares of Rs. 5/- each fully paid up to the Promoter Group, at a price of Rs. 85/- (including a premium of Rs. 80/-) per equity share. The allotment of balance shares as approved by the Shareholders will be considered after receipt of approval from FIPB. The details of funds raised through Preferential Allotment (PA) and utilisation of said funds are as follows:

Particulars	30 September, 2010
Funds received through PA	2,832,625,000
Utilisation of funds	
Repayment of debt and accrued interest	331,598,903
Total funds utilised up to 30 September, 2010	331,598,903
Fixed Deposits as on 30 September, 2010	1,100,750,000
Balance as on 30 September, 2010 in Bank	1,400,276,097

- 18 Disclosure under Part II of Schedule VI to the Companies Act, 1956, has been made to the extent applicable to the Company.
- 19 The figures of the previous year (twelve months) are strictly not comparable to those of the current period, which comprises six months and have been regrouped / rearranged as necessary to conform to current period's presentation.

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

For and on behalf of the Board

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

Company Secretary & Manager

Consolidated Financial Statements

AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

To,

**The Board of Directors of
Reliance Broadcast Network Limited**

(formerly known as Reliance Media World Limited)

1. We have audited the attached Consolidated Balance Sheet of Reliance Broadcast Network Limited (formerly known as Reliance Media World Limited) ('the Company' or 'the Parent Company') and its subsidiary, (collectively referred to as 'the Group') as at September 30, 2010 and also the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the period ended on that date, annexed thereto. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. These standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. 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 overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. The financial statements of the subsidiary company, which reflects total assets of Rs. 1,00,83,691/- as on September 30, 2010 and total revenue of Rs. Nil and net cash inflows of Rs. 4,68,174/- for the period ended on that date are audited by us.
4. The consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 'Consolidated Financial Statements' notified in the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and to the best of our information and according to the explanations given to us, that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at September 30, 2010;
 - b) in the case of the Consolidated Profit and Loss Account, of the loss of the Group for the period then ended; and
 - c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the period then ended.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

Reliance Broadcast Network Limited

CONSOLIDATED BALANCE SHEET AS AT 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	Schedule	As At 30 September, 2010
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	2	397,255,850
Reserves and Surplus	3	<u>4,096,852,035</u>
		4,494,107,885
Loan Funds		
Unsecured Loans	4	<u>3,041,258,794</u>
		<u>7,535,366,679</u>
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	5	3,540,601,294
Less : Accumulated Depreciation / Amortisation		<u>1,291,576,878</u>
Net Block		<u>2,249,024,416</u>
Capital Work in Progress (Including Capital Advances)		<u>84,013,250</u>
		<u>2,333,037,666</u>
Current Assets, Loans and Advances		
Inventories	6	36,401,070
Sundry Debtors	7	657,034,304
Cash and Bank Balances	8	2,605,647,048
Loans and Advances	9	<u>808,443,808</u>
		4,107,526,230
Current Liabilities and Provisions		
Current Liabilities	10	905,838,154
Provisions	11	<u>30,252,214</u>
		936,090,368
Net Current Assets		<u>3,171,435,862</u>
Profit and Loss Account Debit Balance	3A	<u>2,030,893,151</u>
		<u>7,535,366,679</u>
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

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 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

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	Schedule	For the Period Ended 30 September, 2010
INCOME		
Service Revenue and Other Operating Income	12	1,084,387,079
Other Income	13	<u>20,690,686</u>
		1,105,077,765
EXPENDITURE		
Direct Costs	14	489,547,803
Personnel Costs	15	261,573,359
Other Operating and General Administrative Expenses	16	329,996,887
Interest & Finance Charges	17	135,443,389
Amortisation	5	83,562,479
Depreciation	5	<u>99,066,059</u>
		1,399,189,976
Profit / (Loss) Before Tax		(294,112,211)
Less : Provision for taxation		
– Current Tax / Wealth Tax		190,745
Net Profit / (Loss) After Tax		(294,302,956)
Balance Carried to Balance Sheet		<u>(294,302,956)</u>
Earnings Per Share Basic / Diluted (Not Annualised)		(6.36)
(Refer Note 9 of Schedule 18)		
Significant accounting policies	1	
Notes to the Accounts	18	

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

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 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

CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	30 September, 2010
A Cash flows from operating activities	
Net profit / (loss) before taxes	(294,112,211)
Less: Interest Income	(5,935,067)
Add: Interest Expense	135,443,389
Add: Depreciation / Amortisation	182,628,538
Add: Provision for Doubtful Debts	39,727,271
Add: Provision for Doubtful Advances	1,782,819
Less: Profit / (Loss) on sale of fixed assets	828,333
Operating profit / (loss) before working capital changes	60,363,072
(Increase) / Decrease in Inventories	(32,977,887)
(Increase) / Decrease in Loans and Advances	(286,419,582)
(Increase) / Decrease in Debtors	8,493,822
Increase / (Decrease) in Current Liabilities and Provisions	(21,382,762)
Cash generated from operations	(271,923,337)
Taxes Paid	(6,157,225)
Net cash generated from / (used in) operating activities (A)	(278,080,562)
B Cash flows from investing activities	
Purchase of fixed assets	(30,669,250)
Sale Proceeds from Fixed Assets	104,571
Interest Income	8,623,999
Net cash generated from / (used in) investing activities (B)	(21,940,680)
C Cash flows from financing activities	
Proceeds from Issue of Shares (Net of share issue expenses)	2,823,303,282
Proceeds from Unsecured Loan	300,000,000
Repayment of Unsecured Loan	(320,000,000)
Interest Payment on Unsecured Loan	(18,613,150)
Net cash generated from / (used in) financing activities (C)	2,784,690,132
Net increase in cash and cash equivalents (A + B + C)	2,484,668,890
Cash and Cash equivalents at beginning of the period	120,978,158
Cash and Cash equivalents at end of the period	2,605,647,048

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 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.

