

ReLIANCE

Broadcast Network

Annual Report

(October 1, 2010–March 31, 2011)



Dhirubhai H. Ambani

(December 28, 1932 – July 6, 2002)

Reliance Group – Founder and Visionary

Reliance Broadcast Network Limited

(formerly Reliance Media World Limited)

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Company Secretary and Manager

Shri Gururaja Rao

Auditor

M/s. Chaturvedi & Shah

Registered Office

401, 4th Floor, Infiniti
Link Road, Oshiwara, Andheri West
Mumbai 400 053
Maharashtra, India

Registrar and Transfer Agent

Karvy Computershare Private Limited

Madhura Estate, Municipal No. 1-9/13/C
Plot No. 13 & 13 C, Survey No. 74 & 75
Madhapur Village, Hyderabad 500 081
Andhra Pradesh, India
Website: www.karvy.com

Investor Helpdesk

Toll free no (India) : 1800 4250 999
Telephone no. : +91 40 4030 8000
Fax no. : +91 40 2342 0859
Email : rbtnl@karvy.com
Post your request : <http://kcpl.karvy.com/adag>

Important Communication to Members

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their email addresses, so far, are requested to register their email addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with Karvy Computershare Private Limited.

7th Annual General Meeting on Thursday, September 29, 2011 at 10.00 a.m. at Auditorium, Reliance Energy Management Institute, 19 Aarey Colony, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 065.

*This Annual Report can be accessed at www.reliancebroadcast.com
This Report is printed on environmental friendly paper.*

Reliance Broadcast Network Limited

Notice

Notice is hereby given that the 7th Annual General Meeting of the Members of **Reliance Broadcast Network Limited** will be held on Thursday, September 29, 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 March 31, 2011, the Profit and Loss Account for the financial period ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Pradeep Shah, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Darius Kakalia, 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, (Firm Registration 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 in super session of the earlier resolutions passed by the Members of the Company in this regard and 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 either secured or unsecured, 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 ₹ 1000 crore.

- 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 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

Notice

- 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
Link Road, Oshiwara
Andheri West, Mumbai 400 053
May 28, 2011

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- 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.**
- Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote on their behalf at the Meeting.
- 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.
- 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.
- 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.
- Relevant documents referred to 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 Meeting. The certificate from the Auditors of the Company confirming compliance of the SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 for the Company's ESOS Plan will be available for inspection at the Meeting.
- The Company's Register of Members and the Share Transfer Books will remain closed from Wednesday, September 21, 2011 to Thursday, September 29, 2011 (both days inclusive) for the purpose of Annual General Meeting.
- Members holding shares in physical form are requested to advise any change of address immediately to the Company/ Registrars and Transfer Agents, Karvy Computershare Private Limited.
- Non-resident Indian members are requested to inform Karvy Computershare Private Limited immediately on:
 - the change in the residential status on return to India for permanent settlement.
 - 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.
- Re-appointment of Directors:
In terms of the Section 256 of the Companies Act, 1956, Shri Pradeep Shah and Shri Darius Kakalia, Directors, retire by rotation at the ensuing Meeting and being eligible, offer themselves for re-appointment. The Board of Directors of the Company recommend their respective re-appointments. Brief resume of all Directors including those proposed to be

Reliance Broadcast Network Limited

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- re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorship, membership and Chairmanship of Board committees, shareholding and relationships between directors *inter-se*, as stipulated pursuant Clause 49 of the listing agreement are furnished in the Report on Corporate Governance forming part of this Annual Report.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company / Registrars and Transfer Agents, Karvy Computershare Private Limited.
 12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website www.reliancebroadcast.com under the section 'Investor Desk'.
 13. Members are advised to refer to the section titled "Investor Information" provided in this Annual Report.
 14. Members are requested to fill in and send the Feedback Form provided in the 'Investor Desk' section on the Company's website www.reliancebroadcast.com to aid the Company in its constant endeavour to enhance the standards of service to investors.
 15. 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.
 16. Green initiative in Corporate Governance: Ministry of Corporate Affairs (MCA) has vide its circular dated April 29, 2011 stated that service of notice / documents including Annual Report to the members can be made by e-mail. To support this green initiative of the MCA, members who have not yet registered their email addresses are requested to do so (i) in respect of the electronic holdings through their concerned depository participants and (ii) in respect of the physical holdings to Karvy Computershare Private Limited.

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated May 28, 2011.

Item No. 5 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 and net worth by augmenting long term resources, from time to time. Further the Company intends to participate and bid for more FM Radio Station Licenses as and when the Tender is rolled by Ministry of Information and Broadcasting (MIB) in Phase III FM Licensing.

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 June 14, 2010 and then subsequently on March 31, 2011 respectively. However, in view of the then prevailing market conditions and certain other considerations, the Company could not complete the placements to Qualified Institutional Buyers pursuant to the said earlier resolutions passed in this regard. The validity of the resolution passed on March 31, 2011 will expire on March 30, 2012. 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 by way of a special resolution passed in super session of the earlier resolutions in this regard 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.

Pursuant to the above, 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 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 ₹ 1000 crore.

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

Reliance Broadcast Network Limited

Explanatory Statement Pursuant to Section 173(2) of the Companies Act, 1956 to the accompanying Notice dated May 28, 2011.

Companies Act, 1956.

Section 81 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.

Your Directors therefore recommend the said resolution for your approval.

None of the Directors and Manager of the Company is, in any way, concerned or interested in the said resolution except to the extent of their shareholding in the Company.

By Order of the Board of Directors

Gururaja Rao
Company Secretary & Manager

Registered Office:

401, 4th Floor, Infiniti
Link Road, Oshiwara
Andheri West, Mumbai 400 053
May 28, 2011

Reliance Broadcast Network Limited

Directors' Report

Dear Members,

Your Directors present the 7th Annual Report, together with the audited statement of accounts of the Company for the financial period ended March 31, 2011.

Financial Results

The standalone performance of the Company for the financial period ended March 31, 2011 is summarized below:

(Amount in ₹)

Particulars	Financial Period Ended March 31, 2011 (October 1, 2010 to March 31, 2011)	Financial Period Ended September 30, 2010 (April 1, 2010 to September 30, 2010)
Gross Income	1,408,296,310	1,105,077,765
Expenditure	1,302,714,039	1,080,987,833
Profit / (Loss) Before Depreciation, Interest & Tax	105,582,271	24,089,932
Interest & Finance Charges	36,529,793	135,443,389
Depreciation and Amortisation	184,020,024	182,628,538
Profit/(Loss) Before Tax	(114,967,546)	(293,981,995)
Tax	-	190,745
Profit/(Loss) After Tax	(114,967,546)	(294,172,740)
Balance brought forward from previous year	(2,030,762,935)	(1,736,590,195)
Total	(2,145,730,481)	(2,030,762,935)
Appropriations		
General Reserve	-	-
Proposed Dividend	-	-
Dividend Tax	-	-
Balance carried forward	(2,145,730,481)	(2,030,762,935)

Financial Performance

The financial results covered and forming part of this Report include 6 month period from October 1, 2010 to March 31, 2011.

The total income from operations of the Company for the period ended March 31, 2011 was ₹ 1,373,551,513/- and other income was ₹ 34,744,797/-. Income from operations has been derived from Sale of Airtime ₹ 940,220,657/-, Experiential Marketing ₹ 273,928,758/-, Out of Home Media Income ₹ 123,763,477/- and Other income from operations being ₹ 35,638,621/-.

The operating profit i.e. Profit before Depreciation Interest and Tax of the Company for the period ended March 31, 2011 was ₹ 105,582,271/-. The loss after interest, depreciation and amortization was ₹ 114,967,546/- primarily on account of depreciation and amortization of ₹ 184,020,024/- and interest & finance charges of ₹ 3,65,29,793/-.

Dividend

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

Management Discussion and Analysis

The Management Discussion and Analysis Report for the period 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 in the areas of FM Radio, Out of Home and Broadcasting businesses. While benefits from such contracts will accrue in the future years, their progress is periodically reviewed.

Review of Operations

The Company is a multi-media entertainment conglomerate with play across radio, television, intellectual properties and out of home. The Radio segment/division of the Company viz. 92.7 BIG FM is India's largest FM Radio Network with 45 Stations reaching over 3.57 Crore Indians each week.

Apart from Radio, the Company's divisions currently include BIG CBS, BIG Magic, BIG Live and BIG Street.

BIG CBS Networks Private Limited (BIG CBS), the Company's Joint Venture with CBS Studios International (through its Wholly Owned Subsidiary viz. Reliance Television Private Limited) has launched three English language General Entertainment Channels viz. BIG CBS PRIME, BIG CBS LOVE and BIG CBS SPARK. The channels were launched on November 29, 2010, March 21, 2011 and May 4, 2011 respectively.

The Company made its mark in the regional entertainment space with the launch of the channel "BIG Magic" on April 11, 2011. BIG Magic is positioned as India's only Channel exclusively for the core Hindi heartland of Uttar Pradesh, Madhya Pradesh and Bihar, featuring locally relevant entertainment around Humor, Music and Bollywood.

Directors' Report

The Company had also executed a joint venture agreement through its wholly owned subsidiaries with RTL Group S.A. (Company incorporated in Luxembourg) in connection with owning and/or operating a bouquet of several English language thematic channels in India through the joint venture Company.

The Company has created the following intellectual properties during the period under review:

BIG Ahomiya Music Awards, BIG Punjabi Music Awards, BIG Telugu Television Awards, BIG Marathi Television Awards, BIG Kannada Television Awards, BIG Bangla Television Awards, BIG Gujarati Entertainment Awards, BIG Oriya Entertainment Awards, BIG Tamil Entertainment Awards, BIG Star Entertainment Awards, BIG Star IMA Awards and BIG Star Television Awards.

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

Subsidiary Companies

During the period under review, Cinestar Advertising Private Limited and Big Showbiz Broadcast Limited (formerly known as Imagine Showbiz Limited) became subsidiaries of the Company.

As per general approval granted by the Ministry of Corporate Affairs vide Circular No.02/2011 dated February 8, 2011, copies of the Balance Sheet, Profit and Loss Account, Report of the Board of Directors and Auditors of the subsidiary companies are not being attached to the Balance Sheet of the Company. The financial information of the subsidiary companies as required by the above circular is disclosed under 'Financial Information of Subsidiary Companies', which forms part of the Annual Report.

The Company will make available hard copies of Annual Accounts of the subsidiary companies and related detailed information to the shareholders of the Company seeking the same.

The annual accounts of the subsidiary companies will also be kept for inspection by any shareholders at the Registered Office of the Company and that of respective subsidiary companies.

Further, pursuant to Accounting Standard (AS) -21 prescribed under the Companies (Accounting Standards) Rules, 2006 and Listing Agreement as prescribed by the Securities and Exchange Board of India, Consolidated Financial Statements presented by the Company include financial information of subsidiary companies, which forms part of the Annual Report.

Consolidated Financial Statements

The Audited Consolidated Financial Statements, based on the Financial Statements received from subsidiaries and joint venture, as approved by their respective 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 period under review.

Directors

In terms of the provisions of the Companies Act, 1956, Shri Pradeep Shah and Shri Darius Kakalia, 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:

- in the preparation of the annual accounts for the financial period ended March 31, 2011, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 March 31, 2011 and of the loss of the Company for the period ended on that date;
- 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
- the Directors had prepared the accounts for the financial period ended March 31, 2011 on a "going concern" basis.

Group

Pursuant to an intimation received 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

During the period under review, the Company has not granted any options to the employees of the Company. 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 under ESOS Plan A in accordance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The ESOS, Remuneration & Compensation Committee constituted in accordance with the SEBI Guidelines, administers and monitors the scheme.

The applicable disclosures as stipulated under SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, as at March 31, 2011 are given below:

Reliance Broadcast Network Limited

Directors' Report

Particulars	ESOS Plan A
a. Total number of options granted	2018000 options
b. Number of options surrendered	Nil
c. Pricing formula decided by ESOS 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 period	69000 options
h. Variation of terms of Options	None
i. Money realized by exercise of options during the period	Nil
j. Total number of options in force at the end of the period	1949000 options
k. Employee wise details of options granted to –	
i. Senior Managerial Personnel i.e. (Managing Director/Whole-time director / Manager)	Shri Gururaja Rao, Company Secretary & Manager- 25000 Options
ii. Employee who receives grant in any one year of option amounting to 5 percent or more of the options granted during the year.	Shri Tarun Katial, Chief Executive Officer – 460000 Options Shri Soumen Ghosh Choudhury, Business Head – FM Radio – 150000 Options Shri Anand Chakravarthy, Senior Vice-President – Promotions – 120000 Options Shri John Lancelot Cutinha, Senior Vice-President – Human Resources – 120000 Options Shri Ismail Abdulkadar Dabhoya, Chief Financial Officer – 120000 Options Shri Rabe Iyer, Head – Big Street & Allied Businesses – 150000 Options
iii. Identified employees who were granted options during any one year equal to or exceeding 1 percent 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.	NA There would not be any fresh issue of equity shares of the Company upon exercise of options by employees.
m. The difference between employee compensation cost using intrinsic value method and fair value of the options and impact of this difference on:-	
1. Profits	Net Profit would be lower by ₹ 12958430
2. EPS of the Company	EPS would be lower by ₹ 0.16
n. Weighted – average exercise prices of options granted during the period where exercise price is less than, equals or exceeds market price.	Nil
o. Weighted – average fair value of options granted during the period where exercise price is less than, equals or exceeds market price.	Nil
p. Significant assumptions made in computation of the fair value.	
i. Risk-free interest rate	6.65 % to 7.39 %
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	₹ 68.50

The Company has received a certificate from the Auditors of the Company M/s. Chaturvedi & Shah, Chartered Accountants, that the Scheme and the ESOS Plan A have been implemented in accordance with the SEBI Guidelines and as per the resolution passed through postal ballot on June 14, 2010.

Directors' Report

Auditors and Auditors' Report

M/s. Chaturvedi & Shah, Chartered Accountants, as Statutory Auditor of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received letter 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.

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.

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

The particulars as required to be disclosed pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988, are given in the Annexure – A forming part of this Report.

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 and the Companies (Particular of Employees) Amendment Rules, 2011, the names and other particulars of employees are set out in the Annexure to the Directors' Report. However, 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 and others entitled thereto. 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 "Corporate Governance Policies and Code of Conduct" followed by the Reliance Group which has set out the systems, process and policies conforming to International Standards. The Corporate Governance framework in the Company is based on an effective independent Board, the separation of the Board's supervisory role from the executive management and the constitution of the Board Committees generally comprising a majority of the independent directors and chaired by an Independent Director to oversee critical areas.

In terms of the Clause 49 of the Listing Agreement, a confirmation from the Company Secretary & Manager of the Company regarding compliance with the code by all the Directors and senior management is annexed to this Report.

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 Practicing Company Secretary confirming 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 period 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 period.

For and on behalf of the Board of Directors

Rajesh Sawhney
Director

Anil Sekhri
Director

Mumbai
May 28, 2011

Annexure – A

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

Your Company being a multi-media entertainment Company, does not involve in any manufacturing activity and hence the provisions of the Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, is not applicable.

However, the information as applicable is given hereunder:

- a. **Conservation of Energy:** Company is making all efforts to conserve energy. The Company monitors energy costs and periodically reviews the consumption of energy. It also takes appropriate steps to reduce the consumption through efficiency in usage and timely maintenance / installation / upgradation of energy saving devices.

- b. **Technology Absorption, Adoption and innovation:** The Company continuously makes efforts towards research and developmental activities and has been constantly active in harnessing and tapping the latest and best technology in the industry.

- c. **Foreign Exchange Earnings and Outgo:**

Total foreign exchange earnings and outgo for the financial period is as follows:

- a. Total Foreign Exchange earnings : Nil
- b. Total Foreign Exchange outgo : ₹ 6,128,767

Reliance Broadcast Network Limited

Management Discussion and Analysis

Forward looking statements:

Statements in this Management Discussion and Analysis of Financial Condition and Results of Operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events.

The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include license fee payable to the government, and such other charges and levies by the regulatory authority, changes in government regulations, tax laws, economic developments within the country and such other factors globally.

The financial statements are prepared under historical cost convention, on accrual basis of accounting, and in accordance with the provisions of the Companies Act, 1956 (the Act) and comply with the Accounting Standards notified under Section 211(3C) of the Act read with the Companies (Accounting Standards) Rules, 2006. The management of Reliance Broadcast Network Limited ("Reliance Broadcast" or "RBNL" or "the Company") has used estimates and judgments relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs and loss for the period.

The following discussions on our financial condition and result of operations should be read together with our audited consolidated 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 and its subsidiaries.

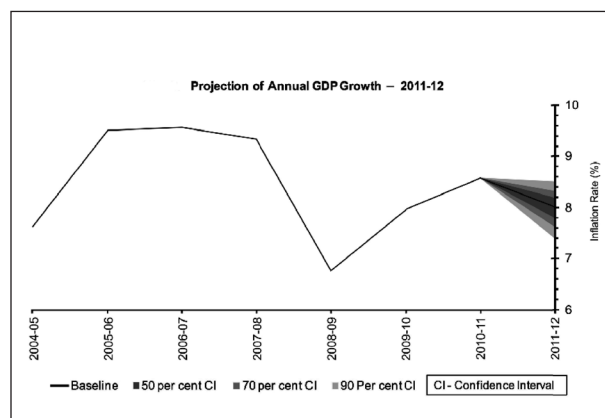
Industry Structure and Developments

Economic Overview:

The financial crisis in developed economies has had an adverse impact on the financial markets, worsening consumer and business sentiment across the world. Further, the European debt crisis which still remains unresolved coupled with the unprecedented downgrading of U.S. debt has shaken investor confidence. Also, increase in international crude oil prices on the back of geo-political concerns pose risks to current account balance during 2011-12. Despite these challenges, the Indian economy continued to be one of the fastest growing economies, with a 8.5 percent GDP growth for 2010-11. The Index of Industrial Production (IIP), which grew by 10.4 percent during the first half of 2010-11, moderated subsequently, bringing down the overall growth for April-February 2010-11 to 7.8 percent, contributed mainly by a decline in the capital goods sector. This combined with inflation and rising interest rates, which were the primary macroeconomic concern throughout the year, moderated growth. Nonetheless, other indicators such as the manufacturing PMI, tax

collections, corporate sales and earnings growth, credit off-take by industry (other than infrastructure) and export performance, suggested that economic activity was strong.

Going forward, India is poised to grow at a healthy pace owing to the large investment plans by the Government of India across various sectors besides rising per capita income and increasing rural and urban spending. Higher growth in software exports and robust transfer receipts may provide some cushion. Financing of the current account, however, may not be a problem as capital flows are likely to improve considering India's long run growth prospects and policies supporting FDI, as also larger FII investments in debt markets.



(Reference: Reserve Bank of India Monetary Policy Statement 2011-12 by Dr. D. Subbarao, RBI Governor on May 3, 2011)

(Including Developmental and Regulatory Policies)

(Source: <http://www.rbi.org.in/scripts/NotificationUser.aspx?Id=6376&Mode=0>)

Indian Media & Entertainment Industry overview:

The Media and Entertainment (M&E) Industry is one of the fastest growing sectors in India. The sector consists of creation, aggregation and distribution of content, products and services, news and information, advertising and entertainment through various channels and platforms.

The Financial Year 10-11 was a dynamic year for the M&E industry with growth across most segments within this sector on the back of a positive industry sentiment and growing media consumption. As the industry braces for exciting times ahead, the sector is projected to grow at a CAGR of 14 percent to reach ₹ 1,275 billion by 2015.

In order to provide an enhanced customer experience and to monetize content, the industry is undertaking several initiatives like regional content and distribution platforms (digital, non-digital and mobile). New technologies such as 3G, broadband and mobile infrastructure are also helping in propelling the growth rate.

The Indian M&E industry continues to be dominated by television and print media. By 2015, television is expected to account for almost half of the Indian M&E industry revenues, and more than twice the size of print, the second largest media sector. New sectors such as gaming, digital advertising, and animation VFX are bearing prominence and are expected to showcase their tremendous potential in the coming years.

Management Discussion and Analysis

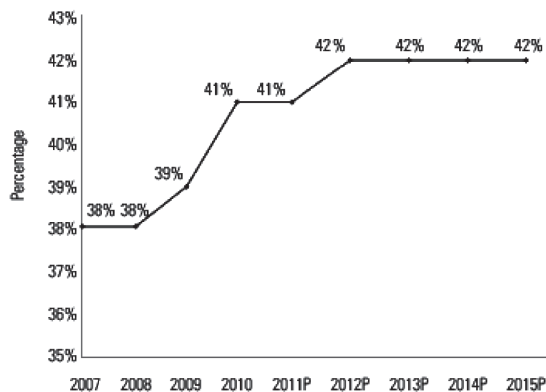
Industry Size and Projections

Overall Industry size (INR Bn)*	2007	2008	2009	2010	CAGR (2007-10)	2011P	2012P	2013P	2014P	2015P	CAGR (2010-15)
Television	211	241	257	297	12%	341	389	455	533	600	16%
Print	160	172	175	193	6%	211	231	254	280	310	10%
Film	93	104	89	83	-3%	91	98	109	120	132	10%
Radio	7	8	8	10	11%	12	15	18	21	25	20%
Music	7	7	8	9	5%	9	11	13	16	19	17%
Out of Home	14	16	14	17	6%	19	22	24	27	30	12%
Animation and VFX	14	17	20	24	18%	28	33	40	47	56	19%
Gaming	4	7	8	10	32%	13	17	23	31	38	31%
Digital Advertising	4	6	8	10	39%	13	18	22	28	36	28%
Total	516	579	587	652	8%	738	834	957	1104	1275	14%

Source: KPMG Analysis and industry interviews
* Taken for calendar years
Note: Numbers have been rounded to the nearest integer

(Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2011)

Contribution of advertising revenues to overall industry size



Source: KPMG Analysis and industry interviews
Note: Percentages have been rounded to the nearest integer

(Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2011)

Advertising Spends and Projections

The advertising spends across all media accounted for 41 percent of the overall M&E industry revenues at ₹ 266 billion in 2010. Advertising revenues surged 17 percent in 2010 against a marginal decline of 0.4 percent observed in 2009. Radio and Television, are the key business divisions of RBNL, have been one of the best performers during the period. Advertising spends are expected to grow at a CAGR of 15 percent to reach ₹ 541 billion in 2015.

(Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2011)

Going forward, the advertising inventory is expected to significantly increase thereby driving advertising growth given the launch of new channels and media formats in the coming years. Also, there exists a significant potential to tap existing advertisers by offering packages across different media platforms. Moreover, formats such as OOH & Radio offer low cost solutions to first time and local advertisers during challenging times this enabling a sustained growth for the M&E industry.

About Reliance Broadcast Network Limited:

Reliance Broadcast Network Limited (RBNL) (BSE: 533143; NSE: RBN), is a multi-media entertainment conglomerate with play across radio, television, intellectual properties and out of home. It is part of the Reliance Group and specializes in creating and executing integrated media solutions for brands.

92.7 BIG FM – India's largest FM Network with 45 stations, reaching over 3.57 crore Indians each week

BIG CBS – A joint venture with CBS Studios International, USA's No.1 TV broadcaster which has launched 3 Channels, BIG CBS Prime, BIG CBS Love and BIG CBS Spark

BIG MAGIC – Is India's first channel exclusively for Hindustan, the core Hindi heartland of Uttar Pradesh, Madhya Pradesh and Bihar, from the Reliance Broadcast Network stable, featuring locally relevant entertainment around Humour, Bollywood, Movies and Music

BIG LIVE – This division develops, executes and markets Intellectual Properties, integrated across RBNL's media platforms

BIG STREET – In the business of acquiring and marketing of out-of-home assets, it owns marketing rights for premium properties across the country

Each of these business verticals come together to offer a truly integrated solution to clients, having built significant multi-media capabilities.

Reliance Broadcast Network Limited is one window to the world of Reliance Group's 200 million+ consumers through its integrated media sales team – BIG Connect, which serves 1000+ clients each month through its 52 offices across the country. RBNL's sales team maximizes the opportunity available across the Reliance Group's advertising assets to create value for advertisers and brand owners.

The reach and spread of the Reliance Group is known to all. With business interests that permeate almost every single aspect of consumer's lives, the Group offers multiple business and consumer touch points across communications, infrastructure, power and entertainment. The presence of Reliance Group media assets is across various sectors like;

- Infrastructure: Delhi Airport Metro Express, Mumbai Metro One, Worli Sea Link
- Telecommunication: Reliance Mobile
- Retail: BIG Cinema, Reliance World Outlets, Zapak Gameplexes, BIG Flix etc,
- OOH: BIG STREET
- Broadcasting: 92.7 BIG FM, BIG CBS & BIG MAGIC
- Television Production: BIG Productions
- Online: Zapak.com & BIG ADDA, is an enviable portfolio of media that touch the life of millions of Indians across the country, everyday.