These consolidated financial statements relate to Reliance Broadcast Network Ltd. ('the Company / Parent Company') and its subsidiary company. The Company along with its subsidiary constitute 'the Group'.

The financial statements of the subsidiary used in the consolidation are for the same reporting period as the Company i.e. period ended 30 September, 2010.

2 Principles of consolidation

The consolidated financial statements are prepared in accordance with AS 21 - Consolidated Financial Statements.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented, to the extent possible, in the same manner as a holding company's separate financial statements.

The financial statements of the holding company and its subsidiary company have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra group transactions and unrealised profits / losses.

3 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.

4 Fixed assets and depreciation / amortisation

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 Car	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.

5 Impairment

In accordance with AS 28 – 'Impairment of Assets', where there is an indication of impairment of the Company's assets, 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 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.

6 Investments

Investments are classified as long term or current based on intention of the management at the time of purchase. Current investments are valued, scrip wise, at cost or fair value, whichever is lower.

Long-term investments are carried at carrying cost less diminution in value which is other than temporary, determined separately for each individual investment.

7 Inventories

Inventories are stated at lower of cost and net realisable value.

Cost of Event / Content which does not create any rights are charged to the profit and loss account on exploitation.

Event / Content cost covers the cost of acquisition / execution of the award, function / concerts, cost of content sports events, video albums etc.

Amortisation Policy for Event / Content Cost:

In case rights are available in perpetuity

Costs of Annual Award/Concerts are amortised at 80% in the year of event execution and 20% in the subsequent year.

Costs of Other Content are amortised at 60% in the year of commercial exploitation and 40% over the subsequent two years equally.

8 Share Issue Expenses

Share issue expenses are adjusted against securities premium account.

9 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.

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

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.

10 Employee Stock Option Scheme ("ESOS")

The Employees Stock Option Scheme ("the Scheme") provides for grant of equity shares of the Company to Directors (including whole time) and employees of the Company and its subsidiaries. The Scheme provides that employees are granted an option to acquire equity shares of the Company that vests in a graded manner. The options may be exercised within a specified period. The Company follows the intrinsic value method to account for its stock – based employee compensation plans. Compensation cost is measured as the excess, if any, of the fair market price of the underlying stock over the exercise price on the grant date and is amortised over the vesting period of the option on a Straight Line Basis.

The fair market price is the latest closing price, immediately prior to the date of the Board of Directors meeting in which the options are granted, on the stock exchange on which the shares of the Company are listed. If the shares are listed on more than one stock exchange, then the stock exchange where there is highest trading volume on the said date is considered.

11 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.

Revenue from sale of telecast rights

Revenue from sale of telecast rights of event and content is recognized on the date when the rights are made available to the assignee for exploitation.

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 Experiential Marketing

Revenue from experiential marketing which includes event management and activations are 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.

12 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.

13 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.

Reliance Broadcast Network Limited

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

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.

14 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.

15 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.

16 Leases

The Company has various operating leases, principally for radio stations and office space, with various renewal options. Substantially all operating leases are cancelable 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.

17 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 CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	As at 30 September, 2010
Schedule 2 – Share Capital	
Authorised:	
15,00,00,000 Equity Shares of Rs.5/- each	750,000,000
10,00,00,000 Preference Shares of Rs.5/- each	500,000,000
	1,250,000,000
Issued, Subscribed and Paid Up:	
7,94,51,170 Equity Shares of Rs.5/- each	397,255,850
	397,255,850
Schedule 3 – Reserves and Surplus	
<i>a. Securities premium account:</i>	
At the commencement of the period	1,090,450,000
<u>Additions during the period</u>	
On Issue of Shares	2,666,000,000
Less: Share Issue Expenses	9,321,718
	3,747,128,282
<i>b. Capital Reserves:</i>	
At the commencement of the period	349,723,753
	4,096,852,035
Schedule 3A – Profit & Loss Account	
Loss at the commencement of the period	1,736,590,195
Add : Loss for the period	294,302,956
	2,030,893,151
Schedule 4 – Unsecured Loans	
Short Term Loans from Body Corporates	3,041,258,794
[Repayable On Demand]	
(Includes interest accrued Rs. 254,383,982)	
	3,041,258,794

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

Schedule 5 – Fixed Assets

(Currency: Indian Rupees)

Particulars	Gross Block			Depreciation/Amortisation			Net Block		
	As on 1 April 2010	Addition April to Sept 2010	Deletions April to Sept 2010	As on 30 Sept 2010	As on 1 April 2010	For the Period April to Sept 2010	Deletions April to Sept 2010	As on 30 Sept 2010	As on 30 Sept 2010
Tangible Assets									
Plant & Machinery	1,361,026,668	846,206	-	1,361,872,874	410,614,370	69,344,002	-	479,958,372	881,914,502
Office Equipments	37,930,146	1,596,957	-	39,527,103	9,501,407	1,906,197	-	11,407,604	28,119,499
Furniture & Fixtures	21,562,661	75,000	-	21,637,661	10,545,876	817,193	-	11,363,069	10,274,592
Data Processing Equipments	76,179,057	1,434,657	-	77,613,714	42,515,846	7,308,159	-	49,824,005	27,789,709
Leasehold Improvements	324,526,809	184,902	-	324,711,711	98,772,633	16,272,100	-	115,044,733	209,666,978
Vehicles	43,917,012	76,938	1,231,659	42,762,291	13,650,537	3,418,408	298,755	16,770,190	25,992,101
Intangible Assets									
Radio broadcasting license (Refer Note 4(b) of Schedule 1)	1,602,886,950	-	-	1,602,886,950	505,028,807	80,363,921	-	585,392,728	1,017,494,222
Computer Software	57,080,451	8,358,272	-	65,438,723	17,156,499	2,990,476	-	20,146,975	45,291,748
Copyrights	4,150,267	-	-	4,150,267	1,461,120	208,082	-	1,669,202	2,481,065
Total	3,529,260,021	12,572,932	1,231,659	3,540,601,294	1,109,247,094	182,628,538	298,755	1,291,576,878	2,249,024,416
Capital Work In Progress (Including Capital Advances)									84,013,250

Note:

1. Intangible assets are other than internally generated
2. Balance Life of Intangible Assets is 7-10 years
3. Capital Work In Progress comprises of the following :

Particulars	Amount
Capital Advances	56,202,721
Capital Stores/Inventory	27,810,529
Total	84,013,250

Reliance Broadcast Network Limited

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	As at 30 September, 2010
Schedule 6 - Inventories	
Events / Contents	36,355,969
Events / Content In Progress	45,101
	36,401,070
Schedule 7 - Sundry Debtors (Unsecured)	
Debts outstanding for a period exceeding six months	
- Considered Good	186,043,222
- Considered Doubtful	182,883,092
	368,926,314
Other debts	
- Considered Good	470,991,082
- Considered Doubtful	-
	470,991,082
	839,917,396
Less: Provision for doubtful debts	182,883,092
	657,034,304
Schedule 8 - Cash and Bank Balances	
Cash in Hand	591,862
Balances with Scheduled Banks	
- In Current Accounts	1,445,549,716
- In Fixed Deposits	1,159,505,470
(Deposits aggregating to Rs. 3,86,40,498/- are lying under lien with Banks)	
	2,605,647,048
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*	274,262,631
- Considered Doubtful	6,941,618
	281,204,249
Less: Provision for Doubtful Advances	6,941,618
	274,262,631
Advance towards Share Application Money	7,500,000
Income Accrued but not due	2,595,700
Prepaid Expenses	159,402,841
Deposits	
- Considered Good	291,167,147
- Considered Doubtful	79,000,000
	370,167,147
Less: Provision for Doubtful Deposits	79,000,000
	291,167,147
Taxes Paid (Net of Provision for Taxation)	73,515,489
	808,443,808

*Includes loan given to Manager of Rs. 2,50,000

Reliance Broadcast Network Limited

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	As at 30 September, 2010
Schedule 10 – Current Liabilities	
Sundry Creditors for Goods and Services*	715,164,884
Advance Payments by Customers	34,634,408
Other Current Liabilities	156,038,862
*(Refer Note 3 of Schedule 18)	
	<u>905,838,154</u>
Schedule 11 – Provisions	
Gratuity	11,670,814
Leave Encashment	18,581,400
	<u>30,252,214</u>
	For the Period Ended 30 September, 2010
Schedule 12 – Service Revenue and Other Operating Income	
Sale of Airtime	793,716,521
Experiential Marketing	182,149,104
Out of Home Media Income	89,363,131
Others	19,158,323
	<u>1,084,387,079</u>
Schedule 13 – Other Income	
Interest income from:	
–Bank deposits (TDS Rs. 5,14,541)	5,144,467
–Others	790,600
Income from facility sharing (net of service tax)	7,164,895
Excess Accruals Written Back	6,987,568
Miscellaneous income	603,156
	<u>20,690,686</u>
Schedule 14 – Direct Costs	
Royalty	90,832,599
Event Expenses	119,571,010
Agency Commission and Incentive	97,533,409
Transmission Expenses	30,473,869
Out of Home Media Expenses	78,918,356
Revenue Sharing License Fees	37,176,253
Other Production Expenses	35,042,307
	<u>489,547,803</u>
Schedule 15 – Personnel Cost	
Salaries, Wages and Allowances	240,634,222
Contribution to Provident Fund	11,198,118
Gratuity	1,425,728
Leave Encashment	2,273,323
Staff Welfare Expenses	4,890,489
Provident Fund Admin Expenses	1,151,479
	<u>261,573,359</u>