Key Performance Indicators of financial period ended March 31, 2011 over same period previous year:

- A 15.9 percent market share makes BIG FM one of the largest media / radio players in the country.
- Retail revenues have seen a healthy growth of 14 percent.
- Inventory utilizations in Tier II and Tier III cities experienced over 30 percent growth while utilization in Tier I grew by 17 percent.
- A 59 percent increase in listenership as per RAM's new Baseline study for Metro cities.
- Audience ranking showed growth of 18.22 lacs in listeners for BIG FM national [IRS].
- Growth in BIG Street's revenues by 38 percent compared with previous accounting period.

Reliance Broadcast Network Limited

Management Discussion and Analysis

Discussion on financial performance with respect to operational performance

RBNL reported a total income of ₹ 140.83 crore for the financial period ended March 31, 2011, with radio EBIDTA at ₹ 20 crore, crediting its performance to higher inventory utilization and continued focus on cost reduction. The Company reported a loss of ₹ 11.50 crore at the net level, attributed mainly to debt servicing cost, depreciation and amortization.

Business Analysis:

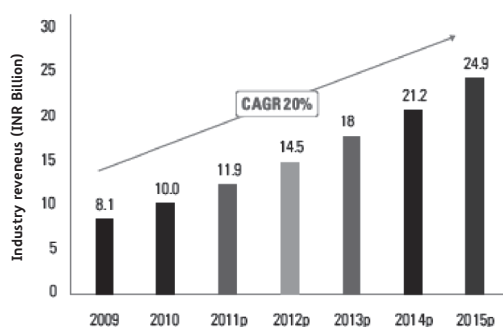
1. FM Radio Broadcasting:

Radio is not only the cheapest but also the most convenient form of entertainment owing to its high mobility factor. The ability to reach a relevant consumer base makes radio a highly preferred medium. Radio reaches out to the richest and poorest strata of the country.

The radio advertising industry is projected to grow at a CAGR of 20 percent over 2009-15, reaching ₹ 24.9 billion in 2015 from the present ₹ 10 billion in 2010, as per FICCI- KPMG 2011 report.

The Forecast of Sector Growth (Radio) is as below:

Forecast Sector Growth



Source: KPMG Analysis Based on past industry growth and estimated growth from existing cities and new cities to be added in Phase 3

(Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2011)

92.7 BIG FM

92.7 BIG FM, India's No. 1 FM Station, since the launch of its first Station in September 2006, has expanded at a phenomenal pace, creating history, by launching its 45 station network in record breaking time of 18 months. With a presence spanning across 45 cities, 1000 towns and 50,000 villages, a weekly reach of 3.57 crore Indians across the country, the brand is now looking towards expanding to more markets and geographies. The brand has taken FM as a medium of entertainment beyond the metros, to virgin markets, offering consumers and advertisers a new experience of this medium of entertainment. Within a short span of time, with distinctive content and innovative promotion, 92.7 BIG FM has established leadership in the FM space and firmly laid the foundation for an exciting future ahead.

The Brand – It's positioning: *Suno Sunao, Life Banao!* BIG FM's endeavour is to use the power of radio to not only

entertain listeners but also positively impact their lives. 92.7 BIG FM enjoys leadership in cities where the Company has brought in the new wave of private FM and ranks a strong No. 2, nationally

The Top 15 Exclusive Advertisers on BIG FM from October 2010 to March 2011 are as follows (as per FCT burnt in 6 Metros)

1. Birla Sunlife Insurance Co. Ltd.
 2. Rotomac Global Pvt. Ltd.
 3. Torque Pharma
 4. Kesoram Industries Ltd.
 5. Shivek Labs
 6. Avon Cycles Ltd.
 7. Kunnath Pharmaceutical
 8. Bhawani Textiles
 9. Oriental Insurance Co. Ltd.
 10. Hayagrivas Silk House
 11. Amara Raja Batteries Ltd.
 12. House Of Birla
 13. Margadarsi Chit Fund Ltd.
 14. Gandour India Food Processing
 15. Hotel Miramar
- Top 5 exclusive advertisers have contributed to over 80,475 sec per month across Metros from October 2010 to March 2011, contributing to about 4 percent per month of inventory fill.
 - Out of the total 991 advertisers on BIG (metros), 262 were exclusive advertisers i.e. 26 percent and they contributed to about 16 percent of inventory burn on BIG FM.

BIG Digital, is Reliance Broadcast Network's initiative in the digital space, creating a surround of innovative digital media integrations on the mobile and online platforms. BIG Digital works with fresh talent across various regions, in the music and entertainment space, to create intellectual properties for brands via digital endorsements. It thereby creates platform agnostic ideas bringing brands and content, closer to the consumer.

BIG Digital services the vast mobile and online consumer with innovative and exclusive, highly engaging content. It offers Big Mobile Radio, an innovative IVR based mobile radio product across 9 languages (Hindi, Marathi, Gujarati, Punjabi, Kannada, Tamil, Telugu, Malayalam, Bengali). BIG Digital has also launched BIG Net Radio, an internet based radio station streaming BIG FM shows and syndicated content. Both these products have immense growth potential with increasing internet, smart phone & mobile penetration.

Awards and recognitions:

- Excellence in Radio Awards 2011 – 3 awards: Best Breakfast Programme/Show (Telugu), RJ of the Year (Telugu) & Best Radio Promo – In-house (Hindi)
- Shortlisted for Creative Abby at Goa Fest 2011

The revenues for Radio Broadcasting – for the financial period ended March 31, 2011 stood at ₹ 94.02 Crore.

Management Discussion and Analysis

2. Intellectual Properties

BIG LIVE conceptualizes and markets high end televised intellectual properties, across almost every relevant entertainment platform. It also leverages the Company's national presence to create regional intellectual properties and monetize the same with clients across the country. BIG Live also maximizes synergies & revenue through 100 percent managed properties – events, TV production, studios & strong in-house marketing team. It also evaluates international opportunities for partners / formats of entertainment which are yet to see presence in India.

3. Out of Home

2010 was an inflexion point for the Indian Out of Home (OOH) industry in its collective effort to board a higher growth trajectory. The economic buoyancy set the stage for the industry to scale new peaks and new and innovative mediums. Marketers spent approximately ₹ 16.5 billion in 2010 on Out of Home Advertising which amounts to 6.2 percent of total advertisement spends. Growth picked up largely during the second half of 2010 and the industry registered a growth of 20.7 percent over 2009. The growth in OOH has outperformed the overall growth in the advertising industry (16.7 percent). Static billboards continue to enjoy the lions share in the total mix and garner 55 percent of total OOH spends, but other mediums such as 'in mall' advertising, digital and transit media have registered the maximum growth.

(Source: FICCI-KPMG Indian Media and Entertainment Industry Report 2011)

BIG STREET, in the business of acquiring and marketing of out-of-home assets, has, within a short span of time has acquired media rights for key projects spreading its inventory hold across the country. With a clear business strategy to own marketing rights for premium inventory without minimum guarantee and long term tenders for key properties, the Company has spread its projects strategically across key markets. It owns substantial portion of the inventory in the media dark market of Delhi and key inventory across the markets of Mumbai, Bangalore, Hyderabad, Chandigarh and others. Leveraging group synergies, BIG Street will also market media assets of the Reliance Group's Infrastructure offerings ranging Mumbai Metro One and Worli Sea Link.

BIG Street's key strength is the Company's focus on delivering insight, innovation and impact to advertisers. A BIG Street's outdoor campaign is recommended post a detailed understanding of the advertiser's communication objective with reference to the consumer category, and environment.

The way forward in the out-of-home business is technology, and BIG Street brings the latest and the best technology like large format LED screens, digital signage's, blue casting, digital pods, huge projections, ground effects and much more as the company creates new benchmarks in building out of home solutions and focuses on owning its science.

The revenues for Out of Home business for financial period ended March 31, 2011 stood at ₹ 12.38 Crore

4. Broadcasting Business

BIG CBS

BIG CBS Networks Private Limited – An equal joint venture

between Reliance Broadcast Network Limited (through its wholly owned subsidiary) and CBS Studios International, BIG CBS Networks is changing the way English entertainment is served to Indian audiences. The JV has seen the successful launch of 3 English Entertainment Channels in less than 5 months, once again showcasing speed to market from the Company.

The themed channels are targeted at India's fast-growing, upwardly mobile population and are branded BIG CBS Prime – a premium English general entertainment channel, BIG CBS Spark – first international youth entertainment channel and BIG CBS Love – international entertainment channel for the urban contemporary couple. The channels offer audiences immediate access to authentic and current CBS programs, including some of the most popular television programs in the world. The Channels are available across a network of digital and analog distribution platforms.

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 to make a significant impact in India's burgeoning entertainment industry.

Distribution

BIG CBS Channels with their strong and appealing content is already entertaining an extensive array of audience through digital cable and DTH platforms like Hathway, In Cable, Digi Cable, DEN, 7 Star, WWIL, ICC, Sun Direct, Reliance Digital, Videocon DTH and soon to go live on Airtel Digital TV. It is also available across many MSOs in smaller centres on their Digital networks, covering overall over 400 cable networks.

BIG MAGIC

This Channel marked the entry of RBNL into the regional entertainment space. It is positioned as India's first and only channel exclusively for Hindustan, the core Hindi heartland of Uttar Pradesh, Madhya Pradesh and Bihar, from the Reliance Broadcast Network stable, featuring locally relevant entertainment around Humour, Bollywood, Movies and Music. The Channel derives huge synergies with RBNL's already well established radio brand – 92.7 BIG FM, the leading radio network in this region, operating 11 Stations in the heartland and catering a weekly audience of approximately 22 lakh (in the region alone), an ideal platform that has given BIG MAGIC speed to market. The Channel already ranks No. 1 in the region backed with excellent programming and aggressive marketing as it fills a clear void in local entertainment requirements of audiences in the heartland.

BIG RTL

Apart from the above business segments of the Company, RBNL (through its subsidiaries) and RTL Group ("RTL"), the leading European Entertainment Network, have entered a 50:50 joint venture agreement, to launch thematic television channels in India. The initial scope of the investment will include two TV channels; a reality channel with international content, mainly from RTL Group's production arm FremantleMedia, and a channel primarily targeting male viewers with action-oriented content.

Reliance Broadcast Network Limited

Management Discussion and Analysis

This joint venture marks RTL Group's entry into the burgeoning Asian television market and Reliance Broadcast Network's second international joint venture, following suit to its joint venture with CBS Studios International. The joint venture channels focusing on the reality and action genres, will address a clear void in entertainment space that currently exists in India.

Opportunities & Challenges

Opportunities

1) Emergence of Phase III

Ministry of Information and Broadcasting (MIB) is looking to roll-out the Phase-III licenses for radio industry sometime during the fiscal 2011-2012, targeting towards smaller towns. Phase-III may witness an addition of 200+ towns for private FM. It is estimated that 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.

The main highlights of Phase III are:

1. Expansion of FM radio with 839 new FM radio channels covering 294 cities
2. Extension of License period from 10 years to 15 years
3. Multiple Frequencies - Will increase high value inventory in key metros.
4. Limited News allowed
5. Current Affairs and Sports allowed.
6. News - limited to AIR and DD capsules only
7. FDI to be increased from 20 percent to 26 percent

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.

2) Resolution of Music Royalty issues

The Copyright Board had on August 25, 2010 passed a landmark order in a proceedings filed by some of the FM Radio Stations against Phonographic Performance Limited stating that the FM Radio Broadcasters would be liable to pay 2 percent of the Net Revenue earnings towards the Music Royalty. 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.

3) Emergence of new OOH media formats

As it has with other media vehicles, the advent of new digital technologies has impacted the OOH advertising industry. There have been two major developments in the deployment of digital technology in Out of Home advertising. The first is the advent of digital billboard, medium and large-format LED screens that are both supplementing and replacing traditional static billboards. The second is the introduction of smaller screen digital video networks that are making their way into retail outlets, office buildings, malls, café and taxis. Though some of these screens were first noticed in 2008,

the thrust on these is now being felt as Digital OOH provides marketers with the opportunity and ability to more finely target select audiences, as well as update messaging on a more frequent basis with less of the traditional production costs associated with static billboards. RBNL is already geared for this opportunity and offers innovative solutions focusing on interactive Digital Pods & LEDs to its customers.