Reliance Broadcast Network Limited

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	For the Period Ended 30 September, 2010
Schedule 16 - Other Operating and General Administrative Expenses	
Advertisements	89,600,054
Bank Charges	1,089,745
Bad Debts	4,062,603
Business Promotion	1,471,254
Rent, Rates and Taxes	75,082,201
Travelling and Conveyance	17,706,942
Auditors' Remuneration	2,270,000
Electricity Charges	21,438,357
Insurance Charges	1,355,829
Legal and Professional Fees	16,637,635
Director's Sitting Fees	135,000
Loss on Sale/Disposal of Assets	828,333
Other Miscellaneous Expenses	2,332,293
Communication Expenses	7,833,449
Printing and Stationery	1,179,309
Provision for Doubtful Debts	39,727,271
Provision for Doubtful Deposits/Advances	1,782,819
Repairs and Maintenance	
- Repairs to Machinery	4,391,604
- Repairs to Others	23,783,992
Security Charges	3,885,439
Housekeeping Charges	2,812,911
Foreign Exchange Loss (Net)	747,749
Computer / Internet / Intranet	6,104,741
Preliminary Expenses	15,976
Conference Expense	3,721,381
	329,996,887
Schedule 17 - Interest & Finance Charges	
On Loans	134,309,793
On Others	1,133,596
	135,443,389

Reliance Broadcast Network Limited

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

Schedule 18 – Notes to the accounts

1 Contingent Liabilities

Particulars	30 September, 2010
Bank Guarantees	145,670,624
Claims against the Group not acknowledged as debt	94,779,627
	240,450,251

The Group is a party to various legal proceedings in the normal course of business and does not expect the outcome of these proceedings to have any adverse effect on its financial conditions, results of operations or cash flows .

2 Capital Commitment

Particulars	30 September, 2010
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	16,687,997

Reliance Broadcast Network Limited (RBNL) Group has entered into a joint venture agreement with CBS Studio Inc. RBNL Group has an equity investment commitment for the joint venture (BIG CBS Networks Pvt. Ltd.) amounting to Rs. 11,55,27,885.

3 Sundry Creditors

Disclosures relating to amounts payable as at the period end together with interest paid / payable to Micro, Small and Medium Enterprises have been made in the accounts, as required under the Micro, Small and Medium Enterprises Development Act, 2006 to the extent of information available with the Group determined on the basis of intimation received from suppliers regarding their status and the required disclosure are given below:

Particulars	30 September, 2010
a) Principal amount remaining unpaid as on 30 September, 2010	15,693
b) Interest due thereon as on 30 September, 2010	-
c) Interest paid by the Group in terms of Section 16 of Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the period	-
d) Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro, Small and Medium Enterprises Development Act, 2006	-
e) Interest accrued and remaining unpaid as at 30 September, 2010	-
f) Further interest remaining due and payable even in the succeeding period/ year until such date when the interest dues as above are actually paid to the small enterprise.	-

4 Employee Stock Option Scheme (ESOS)

During the period the Parent Company has introduced Employee Stock Option Plan, under which it has granted 20,18,000 options under Plan A to the eligible employees of the Group on the basis of their performance and other eligibility criteria. ESOS Plans are administered through an ESOS Trust. The vesting of the Options is on the expiry of one year and so on from the date of grant as per Plan. In respect of

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

Options granted the accounting value of Options (based on market price of the share on the date of the grant of option) is accounted as deferred employee compensation, which is amortised on a straight line basis over the vesting period. Each Option entitles the holder thereof to apply for and be allotted/ transferred one Equity Share of the Parent Company of Rs. 5 each upon payment of the exercise price during the exercise period. The Parent Company has established a Trust for the implementation and management of ESOS for the benefit of its present and future employees. Advance of Rs. 15,33,00,000 has been granted to the Trust. Rs.15,06,34,180 has been utilised by the trust for purchasing 18,46,094 Equity Shares during the period upto 30 September, 2010. The fair value of the options granted was estimated on the date of grant using the Black Scholes Model valued by a valuer with the following assumptions :

Particulars	Plan A			
	Vest 1 17-Jul-10	Vest 2 17-Jul-10	Vest 3 17-Jul-10	Vest 4 17-Jul-10
Date of Grant				
Prices of the Underlying Stock (Rs.)	68.5	68.5	68.5	68.5
Continuous Risk Free Interest Rate	6.65%	6.97%	7.20%	7.39%
Exercise / Strike Price	80	80	80	80
Volatility	55.00%	55.00%	55.00%	55.00%
Time to Expiration (Years)	3.5	4.5	5.5	6.5
Expected Dividend (%)	4.00%	4.00%	4.00%	4.00%
Fair Value of Stock Option (Rs.)	22.26	25.04	26.93	28.31
Proportion of Vest	25%	25%	25%	25%
Weightage Average Fair Value (Rs.)	26	26	26	26

The information covering stock options granted, exercised, forfeited and outstanding at the period end is as follows:

Particulars	No. of Options	Weighted Avg Exercise Price (Rs.)	Weighted Avg Remaining Contractual Life (in Years)
Outstanding at the beginning of the period	Nil	N.A.	N.A.
Granted	2,018,000	80	3.5 to 6.5
Exercised	Nil	N.A.	N.A.
Lapsed/Forfeited	Nil	N.A.	N.A.
Outstanding at the end of the period	2,018,000	80	3.5 to 6.5
Exercisable at the end of the period	2,018,000	80	3.5 to 6.5

The Parent Company has chosen to account for the plan by the Intrinsic Value Method. The total expense recognised for the period arising from stock option plan as per the Intrinsic Value Method is Rs. Nil. Had the Parent Company adopted the fair value method, the net results for the period would have been lower by Rs. 5,686,857 and accordingly EPS (Both Basic and Diluted) would have been lower by Rs. 0.12.