Risks & Concerns

- We are responsible for the broadcast content on our FM radio channels and broadcast of any content inconsistent with the license conditions could impact our business
- 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.
- 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.
- The OOH media space is governed by local bodies/municipal corporations who has framed laws and bye laws for regulating the media. Any change in such laws and bye laws may impact properties already in existence and consequentially OOH market.
- 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. An appeal filed by PPL and some Music Labels against the landmark order of the Copyright Board capping the Music Royalty payment by Private FM Channels @ 2 percent of the Net Revenue is pending. The outcome of the said appeal may have an impact on the Company.
- 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. The demand and supply both exist, but the ability to showcase is insufficient. Also risks of cartelization & grouping of Bollywood music owners are always a threat for the MVAS industry players.

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

Management Discussion and Analysis

that their products and services return to the top of mind.

New business models will develop from the continuing shift towards digital (and increasingly mobile) distribution of content. Traditional approaches to advertising and content development will continue to evolve as marketers seek higher levels of engagement with their target audiences. Growth in the industry is expected to be driven by growth in both subscription and advertising revenues. The subscription market is likely to be driven by enhanced penetration and expansion of digital delivery infrastructure. 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.

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

Human Resources and Employee Relations

We believe that people are the most valuable assets of the Company as they contribute to the achievement of business objectives. It is the Company's promise to advance a culture that enhances employee morale, facilitates effective performance through personal/professional development and challenges employee potential.

Further, the training needs of the staff at all Divisions are periodically assessed and training programs are conducted using internal resources and/or engaging external facilitators and trainers. Specific need based training and development programs are imparted so as to attain optimum contribution.

The Company strives to continue finding ways to offer creative and innovative solutions to organization wide issues. In support of the Company's principles, values and vision, we continue to collaborate with operations in meeting our goals. Our people policies helped create motivated human capital business partners in each business vertical and brought about integration of people practices globally. The Company continued to knit in the core RBNL values namely customer focus, sustained growth, total quality, people centricity, integrity and fun in all actions & Human Resource practices. Various events and programs are held Pan India from time to time during the period under review 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 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.

As of March 31, 2011, we had 807 employees, of whom 223 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.

Corporate Social Responsibility

The Company launched its FM Radio business – 92.7 BIG FM in the year 2006. Its Corporate Social Responsibility (CSR) initiatives stemmed from its very brand-line "*Suno Sunao, Life Banao!*" With the endeavor to positively impact listener's lives through its initiatives both on air and on ground, the Company since launch, has undertaken social initiatives across its 45 city network where it reaches out to over 1000 towns and 50,000 villages touching over 200 million Indians across the country. Utilizing the power of radio effectively and backed with its spread across the length and breadth of India, the Company takes on initiatives that impact the local populace while creating a difference at the local level.

The environmental, social and economic impact that CSR has, coupled with the local nature and power of the medium, the social initiatives are carefully crafted to ensure empowerment and partnership, which ensure 'inclusive growth' of the local populace. Today the Company has diversified to various businesses in the space of out of home with BIG Street, experiential marketing with BIG Live and online and mobile solutions with BIG Digital in addition to the radio business. The businesses amalgamate to own issues that are relevant to the society at large.

With global warming looming large, increasing concerns about climate change and 'going green' becoming the hot topic, the Company is committed to improving 'green' awareness both internally and externally. The company undertakes numerous internal communication initiatives, involving employees and providing direction for participation in addition to the office environment. For its external audiences, the Company uses its media communication platforms effectively for public interest messages, innovative entertainment properties / programs through its radio network which not only entertains but also educates the audiences, alliances with local authorities and NGO's working for the environment. The Company acknowledges the power of its mediums and uses it optimally to highlight the sensitivity of the issues and arrange for easy participation.

Reliance Broadcast Network Limited

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 period ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement of the said 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 Agreement.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Mumbai
May 28, 2011

Ashita Kaul
Practising Company Secretary
Membership No: ACS 17756
CP No. 6529

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 "Corporate Governance Policies and Code of Conduct" followed by the Reliance Group 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:

1. Transparency

To maintain the highest standards of transparency in all aspects of our interactions and dealings.

2. Disclosures

To ensure timely dissemination of all price sensitive information and matters of interest to our stakeholders.

3. Empowerment and Accountability

To demonstrate the highest levels of personal accountability and to ensure that employees consistently pursue excellence in everything they do.

4. Compliances

To comply with all the laws, rules and regulations applicable to the Company.

5. Ethical conduct

To conduct the affairs of the Company in an ethical manner.

6. 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 Policies

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.

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 management 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.

Reliance Broadcast Network Limited

Corporate Governance Report

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 with a defined role.

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.

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 training programs for Board members are also conducted from time to time and latest updates and on relevant statutory changes and landmark judicial pronouncements encompassing important laws are circulated to the Directors.

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.

viii. Monitoring of Subsidiaries

The minutes of the meetings of the subsidiary companies are periodically placed before the Board of Directors 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

Corporate Governance Report

Registrar and Transfer Agents spread in more than 80 cities across India, details of which are available on Company's website. The Company ensures that the queries, complaints and suggestions are responded of the shareholders in a timely and effective manner.

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 Auditor

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 March 31, 2011, the Board consisted of Six members out of which four are independent. 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 in terms of the definition of relative given under the Companies Act, 1956.
- 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 financial period.
- 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 two meetings during the financial period ended on March 31, 2011. (i.e. October 1, 2010 to March 31, 2011) on October 30, 2010 and February 14, 2011. The time gap between two meetings was of 106 days.

The Board periodically reviews compliance reports of all the laws including the listing agreement applicable to the Company.

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.

Reliance Broadcast Network Limited

Corporate Governance Report

5. Attendance of Directors

Attendance of Directors at the Board meetings held during financial period ended on March 31, 2011. (i.e. October 1, 2010 to March 31, 2011) and the last Annual General Meeting (AGM) held on March 31, 2011 and the details of directorships (calculated as per provisions of Section 275 and 278 of the Companies Act, 1956), Committee Chairmanships and the Committee memberships held by the Directors as on March 31, 2011:

Name of the Director	Number of Board meetings attended out of two meetings held during the tenure	Attendance at the last AGM held on March 31, 2011	Number of directorship (including RBNL)	Committee(s) ¹ membership ² (including RBNL)	
				Membership	Chairmanship
Shri Gautam Doshi	2	Present	10	10	4
Shri Rajesh Sawhney	2	Present	2	3	-
Shri Anil Sekhri	2	Present	3	3	2
Shri Pradeep Shah	2	Present	1	1	-
Shri Darius Kakalia	2	Absent	3	2	-
Shri Prasoon Joshi	1	Absent	2	1	-

- The information provided above pertains to the following committees in accordance with the provisions of Clause 49 of the Listing Agreement:

- Audit Committee
- Shareholders'/Investors' Grievances Committee

- Membership of committees includes chairmanship, if any.

6. Other Directorships

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

7. Membership of Board Committees

No director holds membership of more than 10 committees of Board nor is any director 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

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 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 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 and Digital Bridge Foundation.

He is a Chairman of the Audit Committee of Sterlite Industries (India) Limited, Sonata Investments Limited and Piramal Life Sciences Limited. He is a member of Audit

Committee of Reliance Communications Infrastructure Limited, Reliance Life Insurance Company Limited, Reliance Big TV Limited, Reliance MediaWorks Limited and Reliance Telecom Limited. He is a Chairman of the Shareholders' / Investors' Grievances Committee of Reliance MediaWorks Limited. He is a member of Shareholders' / Investors' Grievances Committee of Reliance Telecom Limited. He does not hold any share in the Company as of March 31, 2011.

Shri Rajesh Sawhney

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 Group's foray into entertainment and media sectors and online businesses. Shri Sawhney is also on the Board of Indiamart InterMesh Limited.

He is a member of the Audit Committee of Indiamart InterMesh Limited and the Company. He is a member of the Shareholders' / Investors' Grievances Committee of the Company. He does not hold any share in the Company as of March 31, 2011.

Shri Anil Sekhri

Shri Anil Sekhri, 52, 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 and Big Showbiz Broadcast Limited.

He is the Chairman of the Audit Committee and the Shareholders' / Investors' Grievances Committee of the Company. He is a member of the Audit Committee of Reliance MediaWorks Limited. He does not hold any share in the Company as of March 31, 2011.

Corporate Governance Report

Shri Pradeep Shah

Shri Pradeep Shah, 56, is an eminent Practicing Chartered Accountant and also a partner with M/s. Chandrakant & Sevantilal, Chartered Accountants and also three other Associate firms. He specializes and has authored various Commentaries and articles on the Indian Taxation both direct taxation and indirect taxation, including income tax, sales tax, VAT etc.

He is a member of the Audit Committee of the Company. He does not hold any share in the Company as of March 31, 2011.

Shri Darius Jehangir Kakalia

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.

He is a member of the Audit Committee of Brics Securities Limited and a member of the Shareholders' / Investors' Grievances Committee of the Company. He does not hold any share in the Company as of March 31, 2011.

Shri Prasoon Joshi

Shri Prasoon Joshi, 44, an MSc (Physics) and MBA graduate is a well known writer, poet, songwriter, advertising and communication professional. His achievements 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 also on the Board of Reliance MediaWorks Limited.

He is a member of the Shareholders' / Investors' Grievances Committee of Reliance MediaWorks Limited. He does not hold any share in the Company as of March 31, 2011.

II. Audit Committee

In terms of Clause 49 of the Listing Agreement as well as Section 292A of the Companies Act, 1956, the Board had 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 viz. 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, re-appointment and replacement/removal of statutory auditors and fixation of audit fee.
3. Approving payment to statutory auditors 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 in terms of sub-section (2AA) of Section 217 of the Companies Act, 1956.
 - b) Any changes in accounting policies and practices and reasons thereof.
 - c) Major accounting entries based on exercise of judgment by management.
 - d) Qualifications in draft audit report, if any.
 - 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.

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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. based on the recommendation by the Nomination Committee of the Board of Directors.
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 period ended March 31, 2011 (October 01, 2010 to March 31, 2011)

The Audit Committee held its meetings on October 30, 2010 and February 14, 2011.

Members	Number of Meetings held during the tenure	Number of Meetings Attended
Shri Rajesh Sawhney	2	2
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.

Shri Gururaja Rao, Company Secretary & Manager acts as the Secretary to the Audit Committee.

During the financial period, 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 financial statements of the Company for the period ended March 31, 2011, 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 subsidiaries for the period ended March 31, 2011, 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 the ESOS Scheme and to determine the terms and conditions thereof for

Corporate Governance Report

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 period under review, no meeting was conducted by the ESOS, Remuneration & Compensation Committee.

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

In order 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, Employee Stock Option Scheme (ESOS) has been implemented by the Company to its eligible employees based on specified criteria, under the Employee Stock Option Plan – A. The ESOS implemented by the Company will also act as an effective tool to attract, reward, motivate and retain the best talent in the industry. The Plan – A is prepared in due compliance with the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and other applicable laws.

Managerial Remuneration Policy

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

- Compensation will be a major driver of performance.
- Compensation will be competitive and benchmarked with a select group of companies from the service sector.
- Compensation will be transparent, fair and simple to administer.
- Compensation will be fully legal and tax compliant.

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. At present, the Board consists of only non-executive directors who are not paid any remuneration except the sitting fees paid for attending Board Meeting and Audit Committee Meeting.

The details of sitting fees paid by the Company to its Non-Executive Directors during the financial period ended March 31, 2011 (i.e. October 1, 2010 to March 31, 2011) was as follows:

Sr. No.	Name of the Director	Sitting Fees (in ₹)
1	Shri Gautam Doshi	20,000
2	Shri Rajesh Sawhney	30,000
3	Shri Anil Sekhri	30,000
4	Shri Pradeep Shah	30,000
5	Shri Darius Kakalia	20,000
6	Shri Prasoon Joshi	10,000
Total		1,40,000

Notes:

- a. There were no other pecuniary relationships 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 ₹ 10,000/- per Board Meeting and ₹ 5,000/- per Audit Committee Meeting.

IV. Nomination Committee

The Nomination Committee consists of three 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 period under review no meeting was conducted by the Nomination Committee.

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V. Shareholders' / Investors' Grievance Committee

The Shareholders' / Investors' Grievance Committee consist of three directors of the Company viz. Shri Anil Sekhri – Chairman, Shri Rajesh Sawhney and Shri Darius Kakalia as members. The Company has appointed 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 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 financial period are furnished hereunder.

Attendance of members at the meeting of the Shareholders' / Investors' Grievance Committee held during the financial period ended March 31, 2011 (i.e. period from October 1, 2010 to March 31, 2011)

The Shareholders' / Investors' Grievance Committee held its meetings on October 30, 2010 and February 14, 2011.