5 Lease disclosure under AS 19

The Group has taken various office premises, towers and other licenses on cancelable 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. 135,609,289.

Reliance Broadcast Network Limited

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

6 Deferred Tax

Deferred tax asset of Rs. 63,60,06,887 as at 30 September, 2010 comprises of the following:

Particulars	30 September, 2010
Deferred Tax Asset	
Carry forward loss	723,966,370
Disallowances which would be allowed on payment basis	90,785,669
Employee Benefits	9,347,934
(A)	824,099,973
Deferred Tax Liability	
On account of Depreciation	188,093,086
(B)	188,093,086
Net deferred tax asset / (liability)	(A-B) 636,006,887

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.

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

7 Disclosure of Segment Reporting under AS 17 (Currency: Indian Rupees)

Particulars	Radio Broadcasting	Outdoor	Experiential Marketing	Others	Total
Segment Revenue	793,716,521	89,620,531	182,149,104	19,158,323	1,084,644,480
Inter Segment Revenue	-	(257,400)	-	-	(257,400)
Total Income	793,716,521	89,363,131	182,149,104	19,158,323	1,084,387,080
Others / (Unallocated) Revenue	-	-	-	-	20,690,686
Total Revenue	793,716,521	89,363,131	182,149,104	19,158,323	1,105,077,766
Result					
Segment Result	(97,096,390)	(59,932,105)	(5,180,447)	4,613,334	(157,595,608)
Unallocated Corporate Expenses (Net of Unallocated Income)					1,073,214
Interest Expenses (Net of Income)					135,443,389
Income Taxes					190,745
Net Profit After Tax					(294,302,956)
Other Information					
Segment Assets	3,249,445,185	503,138,273	264,543,641	39,879,619	4,057,006,718
Segment Liabilities	611,154,240	196,409,247	218,053,689	27,751,365	1,053,368,542
Unallocated Corporate Liabilities					540,423,442
Capital Expenditure					12,572,932
Depreciation and Amortisation					182,628,538

The Group has disclosed the Business Segment as primary segment. The business of the Group is primarily divided into four segments – Radio Business, Outdoor Business, Experiential Marketing 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 Group have been allotted radio broadcasting licenses. Outdoor operations primarily consists of operating advertisement contracts on outdoor media properties awarded under tender and through private tenders / contracts. In the Current period the Group has reclassified its experiential marketing segment covering activations, events and contents which in the previous year was reported under Radio Broadcasting and Others. The Segment results for the period ended 30 September, 2010 have been reclassified and regrouped to reflect the change in segments. The businesses, which were not reportable segment during the period have been grouped under "Others" segment. This mainly comprises of Digital and Other Services.

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

Reliance Broadcast Network Limited

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

8 Disclosure of Related Party under AS 18

Parties where control exists

Related parties with whom transactions have taken place during the period

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)
<u>Relative of Key Managerial Personnel</u>		
Spouse of Gururaja Rao	Mrs. Akshata Rao	
Spouse of Ismail Dabhoya	Mrs. Irfana Dabhoya	

Transactions with Related Parties

Particulars	30 September, 2010
Key Managerial Personnel	
Remuneration to Tarun Katial	16,129,324
Remuneration to Gururaja Rao	2,099,543
Remuneration to Ismail Dabhoya	2,326,200
Loans & Advances to Key Managerial Personnel	
Loans & Advances given to Tarun Katial	500,000
Loans & Advances received back from Tarun Katial	500,000
Loans & Advances given to Gururaja Rao	500,000
Loans & Advances received back from Gururaja Rao	250,000
Receiving of Car Hire Services from Relative of Key Managerial Personnel	
Mrs. Akshata Rao	90,000
Mrs. Irfana Dabhoya	90,000

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

9 Earnings Per Share ('EPS')

Particulars	30 September, 2010
Net Profit / (loss) available for equity shareholders	(294,302,956)
Weighted average number of equity shares outstanding during the period	46,308,274
Basic / Diluted Earnings Per Share	(6.36)
Nominal value per share	5

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

Particulars	30 September, 2010		
	Currency	Foreign Currency Amount	Amount - Indian Rupees
Sundry Debtors	SGD	50,964	1,740,548

11 Employee Benefits

Defined Contribution Plan

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

Particulars	30 September, 2010
Employers contribution to Provident fund and other funds	11,198,118

Other long term employee benefits comprises encashment of leave. Total expense recognised during the current period is Rs 22,73,323.

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.

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

Particulars	30 September, 2010
Gratuity (Unfunded)	
Defined Benefit obligation at beginning of the period	10,245,086
Current Service Cost	2,485,143
Interest Cost	629,364
Actuarial (gain)/loss	(1,688,779)
Past Service Cost	-
Defined Benefit obligation at the end of the period	11,670,814

II. Reconciliation of fair value of assets and obligations

Particulars	30 September, 2010
Gratuity (Unfunded)	
Fair Value of plan assets at the end of the period	-
Present value of obligation at the end of the period	11,670,814
Liability recognised in the Balance Sheet	11,670,814

Reliance Broadcast Network Limited

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

III. Expense / (Income) recognised during the period

Particulars	30 September, 2010
Gratuity (Unfunded)	
Current Service Cost	2,485,143
Interest Cost	629,364
Expected return on plan assets	-
Actuarial (gain) / loss	(1,688,779)
Past Service Cost	-
Expense / (Income) recognised during the period	1,425,728

IV. Experience Adjustments

Particulars	30 September, 2010
Defined Benefit Obligation	11,670,814
Plan Assets	-
Surplus / (Deficit)	(11,670,814)
Experience Adjustments on Plan Liabilities	(1,573,555)
Experience Adjustments on Plan Assets	-

The details of experience adjustments arising on account of plan Assets and Liabilities as required by para 120 (n)(ii) of AS - 15 (Revised) on "Employee Benefits", for previous financial years ending 31 March 2010, 31 March 2009 and 31 March 2008 is not applicable to the Group.