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

Shri Gururaja Rao, Company Secretary & Manager acts as a Secretary to the Shareholders' / Investors' Grievance 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. There were no complaints received from the shareholders during the period under review, thus there were no complaints pending as on March 31, 2011.

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 March 31, 2011.

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 for grant of options to the eligible employees based on specified criteria, under Employee Stock Option Plan – 2010 (ESOS – Plan A).

The Plan is 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:

Year	Location	Date	Time	Whether Special Resolution passed or not
September 30, 2010 (April 01, 2010 to September 30, 2010)	Auditorium, Reliance Energy Management Institute, 19 Aarey Colony, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai – 400 065.	March 31, 2011	10.00 a.m.	Yes 1. Issue of equity shares to the Qualified Institutional Buyers
2009 – 2010	Rangsharda Natyamandir, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai – 400 050.	August 31, 2010	1.00 p.m.	No
2008 – 2009	H Block, 1 st Floor, Dhirubhai Ambani Knowledge Centre, Mumbai 400 710.	May 25, 2009	10.00 a.m.	No

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

IX. Postal Ballot

The Company had not conducted any Postal Ballot during the financial period.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing special resolution through postal ballot.

X. Means of communication

(a) **Quarterly Results:** Quarterly Results are published in Business Standard, English daily newspaper circulating in the whole or substantially the whole of India and in Navshakti, Marathi vernacular 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.

Corporate Governance Report

(c) **Website:** The Company's website www.reliancebroadcast.com 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. The basic information about the Company as called for in terms of Clause 54 of the Listing Agreement with the Stock Exchanges is provided on the Company's website and the same is updated regularly.

(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) **Chairman's Communique:** Printed copy of the Chairman's speech/opening remarks is provided to the shareholders upon their request.

(f) **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.

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

(h) **Unique Investor help desk:** Exclusively for investor servicing the Company has set up a unique investor help desk with multiple access modes as under:

Toll free India : 1800 4250 999

Telephone nos : +91 40 40308000

Fax no : +91 40 23420859

Email : rbnl@karvy.com

Post your request : <http://kcpl.karvy.com/adag>

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. Subsidiaries

All subsidiary companies of the Company are Board managed with their Boards having the rights and obligations to manage such companies in the best interest of their stakeholders.

The Company monitors performance of its subsidiary companies, *inter alia*, with respect to the below:

- Financial statements, in particular the investments made by the unlisted subsidiary companies are reviewed quarterly by the Audit Committee of the Company.
- Minutes of the meetings of the Board of Directors of the unlisted subsidiary companies are placed at the Board meeting of the Company regularly.
- A statement containing all the significant transactions and arrangements entered into by unlisted subsidiary companies is placed before the Company's Board/Audit Committee.

The Company does not have any material unlisted subsidiary and hence is not required to nominate an independent director of the Company on the Board of any subsidiary. Shri Anil Sekhri, Independent Director of the Company has been appointed as a Director on the Board of Big Showbiz Broadcast Limited (formerly Imagine Showbiz Limited), a subsidiary of the 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 period ended March 31, 2011, 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 companies 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,

Reliance Broadcast Network Limited

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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 financial period ended March 31, 2011".

Gururaja Rao
Manager

f. CEO and CFO Certification

Shri Tarun Katial, CEO and Shri Asheesh Chatterjee, 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 accounts for the financial period ended March 31, 2011 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 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 requirements

1. Tenure of Independent Directors on the Board

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

2. 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. Disclosures

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 period 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 Company is in compliance with most of the requirements of the "Corporate Governance Voluntary Guidelines 2009" issued by the Ministry of Corporate Affairs, Government of India. These guidelines are intended to serve as a benchmark for corporate to help them to adopt highest standard of

Corporate Governance Report

corporate governance. These guidelines do not substitute any extant law or regulation but are essential for voluntary adoption by the corporates.

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.

Practicing Company Secretary's certificate on Corporate Governance

The Practicing Company Secretary's Certificate on Compliance of Clause 49 of the Listing Agreement relating to corporate governance 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 7th Annual General Meeting (AGM) will be held on Thursday, September 29, 2011 at 10.00 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 on May 5, 2011 had decided to close books of accounts of the Company as on March 31, 2011 and accordingly had restricted the current financial year which commenced on October 1, 2010 to a period of six months ending on March 31, 2011.

Dedicated email-id for investors

For the convenience of our investors, the Company has designated an email-id for investors i.e. investors@reliancebroadcast.com

Registrar and Share Transfer Agent (RTA)

Karvy Computershare Private Limited

(Unit: Reliance Broadcast Network Limited)

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

Plot No. 13 & 13 C, Survey no. 74 & 75

Madhapur Village, Hyderabad 500 081

Andhra Pradesh

Toll free no. (India) : 1800 4250 999

Telephone No. : +91 40 4030 8000

Fax No. : +91 40 2342 0859

Email : rbnl@karvy.com

Post your request : <http://kcpl.karvy.com/adag>

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

Book closure dates for the purpose of AGM

The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, September 21, 2011 to Thursday, September 29, 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. Share holders, especially those who are holding share in single name, are advised to avail of the nomination facility by submitting the prescribed Form 2B to the Company's RTA. Form 2B may be downloaded from the Company Website : www.reliancebroadcast.com under the section "Investors Desk". 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. However, if shares are held in dematerialised Form, nomination has to be registered with the concerned DP Directly, as per the format prescribed by the DP.

Permanent Account Number (PAN) for transfer of shares in physical form mandatory

SEBI vide its Circular dated May 20, 2009 has stated that for securities market transactions and off-market transactions involving transfer of shares in physical form of listed companies, it shall be mandatory for the transferee(s) to furnish copy of PAN card to the Company's RTA for registration of such transfer of shares.

Share Transfer System

Shareholders / investors are requested to send share transfer related documents directly to our Registrar and Transfer

Reliance Broadcast Network Limited

Investor Information

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, Hansdhvani 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 & 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 Resources Private Limited, AAA Home Entertainment Services Private Limited, AAA Micro Services Private Limited, AAA Integrated Services Private Limited, AAA Electrical Power Development Private Limited, Atlanta Advisory Services Private Limited, AAA Industrial Services Private Limited, AAA Utility Ventures Private Limited, AAA Commercial Enterprises Private Limited, Relcom Software Solutions Private Limited, AAA Capital Consultants Private Limited, Aricent Commercial Services Private Limited, AAA Engineering Services

Private Limited, Acerock Infrastructure & Consulting 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 Infra Advising Services Private Limited, AAA Advertisement Private Limited, AAA Evershine Entertainment 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, Reliance Enterprises and Ventures Private Limited, Shreenathji Krupa Project Management Private Limited, Shriji Krupa Endeavour Management Private Limited, Solaris Information Technologies Private Limited, Sevenstar Corporate Services Private Limited, Ariel Trading Private Limited, Trans-Pacific Advisory Services Private Limited, Trans-Americas Enterprise Private Limited, Trans-Atlantic Endeavour Management 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 Infrastructure Investments Private Limited, AAA Enterprises and Ventures Private Limited, AAA Telecom Holdings Private Limited, AAA Commercial Enterprises Private Limited, Deltainfra Technology Private Limited, Trans-Pacific Holdings Private Limited, Reliance ADA Group Trustees Private Limited, Reliance Capital Limited, Reliance General Insurance Company Limited, Reliance Land Private Limited, Reliance Infrastructure Limited, Reliance Power Limited, Reliance MediaWorks Limited, Reliance Communications Limited, Reliance Communications Infrastructure Limited, Reliance Telecom Limited, Reliance Net Limited,

The above disclosure has been made, inter alia, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Shareholding Pattern

Sr. No.	Category	Total number of shares as on 31.03.2011	%	Total number of shares as on 30.09.2010	%
1	Promoters & Person Acting in concert	50747997	63.87	50576094	63.66
2	Foreign holdings				
A.	Direct By Foreign Companies	97	0.00	97	0.00
B.	Individual and Others	203225	0.26	205623	0.26
C.	Foreign Institutional Investors	441994	0.56	513926	0.65
	Sub-Total (A + B + C)	645316	0.82	719646	0.91
3	Public Financial / Development Institutions and Central and State Government owned Institutions holdings	11563928	14.55	11750893	14.79

Reliance Broadcast Network Limited

Investor Information

4	Bank and Mutual Funds	33050	0.04	33050	0.04
5	General Public	16460879	20.72	16371487	20.60
	GRAND TOTAL	79451170	100.00	79451170	100.00

Note:

- a. The outstanding options are 1949000 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

Sr. No.	Category (shares)	Number of shareholders as on 31.03.2011		Total shares as on 31.03.2011		Number of shareholders as on 30.09.2010		Total shares as on 30.09.2010	
		Number	%	Number	%	Number	%	Number	%
1	1 to 500	98900	98.91	6424596	8.09	91824	87.15	2901298	3.65
2	501 to 5000	971	0.97	2740469	3.45	12473	11.84	3666493	4.62
3	5001 to 10000	93	0.09	3374478	4.25	984	0.93	3459908	4.35
4	10001 & above	25	0.03	66911627	84.21	86	0.08	69423471	87.38
	Total	99989	100.00	79451170	100.00	105367	100.00	79451170	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, 79421205 equity shares constituting 99.96 percent of total equity share capital are held in dematerialized form with NSDL and CDSL as on March 31, 2011.

Electronic Holdings			Physical Holdings			Total		
No. of beneficial owners	No. of Shares	%	No. of folios	No. of Shares	%	No. of shareholders	No. of Shares	%
99617	79421205	99.96	372	29965	0.04	99989	79451170	100.00

Equity Capital Built-up

Details of issue of equity shares since inception:

Sr. No.	Date	Particulars of Issue	Issue price per equity Share (₹)	No of Equity Shares	Share Premium (₹)	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 ₹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*

Reliance Broadcast Network Limited

Investor Information

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
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*As per the Clause 3.3.1 of the Scheme of Arrangement between the Reliance MediaWorks 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 ₹ 5) in the Company stands cancelled.

Investors' grievances attended:

Received from	Received during		Redressed during		Pending as on	
	Oct 1, 2010 – Mar 31, 2011	Apr 1, 2010 – Sep 30, 2010	Oct 1, 2010 – Mar 31, 2011	Apr 1, 2010 – Sep 30, 2010	31.03.2011	30.09.2010
SEBI	0	0	0	0	0	0
Stock Exchanges	0	1	0	1	0	0
NSDL/CDSL	0	0	0	0	0	0
Direct from investors	0	0	0	0	0	0
Total	0	1	0	1	0	0

Analysis of grievances

Particulars	Oct 1, 2010 – March 31, 2011		April 1, 2010 – Sept 30, 2010	
	Numbers	%	Numbers	%
Non Receipt of Annual Report	0	0.00	1	100.00
Non credit of shares	0	0.00	0	0.00
Non-receipt of share certificates	0	0.00	0	0.00
Others	0	0.00	0	0.00
Total	0	0.00	1	100.00

Notes:

- Investors' queries / grievances are normally attended within a period of 3 days from the date of receipt thereof, except in cases involving external agencies or compliance with longer procedural requirements specified by the authorities concerned.
- The shareholder base was 99,989 as of March 31, 2011 and 105,367 as of September 30, 2010.
- All the queries and grievances received during the financial period have been redressed.
- There were no complaint pending as on March 31, 2011

Green Initiative in Corporate Governance

The Ministry of Corporate Affairs has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by Companies through electronic mode. In accordance with the recent circular no. 17/2011 dated April 21, 2011 and circular no. 18/2011 dated April 29, 2011 issued by the Ministry, Companies can now send various notices and documents, including Annual Report, to its shareholders through electronic mode to the registered e- mail addresses of shareholders. This welcome initiative of MCA will reduce paper consumption to a great extent and enhance corporate contribution to a greener and safer environment.

All shareholders of the Company can contribute to this initiative and reduce paper usage by opting to receive various notices and documents through electronic mode to their registered e- mail address.

Company had informed all the shareholders who have registered their email address with the depository/ Company for their consent to use their email address for sending documents including Annual Report through email. Company has sent annual report to the shareholders who have registered their email address with the Registrar. The shareholders who hold shares in physical form can register their email address with our Registrar and Transfer Agent – Karvy Computershare Private Limited.

All the shareholders are requested to contribute to this initiative and reduce paper usage by opting to receive various notices and documents through electronic mode to their registered e- mail address with the depository/ Company.

Reliance Broadcast Network Limited

Investor Information

Stock Exchange listings

The Company's equity shares are actively traded on BSE and NSE.