V. Actuarial assumptions

Particulars	30 September, 2010	
	Gratuity (Unfunded)	Leave Encashment (Unfunded)
Mortality Table (LIC)	1994-96 (Ultimate)	1994-96 (Ultimate)
Discount rate (per annum)	8.35%	8.35%
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.

Reliance Broadcast Network Limited

SCHEDULES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

- 12** Pursuant to the approval of the Shareholders in the Extraordinary General Meeting held on September 25, 2010, the Parent Company on September 30, 2010, has allotted 1,29,50,000 equity shares of Rs. 5/- each fully paid up to various investors and 2,03,75,000 equity shares of Rs. 5/- each fully paid up to the Promoter Group, at a price of Rs. 85/- (including a premium of Rs. 80/-) per equity share. The allotment of balance shares as approved by the Shareholders will be considered after receipt of approval from FIPB. The details of funds raised through Preferential Allotment (PA) and utilisation of said funds are as follows:

Particulars	30 September, 2010
Funds received through PA	2,832,625,000
Utilisation of funds	
Repayment of debt and accrued interest	331,598,903
Total funds utilised up to 30 September, 2010	331,598,903
Fixed Deposits as on 30 September, 2010	1,100,750,000
Balance as on 30 September, 2010 in Bank	1,400,276,097

- 13** Disclosure under Part II of Schedule VI to the Companies Act, 1956, has been made to the extent applicable to the Group.
- 14** This being the first year of consolidation of the Group, figures of the previous year are not given.

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants
Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

For and on behalf of the Board

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

Company Secretary & Manager

Information of Subsidiary Company (Reliance Television Private Limited)

DIRECTORS' REPORT

Dear Shareowners,

Your Directors present the first Annual Report and the audited accounts for the financial year ended 30th September, 2010.

Financial Results

The standalone performance of the Company for the financial year ended 30th September, 2010 is summarized below:

(Amount In Rs.)

Particulars	30th September, 2010
Total Income	-
Total Expenditure	130,217
Profit / (Loss) Before Tax	(130,217)
Provision for Taxation	-
Net Profit/(Loss) After Tax	(130,217)
Balance of Profit/ (Loss) brought forward from previous year	-
Net Profit /(loss) carried to Balance Sheet	(130,217)

Business Operations

The Company was incorporated on 16th August, 2010. Since the Financial Year of the Holding Company viz. Reliance Broadcast Network Limited was restricted to a period of six months from 1st April, 2010 to 30th September, 2010, the Company closed its Annual Financial Books on 30th September, 2010.

During the period under review the Company entered into a Joint Venture agreement with CBS Studios Inc, USA to participate in a joint venture for the purpose of owning, and/or operating, promoting and marketing a portfolio of television channels through BIG CBS Networks Private Limited.

Dividend

Your Directors have not recommended any dividend for the financial year ended September 30, 2010.

Fixed Deposits

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

Directors

In terms of the provisions of the Companies Act, 1956, Shri Sonal Gupta, Director of the Company retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

Directors' Responsibility Statement

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

- i. in the preparation of the annual accounts for financial year ended 30th September, 2010, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30th September, 2010 and of the loss of the Company for the year under review;
- iii. 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
- iv. the Directors had prepared the annual accounts for financial year ended 30th September, 2010 on a "going concern" basis.

Auditors and Auditors' Report

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. However they have expressed their unwillingness to be re-appointed as Statutory Auditors of the Company on account of their pre-occupation.

The Company has proposed to appoint M/s. Pathak H.D. & Associates, Chartered Accountants as the Statutory Auditors and have received letters from M/s. Pathak H.D. & Associates who have expressed their willingness to be 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. Pathak H.D. & Associates, Chartered Accountants, 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.

The observations and comments given by Auditors in this 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.

Reliance Television Private Limited

DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

The disclosure of information on conservation of energy, technology absorption, etc. as required to be made in terms of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, being not applicable, is not given.

During the year under review, there were no foreign exchange earnings or foreign exchange outgo.

Personnel

The Company had no employees of the category indicated under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars of Employees) Rules, 1975, as amended from time to time.

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.

For and on behalf of the Board of Directors

Sonal Gupta	Ismail Dabhoya
Director	Director

Date : 14th February, 2011

Place : Mumbai

AUDITORS' REPORT

To,

**The Members of
Reliance Television Private Limited**

1. We have audited the attached Balance Sheet of Reliance Television Private Limited ("the Company") as at September 30, 2010, and the Profit and Loss Account and Cash Flow Statement (together referred to as "the financial statements") for the period ended on that date both annexed thereto. 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 required by the Companies (Auditor's Report) Order, 2003, issued by the Central Government in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. 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 so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representations received from directors, as on September 30, 2010 and taken on record by the Board of Directors, we report that none of the directors are disqualified as on September 30, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956; and
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes thereto, gives the information required by the Companies Act, 1956, in the manner so required, and present 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 30 September, 2010;
 - ii) in the case of the Profit and Loss Account of the loss for the period ended on that date; and
 - iii) in the case of the Cash Flow Statement, of the cash flows for the period ended on that date.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

Reliance Television Private Limited

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in our report of even date)

- i) According to the information and explanation given to us, the Company has not acquired any fixed assets and hence the provision of clause 4 (i) (a), (b) and (c) of this Order is not applicable to the Company.
- ii) According to the information and explanation given to us, no inventory is held by the Company and hence the provision of clause 4 (ii) (a), (b) and (c) of this Order is not applicable to the Company.
- iii) The Company has neither granted nor taken any loans, secured or unsecured, to or from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business with regards to purchase of fixed assets. There is no purchase of inventory and sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- 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.
- vii) As the Company's paid up capital and reserve or turnover does not exceed the limit prescribed under clause 4(vii) of this Order, the requirement of internal audit system is not applicable to the Company.
- viii) The Central Government has not prescribed the maintenance of cost records under Section 209(1)(d) of the Act for any of the products sold / services rendered by the Company.
- ix)
 - a) According to the information and explanation given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax/VAT, Wealth Tax, Service Tax, Cess and other material statutory dues have been generally regularly deposited during the period wherever applicable by the Company with the appropriate authorities. As at September 30, 2010 there are no undisputed statutory dues which are outstanding for a period exceeding six months from the date they become payable.
 - b) According to the information and explanations given to us, there are no dues of Sales Tax, Income Tax, Service Tax, Custom Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.
- 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) The Company has not borrowed money from any financial institution or bank or by issue of debentures and hence defaulting in repayment of its dues does not arise. Accordingly the provision of Paragraph 4(xi) of this Order does not apply.
- 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 and according to the information and explanation given to us, the Company is not a chit fund or a nidhi/mutual benefit fund/society.
- xiv) According to the information and explanation given to us, the Company is not dealing or trading in shares, securities, debentures or other investments.
- xv) In our opinion and according to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions during the period.

ANNEXURE TO THE AUDITORS' REPORT

- xvi) According to the information and explanation given to us, the Company has not accepted any term loan during the period.
- xvii) According to the information and explanations given to us, the Company has not raised any short term borrowing during the period. Accordingly the provision of Paragraph 4(xvii) of this order does not apply.
- xviii) The Company has not made preferential allotment of shares during the period to companies/firms/parties covered in the register maintained under Section 301 of the Act.
- xix) The Company has not issued any debentures during the period.
- xx) According to the information and explanations given to us, the Company has not raised any money by public issue during the period.
- xxi) According to the information and explanations given to us and on the basis of the examination of the records, no fraud on or by the Company was noticed or reported during the course of our audit.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

Reliance Television Private Limited

BALANCE SHEET AS AT 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	Schedule	As At 30 September 2010
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	2	199,000
Reserves and Surplus	3	9,801,000
		<u>10,000,000</u>
APPLICATION OF FUNDS		
Fixed Assets		
Capital Work in Progress (Including Capital Advances)		661,800
		<u>661,800</u>
Current Assets, Loans and Advances		
Cash and Bank Balances	4	468,174
Loans and Advances	5	8,953,717
		<u>9,421,891</u>
Current Liabilities and Provisions		
Current Liabilities	6	213,908
Net Current Assets		<u>9,207,983</u>
Profit and Loss Account Debit Balance	3A	130,217
		<u>10,000,000</u>
Significant accounting policies	1	
Notes to the accounts	8	

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

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

For and on behalf of the Board

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

Ismail Dabhoya

Director

Sonal Gupta

Director

Reliance Television Private Limited

PROFIT AND LOSS ACCOUNT FOR THE PERIOD 16 AUGUST, 2010 TO 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	Schedule	For the Period 16 August, 2010 to 30 September, 2010
INCOME		
		-
EXPENDITURE		
		-
Other Operating and General Administrative Expenses	7	<u>130,217</u>
		130,217
Profit/(Loss) Before Taxation		(130,217)
Less : Provision for taxation		-
Net Profit / (Loss) After Tax		<u>(130,217)</u>
Balance Carried to Balance Sheet		<u>(130,217)</u>
Earnings Per Share Basic / Diluted (Not Annualised)		<u>(6.54)</u>
(Refer note 5 of Schedule 8)		
Significant accounting policies	1	
Notes to the Accounts	8	

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

Chartered Accountants

Firm Registration No.: 101720W

For and on behalf of the Board

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

Ismail Dabhoya

Director

Sonal Gupta

Director

Reliance Television Private Limited

CASH FLOW STATEMENT FOR THE PERIOD 16 AUGUST, 2010 TO 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	For the Period 16 August, 2010 to 30 September, 2010
A Cash flows from operating activities	
Net profit / (loss) before taxes	(130,217)
(Increase) / Decrease in Loans and Advances	(8,953,717)
Increase / (Decrease) in Current Liabilities and Provisions	213,908
Cash generated from operations	(8,870,026)
Taxes Paid	-
Net cash generated from / (used in) operating activities (A)	(8,870,026)
B Cash flows from investing activities	
Purchase of fixed assets	(661,800)
Net cash generated from / (used in) investing activities (B)	(661,800)
C Cash flows from financing activities	
Proceeds from Issue of Shares	10,000,000
Net cash generated from / (used in) financing activities (C)	10,000,000
Net increase in cash and cash equivalents (A + B + C)	468,174
Cash and cash equivalents at beginning of the year	-
Cash and cash equivalents at end of the year	468,174

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

For and on behalf of the Board

Ismail Dabhoya

Director

Sonal Gupta

Director

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 16 AUGUST, 2010 TO 30 SEPTEMBER, 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 Revenue recognition

Revenue is recognised on an accrual basis.