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

Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy 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

Payment of Listing Fees: Annual listing fee for the year 2011-12 (as applicable) has been paid by the Company to BSE and NSE within the prescribed timeframe.

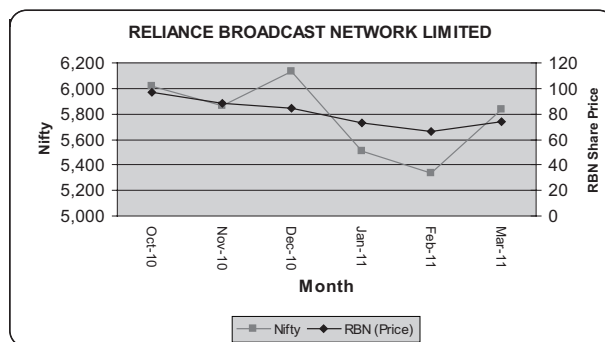
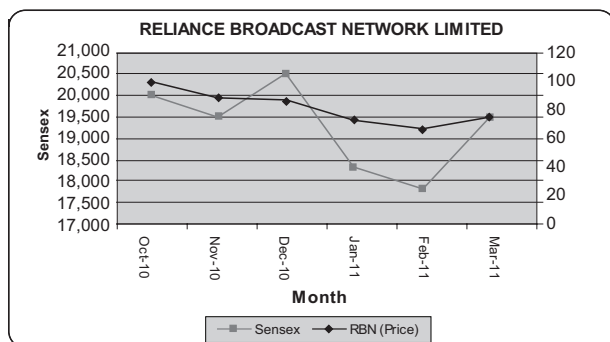
B. Stock codes/symbols for equity shares

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

Stock Price and Volume

Six Months ended March 31, 2011	NSE			BSE		
	Monthly high of closing price ₹	Monthly low of closing price ₹	Volume (No. of Shares)	Monthly high of closing price ₹	Monthly low of closing price ₹	Volume (No. of Shares)
October 2010	105.55	96.80	934216	105.40	98.00	730866
November 2010	115.10	86.10	1502042	115.00	86.05	1229127
December 2010	90.65	74.80	1347199	90.70	74.65	774644
January 2011	88.45	72.60	2187541	88.30	72.90	1338028
February 2011	73.45	62.15	2303725	72.95	61.95	1165397
March 2011	79.85	67.70	5882963	79.75	67.60	3944867

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



Reliance Broadcast Network Limited

Investor Information

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 400013, Telephone: (022) 24994200, Facsimile: (022) 24972993 / 24976351, e-mail: info@nsdl.co.in, website: www.nsdl.com or Central Depository Services (India) Ltd., Phiroze Jeejeebhoy Towers, 16th Floor, Dalal Street, Mumbai 400023. Tel.: (022) 22723333, Facsimile: (022) 22723199/2072, 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/FITC/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 2011-12

Unaudited results for the first quarter ended June 30, 2011	: On or before August 14, 2011
Unaudited results for the second quarter / half year ended September 30, 2011	: On or before November 14, 2011
Unaudited results for the third quarter ended December 31, 2011	: On or before February 14, 2012
Audited results for the financial year 2011-12	: On or before May 30, 2012

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

Shri Asheesh Chatterjee
Chief Financial Officer
Reliance Broadcast Network Limited
(Formerly Reliance Media World Limited)
401, 4th Floor, Infiniti
Link Road, Oshiwara, Andheri West, Mumbai 400 053
Tel.: 022 3068 9444
Fax: 022 3988 8927
Email: asheesh.chatterjee@reliancebroadcast.com

Investors' correspondence may be addressed to the Registrar of the Company:

Shareholders'/Investors' are requested to forward documents related to share transfer, dematerialisation requests (through their respective Depository Participant) and other related correspondence directly to Karvy Computershare Private Limited at the below mentioned address for speedy response.

Karvy Computershare Private Limited
(Unit: Reliance Broadcast Network Limited)
Madhura Estate, Municipal No. 1-9/13/C
Plot No. 13 & 13 C, Survey no. 74 & 75
Madhapur Village
Hyderabad 500 081
Andhra Pradesh

Shareholders / Investors can also send the above correspondence to the Compliance Officer of the Company at the following address:

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

Location of FM Radio Stations

The Company presently has 45 FM Broadcasting Radio Stations spread across India at 45 different locations as given below:

Agra, Ajmer, Aligarh, Allahabad, Amritsar, Asansol, Bangalore, Bareilly, Baroda, Bhopal, Bhubaneswar, Bikaner, Chandigarh, Chennai, Delhi, Guwahati, Gwalior, Hissar, Hyderabad, Indore, Jalandhar, Jammu, Jamshedpur, Jhansi, Jodhpur, Kanpur, Kolkata, Kota, Mangalore, Mumbai, Mysore, Panaji, Patiala, Pondicherry, Rajkot, Ranchi, Rourkela, Shimla, Sholapur, Srinagar, Surat, Tirupati, Trivandrum, Udaipur, Vizag.

Auditors' Report

**To,
The Members of
Reliance Broadcast Network Limited**

1. We have audited the attached Balance Sheet of Reliance Broadcast Network Limited ("the Company") as at March 31, 2011, 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 March 31, 2011 and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2011 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 March 31, 2011;
 - 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

Mumbai

May 28, 2011

Reliance Broadcast Network Limited

Annexure To The Auditors' Report - Referred to in our report of even date for the financial period ended March 31, 2011

- 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 status 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 March 31, 2011 there are no undisputed statutory dues which are outstanding for a period exceeding six months from the date they became 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 (₹)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Service tax	88,997,981	2006-07 to 2007-08	Commissioner, Service Tax, Mumbai
The Jammu & Kashmir General Sales Tax Act, 1962	General Sales Tax	6,803,808	2007-08 to 2008-09	Commercial Tax Office, Jammu
Sales Tax Act	Value Added Tax	257,375	2007-2008	Deputy Excise and Taxation Commissioner – Cum- Joint Director Enforcement, Patiala
Indian Stamp Act	Stamp duty	670,000	2007-2008	Deputy Commissioner, Stamp Duty, Aligarh

- x) The accumulated losses of the Company at the end of the financial period are more than fifty per cent of its net worth and it has not incurred cash losses during the current financial period and cash losses were incurred by the Company in the immediately preceding financial period.
- 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;

Reliance Broadcast Network Limited

Annexure To The Auditors' Report

- 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

Mumbai

May 28, 2011

Reliance Broadcast Network Limited

Balance Sheet as at March 31, 2011

(Currency in ₹)

	Schedule	As At March 31, 2011	As At September 30, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	2	397,255,850	397,255,850
Reserves and Surplus	3	4,096,852,035	4,096,852,035
		4,494,107,885	4,494,107,885
Loan Funds			
Unsecured Loans	4	1,194,177,319	3,041,258,794
		5,688,285,204	7,535,366,679
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	3,564,734,984	3,540,601,294
Less : Accumulated Depreciation / Amortisation		1,475,569,252	1,291,576,878
Net Block		2,089,165,732	2,249,024,416
Capital Work in Progress (Including Capital Advances)		76,905,270	83,351,450
		2,166,071,002	2,332,375,866
Investments			
	6	264,522,986	10,000,000
Current Assets, Loans and Advances			
Inventories	7	55,035,827	36,401,070
Sundry Debtors	8	822,466,455	657,034,304
Cash and Bank Balances	9	76,758,559	2,605,178,873
Loans and Advances	10	1,059,635,902	799,500,091
		2,013,896,743	4,098,114,338
Current Liabilities and Provisions			
Current Liabilities	11	871,413,670	905,634,246
Provisions	12	30,522,338	30,252,214
		901,936,008	935,886,460
Net Current Assets		1,111,960,735	3,162,227,878
Profit and Loss Account Debit Balance	3A	2,145,730,481	2,030,762,935
		5,688,285,204	7,535,366,679
Significant Accounting Policies			
Notes to the Accounts	1		
	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

Mumbai

May 28, 2011

For and on behalf of the Board

Directors

Company Secretary & Manager

Rajesh Sawhney

Anil Sekhri

Pradeep Shah

Darius Jehangir Kakalia

Prasoon Joshi

Gururaja Rao

Reliance Broadcast Network Limited

Profit and Loss Account for the period ended March 31, 2011

(Currency in ₹)

	Schedule	For the Period Ended March 31, 2011	For the Period Ended September 30, 2010
INCOME			
Service Revenue and Other Operating Income	13	1,373,551,513	1,084,387,079
Other Income	14	<u>34,744,797</u>	<u>20,690,686</u>
		1,408,296,310	1,105,077,765
EXPENDITURE			
Direct Costs	15	655,126,537	492,391,320
Personnel Costs	16	285,360,768	261,573,359
Other Operating and General Administrative Expenses	17	362,226,734	327,023,154
Interest & Finance Charges	18	36,529,793	135,443,389
Amortisation	5	83,317,891	83,562,479
Depreciation	5	<u>100,702,133</u>	<u>99,066,059</u>
		1,523,263,856	1,399,059,760
Profit/(Loss) Before Tax		(114,967,546)	(293,981,995)
Less : Provision for Taxation			
– Current Tax / Wealth Tax		–	190,745
Net Profit / (Loss) After Tax		(114,967,546)	(294,172,740)
Balance Carried to Balance Sheet		<u>(114,967,546)</u>	<u>(294,172,740)</u>
Earnings Per Share Basic/ Diluted (Not Annualised)		(1.45)	(6.35)
(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

Mumbai
May 28, 2011

For and on behalf of the Board

Directors

Company Secretary & Manager

{

Rajesh Sawhney
Anil Sekhri
Pradeep Shah
Darius Jehangir Kakalia
Prasoon Joshi

Gururaja Rao

Reliance Broadcast Network Limited

Cash Flow Statement for the period ended March 31, 2011

(Currency in ₹)

	For the Period Ended March 31, 2011	For the Period Ended September 30, 2010
A Cash flows from operating activities		
Net Profit / (Loss) before taxes	(114,967,546)	(293,981,995)
Less: Interest Income	(9,394,555)	(5,935,067)
Add: Interest Expense	36,529,793	135,443,389
Add: Depreciation/Amortisation	184,020,024	182,628,538
Add: Provision for Doubtful debts	52,563,574	39,727,271
Add: Provision for Doubtful Advances	-	1,782,819
Less: Profit / (Loss) on sale of fixed assets	140,106	828,333
Operating Profit/ (Loss) before working capital changes	148,891,396	60,493,288
(Increase)/ Decrease in Inventories	(18,634,757)	(32,977,887)
(Increase)/ Decrease in Loans and Advances	(229,183,837)	(277,475,864)
(Increase)/ Decrease in Debtors	(217,995,725)	8,493,822
Increase/(Decrease) in Current Liabilities and Provisions	83,350,301	(21,586,670)
Cash generated from operations	(233,572,623)	(263,053,311)
Taxes Paid	(31,465,526)	(6,157,225)
Net cash generated from / (used in) operating activities (A)	(265,038,148)	(269,210,536)
B Cash flows from investing activities		
Purchase of Fixed Assets	(17,856,266)	(30,007,450)
Sale Proceeds from Fixed Assets	1,000	104,571
Purchase of Investments	(254,522,986)	(10,000,000)
Interest Income	9,908,107	8,623,999
Net cash generated from / (used in) investing activities (B)	(262,470,145)	(31,278,880)
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	(2,000,000,000)	(320,000,000)
Interest Payment on Unsecured Loan	(912,021)	(18,613,151)
Net cash generated from / (used in) financing activities (C)	(2,000,912,021)	2,784,690,131
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(2,528,420,314)	2,484,200,715
Cash and cash equivalents at beginning of the period	2,605,178,873	120,978,158
Cash and cash equivalents at end of the period	76,758,559	2,605,178,873

As per our Report of even date attached.

For Chaturvedi & Shah

Chartered Accountants

Firm Registration No.: 101720W

Parag D. Mehta

Partner

Membership No.: 113904

Mumbai

May 28, 2011

For and on behalf of the Board

Directors

Company Secretary & Manager

Rajesh Sawhney

Anil Sekhri

Pradeep Shah

Darius Jehangir Kakalia

Prasoon Joshi

Gururaja Rao

Schedules to the Financial Statements for the period ended March 31, 2011

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 ₹ 5,000 are depreciated fully in the year of acquisition.

b. Intangible Assets

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

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

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

4. Impairment

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

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

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 80percent in the year of event execution and 20 percent in the subsequent year.

Costs of Other Content are amortised at 60 percent in the year of commercial exploitation and 40 percent 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 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.