4 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.

Reliance Television Private Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 16 AUGUST, 2010 TO 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

	As at 30 September, 2010
Schedule 2 – Share Capital	
Authorised:	
1,50,000 (Previous Year: Nil) Equity Shares of Rs.10/- each	1,500,000
	<u>1,500,000</u>
Issued, Subscribed and Paid Up:	
19,900 (Previous Year: Nil) Equity Shares of Rs.10/- each (All the above shares are held by Reliance Broadcast Network Ltd., the holding company and its nominee)	199,000
	<u>199,000</u>
Schedule 3 – Reserves and Surplus	
<i>Securities premium account:</i>	
On Issue of Shares	9,801,000
	<u>9,801,000</u>
Schedule 3A – Profit & Loss Account	
Loss for the Period	130,217
	<u>130,217</u>
Schedule 4 – Cash and Bank Balances	
Balances with Scheduled Banks	
In Current Accounts	468,174
	<u>468,174</u>
Schedule 5 – Loans and Advances	
(Unsecured Considered Good Unless Otherwise Stated)	
Advance towards Share Application Money	7,500,000
Prepaid Expenses	1,453,717
	<u>8,953,717</u>
Schedule 6 – Current Liabilities	
Sundry Creditors for Goods and Services	45,976
Other Current Liabilities	167,932
	<u>213,908</u>
	<u>213,908</u>
	For the Period 16 August, 2010 To 30 September, 2010
Schedule 7 – Other Operating and General Administrative Expenses	
Marketing & Research Expenses	93,241
Audit Remuneration	20,000
Preliminary Expenses	15,976
Other Miscellaneous Expenses	1,000
	<u>130,217</u>
	<u>130,217</u>

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 16 AUGUST, 2010 TO 30 SEPTEMBER, 2010

(Currency: Indian Rupees)

Schedule 8 - Notes to the Accounts

1 Background

Reliance Television Private Limited ('RTPL' or 'the Company') was incorporated on 16 August, 2010 as a private limited company. The Company is a wholly owned subsidiary of Reliance Broadcast Network Limited.

The company is engaged in the business of owning and/or operating Television Channels.

2 Capital Commitment

Particulars	30 September, 2010
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	661,800

The Company has entered into a joint venture agreement with CBS Studio Inc. The Company has an equity investment commitment for the joint venture (BIG CBS Networks Pvt. Ltd.) amounting to Rs. 11,55,27,885.

3 Remuneration to Auditors (Excluding Service Tax)

Particulars	30 September, 2010
Audit Fees	20,000

4 Related Party Disclosures

A. Related Party and their relationship

Holding Company - Reliance Broadcast Network Limited (w.e.f. 16 August, 2010)

B. Transaction with Related Party

Particulars	30 September, 2010
Holding Company - Reliance Broadcast Network Limited	
Loan Taken	10,000
Proceeds from Issue of Shares	10,000,000
Amounts Payable as on 30 September, 2010	10,000

5 Earning Per Share

Particulars	30 September, 2010
Net Profit/(Loss) as per Profit and Loss Account (Rs.)	(130,217)
Number of Share (Nos.)	19,900
EPS - Basic & Diluted (Rs.)	(6.54)
Face Value of Share (Rs.)	10.00

6 Segment Reporting

The Company operates in a single business segment of owning and/or operating Television Channels. It also operates in a single geographical segment viz. India since all its customers and assets are located in India.

7 Deferred Tax

As a matter of prudence, deferred tax asset has not been recognised in the books of account.

8 Disclosure under Part II of Schedule VI to the Companies Act, 1956, has been made to the extent applicable to the Company.

Reliance Television Private Limited

SCHEDULES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 16 AUGUST, 2010 TO 30 SEPTEMBER 2010

- 9 The Company was incorporated on 16 August, 2010. The Profit & Loss Account accordingly covers the year from 16 August, 2010 to 30 September, 2010. This being the 1st year of the Company, figures of the previous year are not given.
-

As per our report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

For and on behalf of the Board

Parag D. Mehta

Partner

Membership No.: 113904

Place : Mumbai

Date : October 30, 2010

Ismail Dabhoya

Director

Sonal Gupta

Director

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

Place : Mumbai
 Date : October 30, 2010

Ismail Dabhoya
 Director

Sonal Gupta
 Director

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 **6th Annual General Meeting** of Reliance Broadcast Network Limited held on Thursday, March 31, 2011, at 10:00 a.m. Auditorium, Reliance Energy Management Institute, 19 Aarey Colony, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 065.

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 **6th Annual General Meeting** of Reliance Broadcast Network Limited to be held on Thursday, March 31, 2011, at 10:00 a.m. Auditorium, Reliance Energy Management Institute, 19 Aarey Colony, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 065.

Signed this day of 2011.

Affix Re.1 revenue stamp

* 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, Survey No. 74 & 75
Madhapur Village, Hyderabad – 500 081