Schedules to the Financial Statements for the period ended March 31, 2011

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 percent of gross revenue for the period or 10 percent 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 percent 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 items are restated at the period ended rates. The exchange differences between the rate prevailing on the date of transaction and on settlement/restatement (other than those relating to acquisition of fixed assets) is recognised as income or expense, as the case may be. Non-monetary items which are carried at historical costs denominated in foreign currency are reported using the exchange rate at the date of the transaction.

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 Earning Per Share

In determining earning per share, the company considers the net result after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares unless the results would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

14 Taxation

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.

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

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, office space and equipments 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 Financial Statements for the period ended March 31, 2011

(Currency in ₹)

	As At March 31, 2011	As At September 30, 2010
Schedule 2 – Share Capital		
Authorised:		
150,000,000 (Previous Period: 150,000,000) Equity Shares of ₹ 5/- each	750,000,000	750,000,000
100,000,000 (Previous Period: 100,000,000) Preference Shares of ₹ 5/- each	500,000,000	500,000,000
	<u>1,250,000,000</u>	<u>1,250,000,000</u>
Issued, Subscribed and Paid Up:		
79,451,170 (Previous Period: 79,451,170) Equity Shares of ₹ 5/- each	397,255,850	397,255,850
	<u>397,255,850</u>	<u>397,255,850</u>
Schedule 3 – Reserves and Surplus		
a Securities premium account:		
At the commencement of the period	3,747,128,282	1,090,450,000
Additions during the period		
On Issue of Shares	-	2,666,000,000
Less: Share Issue Expenses	-	9,321,718
	<u>3,747,128,282</u>	<u>3,747,128,282</u>
b Capital Reserves	<u>349,723,753</u>	<u>349,723,753</u>
	<u>4,096,852,035</u>	<u>4,096,852,035</u>
Schedule 3A – Profit & Loss Account		
Loss at the commencement of the period	2,030,762,935	1,736,590,195
Add : Loss for the period	114,967,546	294,172,740
	<u>2,145,730,481</u>	<u>2,030,762,935</u>
Schedule 4 – Unsecured Loans		
Loans from Body Corporates	1,194,177,319	3,041,258,794
[Repayable On Demand]		
(Includes interest accrued ₹ 407,316,994, Previous Period ₹ 254,383,982)		
	<u>1,194,177,319</u>	<u>3,041,258,794</u>

Schedules to the Financial Statements for the period ended March 31, 2011

Schedule 5 – Fixed Assets

(Currency in ₹)

Particulars	Gross Block			Depreciation/Amortisation			Net Block	
	As on October 1, 2010	Addition October 2010 to March 2011	Deletions October 2010 to March 2011	As on March 31, 2011	For the Period October 2010 to March 2011	Deletions October 2010 to March 2011	As on March 31, 2011	As on September 30, 2010
Tangible Assets								
Plant & Machinery	1,361,872,874	14,712,138	-	1,376,585,012	479,958,372	-	826,301,591	881,914,502
Office Equipments	39,527,103	4,038,583	14,085	43,551,601	2,127,523	3,482	30,019,956	28,119,499
Furniture & Fixtures	21,637,661	345,057	-	21,982,718	11,363,069	-	9,642,432	10,274,592
Data Processing Machines	77,613,714	2,557,407	-	80,171,121	49,824,005	-	22,692,402	27,789,709
Leasehold Improvements	324,711,711	681,440	-	325,393,151	115,044,733	-	194,143,878	209,666,978
Vehicles	42,762,291	676,307	154,671	43,283,927	3,413,090	24,168	23,124,815	25,992,101
Intangible Assets (Other than internally generated)								
Radio broadcasting license (Refer Note 3(b) of Schedule 1)	1,602,886,950	-	-	1,602,886,950	585,392,728	-	937,569,448	1,017,494,222
Computer Software Copyrights	65,438,723	1,291,514	-	66,730,237	20,146,975	-	43,397,090	45,291,748
Total	3,540,601,294	24,302,446	168,756	3,564,734,984	1,291,576,878	27,650	2,089,165,732	2,249,024,416
Previous Year	3,529,260,021	12,572,932	1,231,659	3,540,601,294	182,628,538	298,755	2,249,024,416	2,420,012,927
Capital Work In Progress (Including Capital Advances)							76,905,270	83,351,450

Note:

Capital Work In Progress comprises of the following :

Particulars	Amount
Capital Advances	49,892,823
Capital Stores/Inventory	27,012,447
Total	76,905,270

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

	As At March 31, 2011	As At September 30, 2010
Schedule 6 – Investments		
Long term (non-trade, unquoted and at cost)		
In subsidiary company		
130,900 (Previous period :19,900) Equity Shares of Reliance Television Private Limited of ₹ 10 each	121,000,000	10,000,000
18,558 (Previous Period : Nil) Equity Shares of Cinestar Advertising Private Limited of ₹ 10 each	133,626,406	-
Current Investments (non-trade, unquoted and at lower of cost and fair value)		
In mutual funds	9,896,580	-
7,592 (Previous Period: Nil) units of Reliance Money Manager Fund – Institutional Option – Growth Plan		
[Net Asset Value : ₹ 10,161,172, (Previous Period: Nil)]		
	<u>264,522,986</u>	<u>10,000,000</u>
Schedule 7 – Inventories		
Events / Contents	54,962,336	36,355,969
Events / Content In Progress	73,491	45,101
	<u>55,035,827</u>	<u>36,401,070</u>
Schedule 8 – Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
– Considered Good	175,465,134	186,043,222
– Considered Doubtful	230,980,704	182,883,092
	<u>406,445,838</u>	<u>368,926,314</u>
Other debts		
– Considered Good	647,001,321	470,991,082
– Considered Doubtful	4,468,027	-
	<u>651,469,348</u>	<u>470,991,082</u>
	<u>1,057,915,186</u>	<u>839,917,396</u>
Less: Provision for doubtful debts	235,448,731	182,883,092
	<u>822,466,455</u>	<u>657,034,304</u>
Schedule 9 – Cash and Bank Balances		
Cash in Hand	369,136	591,862
Balances with Scheduled Banks		
In Current Accounts	25,546,843	1,445,081,541
In Fixed Deposits	50,842,580	1,159,505,470
[Deposits aggregating to ₹ 39,446,342/- (Previous Period ₹ 38,640,498) are lying under lien with Banks]		
	<u>76,758,559</u>	<u>2,605,178,873</u>

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

	As At March 31, 2011	As At September 30, 2010
Schedule 10 – Loans and Advances		
(Unsecured Considered Good Unless Otherwise Stated)		
Loans and Advances to Subsidiaries	205,039,620	10,000
Advances recoverable in cash or in kind or for value to be received		
– Considered Good*	511,537,539	432,211,755
– Considered Doubtful	-	6,941,618
	511,537,539	439,153,373
Less: Provision for Doubtful Advances	-	6,941,618
	511,537,539	432,211,755
Income Accrued but not due	2,082,149	2,595,700
Deposits		
– Considered Good	235,995,579	291,167,147
– Considered Doubtful	79,000,000	79,000,000
	314,995,579	370,167,147
Less: Provision for Doubtful Deposits	79,000,000	79,000,000
	235,995,579	291,167,147
Taxes Paid (Net of Provision for Taxation)	104,981,015	73,515,489
	<u>1,059,635,902</u>	<u>799,500,091</u>
*Includes loan given to Manager of ₹ Nil (Previous period ₹ 2,50,000)		
Schedule 11 – Current Liabilities		
Sundry Creditors		
Outstanding dues to Micro and Small Enterprises (Refer Note 3 of Schedule 19)	15,726	15,693
Others	666,550,547	715,113,216
	666,566,273	715,128,909
Advance Payments by Customers	29,812,665	34,634,408
Other Current Liabilities	175,034,732	155,870,929
	<u>871,413,670</u>	<u>905,634,246</u>
Schedule 12 – Provisions		
Gratuity	12,290,022	11,670,814
Leave Encashment	18,232,316	18,581,400
	<u>30,522,338</u>	<u>30,252,214</u>

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

	For the Period Ended March 31, 2011	For the Period Ended September 30, 2010
Schedule 13 – Service Revenue and Other Operating Income		
Sale of Airtime	940,220,657	793,716,521
Experiential Marketing	273,928,758	182,149,104
Out of Home Media Income	123,763,477	89,363,131
Others	35,638,621	19,158,323
	<u>1,373,551,513</u>	<u>1,084,387,079</u>
Schedule 14 – Other Income		
Interest Income from:		
–Bank deposits (TDS ₹ 939,454, Previous Period ₹ 514,541)	9,394,555	5,144,467
–Others	-	790,600
Income from facility sharing (net of service tax)	6,875,219	7,164,895
Excess Accruals Written Back	15,987,124	6,987,568
Profit on sale of current investments	2,105,202	-
Miscellaneous Income	382,697	603,156
	<u>34,744,797</u>	<u>20,690,686</u>
Schedule 15 – Direct Costs		
Royalty	85,216,956	90,832,599
Event Expenses	225,098,775	119,571,010
Agency Commission and Incentive	113,833,287	97,533,409
Transmission Expenses	27,223,781	30,473,869
Out of Home Media Expenses	117,804,802	78,918,356
Revenue Sharing License Fees	42,895,235	37,176,253
Other Production Expenses	43,053,701	37,885,824
	<u>655,126,537</u>	<u>492,391,320</u>
Schedule 16 – Personnel Cost		
Salaries, Wages and Allowances	263,305,206	240,634,222
Contribution to Provident Fund	12,679,811	12,349,597
Gratuity	619,208	1,425,728
Leave encashment	-	2,273,323
Staff Welfare Expenses	8,756,543	4,890,489
	<u>285,360,768</u>	<u>261,573,359</u>

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

	For the Period Ended March 31, 2011	For the Period Ended September 30, 2010
Schedule 17 – Other Operating and General Administrative Expenses		
Advertisements	77,900,445	86,663,296
Bank Charges	1,191,548	1,089,745
Bad Debts	3,166,750	4,062,603
Business Promotion	1,586,950	1,471,254
Rent, Rates and Taxes	88,508,892	75,082,201
Travelling and Conveyance	22,152,889	17,706,942
Auditors' Remuneration (Refer Note 6 of Schedule 19)	2,250,000	2,250,000
Electricity Charges	19,567,426	21,438,357
Insurance Charges	749,168	1,355,829
Legal and Professional Fees	18,450,267	16,637,635
Director's Sitting Fees	230,000	135,000
Loss on Sale/Disposal of Assets	140,106	828,333
Other Miscellaneous Expenses	2,176,104	2,331,294
Communication Expenses	6,202,474	7,833,449
Printing and Stationery	1,594,510	1,179,309
Provision for Doubtful Debts	52,563,574	39,727,271
Provision for Doubtful Deposits/Advances	-	1,782,819
Advances Written Off	6,737,362	-
Repairs and Maintenance		
– Repairs to Machinery	5,503,578	4,391,604
– Repairs to Others	27,956,049	23,783,992
Security Charges	4,090,640	3,885,439
Housekeeping Charges	3,382,680	2,812,911
Foreign Exchange Loss (Net)	-	747,749
Computer / Internet / Intranet	7,266,674	6,104,741
Conference Expenses	8,858,648	3,721,381
	362,226,734	327,023,154
Schedule 18 – Interest and Finance Charges		
On Loans	36,402,944	134,309,793
On Others	126,849	1,133,596
	36,529,793	135,443,389

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

Schedule 19 – Notes to the accounts

1 Contingent Liabilities

Particulars	March 31, 2011	September 30, 2010
Bank Guarantees	146,865,425	145,670,624
Claims against the company not acknowledged as debt	927,375	-
Disputed Service tax demand	88,997,981	87,975,819
Disputed Sales tax demand	6,803,808	6,803,808
	243,594,589	240,450,251

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	March 31, 2011	September 30, 2010
Estimated amount of contracts remaining to be executed on capital account not provided for (net of advances)	4,947,871	16,026,197

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 Company determined on the basis of intimation received from suppliers regarding their status and the required disclosure are given below:

Particulars	March 31, 2011	September 30, 2010
a Principal amount remaining unpaid as on 31 March, 2011	15,726	15,693
b Interest due thereon as on 31 March, 2011	-	-
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	-	-
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 31 March, 2011	-	-
f Further interest remaining due and payable even in the succeeding period until such date when the interest dues as above are actually paid to the small enterprise.	-	-

4 Employee Stock Option Scheme (ESOS)

During the previous period the Company had introduced Employee Stock Option Plan, under which it had granted 2,018,000 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 ₹ 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 ₹ 165,846,421 (Previous Period ₹ 153,300,000) has been granted to the Trust. ₹ 165,852,896 (Previous

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

Period ₹ 150,634,180) has been utilised by the trust for purchasing 2,017,997 (Previous Period 1,846,094) Equity Shares upto 31 March, 2011. 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 (₹)	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 (₹)	22.26	25.04	26.93	28.31
Proportion of Vest	25%	25%	25%	25%
Weightage Average Fair Value (₹)	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 (₹)	Weighted Avg Remaining Contractual Life (in Years)
Outstanding at the beginning of the period	2,018,000	80	3.5 to 6.5
Granted	-	-	-
Exercised	Nil	N.A.	N.A.
Lapsed/Forfeited	69,000	N.A.	N.A.
Outstanding at the end of the period	1,949,000	80	3.5 to 6.5
Exercisable at the end of the period	1,949,000	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 ₹ Nil (Previous Period : ₹ Nil). Had the Company adopted the fair value method, the net results for the period would have been lower by ₹ 12,958,430 (Previous Period : ₹ 5,686,857) and accordingly EPS (Both Basic and Diluted) would have been lower by ₹ 0.16 (Previous Period : ₹ 0.12).

5 Remuneration to Director / Manager

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

Particulars	March 31, 2011	September 30, 2010
Salary	1,568,629	1,941,367
Contribution to provident fund	116,550	116,550
Perquisites	-	41,626
	1,685,179	2,099,543

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 Manager is not available.

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

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

6 Remuneration to Auditors (Excluding Service Tax)

Particulars	March 31, 2011	September 30, 2010
Audit fees	1,500,000	1,500,000
Tax audit fees	500,000	-
Certifications	250,000	850,000
	2,250,000	2,350,000

7 Expenditure in foreign currency (Payment Basis)

Particulars	March 31, 2011	September 30, 2010
Travelling	165,957	218,812
Professional fees	263,039	237,609
Others	5,699,771	24,735,286
	6,128,767	25,191,707

8 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 company is obligated under non-cancellable leases primarily for equipments taken for out of home division, which are renewable thereafter as per the term of the respective agreements.

The future minimum lease payments in respect of non-cancellable operating lease are as follows:

Particulars	Minimum Lease Payments	
	March 31, 2011	September 30, 2010
Amounts due within one year from the balance sheet date	25,825,799	-
Amounts due in the period between one year and five years	120,795,265	-
Amounts due after five years	-	-
	146,621,064	-

The Lease rentals recognised in the profit and loss account is amounting to ₹ 185,603,516 (Previous Period ₹ 135,609,289).

9 Deferred Tax

Deferred tax asset of ₹ 729,504,900 (Previous Period: ₹ 636,002,258) as at 31 March 2011 comprises of the following:

Particulars	March 31, 2011	September 30, 2010
Deferred Tax Asset		
Carry forward business loss / unabsorbed depreciation	791,755,493	723,966,370
Disallowances which would be allowed on payment basis	123,525,068	90,781,040
Employee Benefits	10,138,758	9,347,934
(A)	925,419,319	824,095,344
Deferred Tax Liability		
On account of Depreciation	195,914,419	188,093,086
(B)	195,914,419	188,093,086
Net deferred tax asset/ (liability)	(A-B)	729,504,900
		636,002,258

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.

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

10 Disclosure of Segment Reporting under AS 17

(Currency in ₹)

Particulars	Radio Broadcasting		Outdoor		Experiential Marketing		Others		Total	
	March 31, 2011	Sept 30, 2010	March 31, 2011	Sept 30, 2010	March 31, 2011	Sept 30, 2010	March 31, 2011	Sept 30, 2010	March 31, 2011	Sept 30, 2010
Segment Revenue	955,858,696	793,716,521	123,778,350	89,620,531	273,928,758	182,149,104	35,638,621	19,158,323	1,389,204,425	1,084,644,479
Inter Segment Revenue	-	-	(14,873)	(257,400)	-	-	-	-	(14,873)	(257,400)
Total Income	955,858,696	793,716,521	123,763,477	89,363,131	273,928,758	182,149,104	35,638,621	19,158,323	1,389,189,552	1,084,387,079
Others / (Unallocated) Revenue									19,106,758	20,690,686
Total Revenue	955,858,696	793,716,521	123,763,477	89,363,131	273,928,758	182,149,104	35,638,621	19,158,323	1,408,296,310	1,105,077,765
Result										
Segment Result	23,129,764	(97,096,390)	(90,507,081)	(59,932,105)	(24,567,464)	(5,180,448)	3,335,282	4,743,551	(88,609,499)	(157,465,392)
Unallocated Corporate Expenses (Net of Unallocated Income)									(776,791)	7,008,281
Interest Expenses (Net of Income)									27,134,838	129,508,322
Income Taxes									-	190,745
Net Profit After Tax									(114,967,546)	(294,172,740)
Other Information										
Segment Assets	2,983,209,277	3,259,445,185	494,883,434	503,138,273	412,856,294	264,543,641	515,564,110	29,795,928	4,406,513,115	4,056,923,027
Segment Liabilities	370,559,395	611,154,240	219,099,935	196,409,247	325,093,724	218,053,689	44,166,395	27,537,457	958,919,449	1,053,154,633
Unallocated Corporate Liabilities									1,099,216,260	540,423,442
Capital Expenditure									24,302,446	12,572,932
Depreciation and amortisation									184,020,024	182,628,538

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. Experiential Marketing segment consists of activations, events and contents. 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.

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

11 Disclosure of Related Party under AS 18

Parties where control exists

Subsidiary Companies

Reliance Television Private Limited

Cinestar Advertising Private Limited (w.e.f. January 16, 2011)

Step down Subsidiary Company

BIG Showbiz Broadcast Limited (formerly known as Imazine Showbiz Limited) (w.e.f. January 16, 2011)

Joint Venture of the Subsidiary Company

BIG CBS Networks Private Limited (w.e.f. December 29, 2010)

Other 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
Key Managerial Personnel	Gururaja Rao	Manager
Key Managerial Personnel	Ismail Dabhoya	Chief Financial Officer

Relative of Key Managerial Personnel:

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

Transactions with Related Parties

Particulars	March 31, 2011	September 30, 2010
Subsidiary Company		
Reliance Television Private Limited		
Subscription of Shares	111,000,000	10,000,000
Loan Given		
Opening Balance	10,000	-
Given during the period	295,606,656	10,000
Received back during the period	198,935,150	-
Closing Balance	96,681,506	10,000
Cinestar Advertising Private Limited		
Loan given		
Opening Balance	-	-
Given during the period	108,358,115	-
Received back during the period	-	-
Closing Balance	108,358,115	-

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

Particulars	March 31, 2011	September 30, 2010
Joint Ventures		
BIG CBS Networks Private Limited		
Management Fees	8,865,668	-
Revenue from Experiential Marketing	3,111,993	-
Revenue from Digital Services	5,520,000	-
Reimbursement of Expenses Paid	12,925	-
Closing Balance		
Sundry Debtors	5,055,754	-
Key Managerial Personnel		
Remuneration to Tarun Katial	8,957,844	16,129,324
Remuneration to Gururaja Rao	1,685,179	2,099,543
Remuneration to Ismail Dabhoya	2,136,400	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	200,000	500,000
Loans & Advances received back from Gururaja Rao	450,000	250,000
Receiving of Services from Relative of Key Managerial Personnel		
Mrs. Akshata Rao	105,000	90,000
Mrs. Irfana Dabhoya	90,000	90,000

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

12 Loans and advances in the nature of loans given to Subsidiaries and Joint ventures:

Loans and advances in the nature of loans:

Name of the Company	Particulars	March 31, 2011	September 30, 2010	Maximum Balance during the period
---------------------	-------------	----------------	--------------------	-----------------------------------

Reliance Television Private Limited	Subsidiary	96,681,506	10,000	295,616,656
Cinestar Advertising Private Limited	Subsidiary	108,358,115	-	108,358,115

(a) Loans and advance shown above, to subsidiaries fall under the category of loans and advances in nature of loans where there is no re-payment schedule and re-payable on demand.

(b) Loans to employee as per Company's policy are not considered.

13 Investments purchased and sold during the period and not existing as on Balance sheet date

Particulars	March 31, 2011		
	Face Value	No. of Units	Purchase Amount
Reliance Liquidity Fund – Growth Option	10	13,213,071	190,000,000
Reliance Money Manager Fund Institutional Option – Growth Plan	1,000	142,898	186,241,434

14 Earnings Per Share ('EPS')

Particulars	31 March, 2011	30 September, 2010
Net Profit / (loss) available for equity shareholders	(114,967,546)	(294,172,740)
Weighted average number of equity shares outstanding during the period	79,451,170	46,308,274
Basic/ Diluted Earnings Per Share	(1.45)	(6.35)
Nominal value per share	5	5

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

Particulars	March 31, 2011			September 30, 2010		
	Currency	Foreign Currency Amount	Amount in ₹	Currency	Foreign Currency Amount	Amount in ₹
Sundry Creditors	USD	3,305	142,397	-	-	-
Sundry Debtors	SGD	50,964	1,740,548	SGD	50,964	1,740,548

16 Employee Benefits

Defined Contribution Plan

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

Particulars	March 31, 2011	September 30, 2010
Employers contribution to Provident fund and other funds	12,679,811	12,349,597
Other long term employee benefits comprises encashment of leave. Expense recognised during the current period is ₹ Nil (Previous Period: ₹ 2,273,323).		

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.

Reliance Broadcast Network Limited

Schedules to the Financial Statements for the period ended March 31, 2011

(Currency in ₹)

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

Particulars	March 31, 2011	September 30, 2010
Gratuity (Unfunded)		
Defined Benefit obligation at beginning of the period	11,670,814	10,245,086
Current Service Cost	2,833,509	2,485,143
Interest Cost	719,694	629,364
Actuarial (gain)/loss	(2,933,995)	(1,688,779)
Past Service Cost	-	-
Defined Benefit obligation at the end of the period	12,290,022	11,670,814

II. Reconciliation of fair value of assets and obligations

Particulars	March 31, 2011	September 30, 2010
Gratuity (Unfunded)		
Fair value of plan assets at the end of the period	-	-
Present value of obligation at the end of the period	12,290,022	11,670,814
Liability recognised in the Balance Sheet	12,290,022	11,670,814

III. Expense/(Income) recognised during the period

Particulars	31 March, 2011	30 September, 2010
Gratuity		
Current Service Cost	2,833,509	2,485,143
Interest Cost	719,694	629,364
Expected return on plan assets	-	-
Actuarial (gain) / loss	(2,933,995)	(1,688,779)
Past Service Cost	-	-
Expense/(Income) recognised during the period	619,208	1,425,728

IV. Experience Adjustments

Particulars	March 31, 2011	September 30, 2010	March 31, 2010
Defined Benefit Obligation	12,290,022	11,670,814	10,245,086
Plan Assets	-	-	-
Surplus / (Deficit)	(12,290,022)	(11,670,814)	(10,245,086)
Experience Adjustments on Plan Liabilities	(2,813,686)	(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	March 31, 2011		September 30, 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%	8.35%	8.35%
Expected rate of return on plan assets (per annum)	-	-	-	-
Rate of escalation in salary (per annum)	10% for the first year and 7% thereafter	10% for the first year and 7% thereafter	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 Financial Statements for the period ended March 31, 2011

(Currency in ₹)

- 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 12,950,000 equity shares of ₹ 5/- each fully paid up to various investors and 20,375,000 equity shares of ₹ 5/- each fully paid up to the Promoter Group, at a price of ₹ 85/- (including a premium of ₹ 80/-) per equity share.

The details of funds raised through Preferential Allotment (PA) and utilisation of said funds are as follows:

Particulars	March 31, 2011	September 30, 2010
Funds received through PA	2,832,625,000	2,832,625,000
Utilisation of funds		
Repayment of debt and accrued interest	2,331,599,000	331,598,903
Investment in Share Capital of Reliance Television Private Limited, Wholly Owned Subsidiary	111,000,000	-
Investment in Share Capital of Cinestar Advertising Private Limited, Wholly Owned Subsidiary	104,708,622	-
Funding to Subsidiary Company for acquisition of Channel Company and Operating Expenses	203,025,000	-
Utilised for General purpose	60,999,580	-
Total funds utilised up to March 31, 2011	2,811,332,202	331,598,903
Funds unutilised as on March 31, 2011	21,292,798	2,501,026,097
Fixed Deposits	11,396,218	1,100,750,000
Investment in Mutual Funds	9,896,580	-
Balance 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 period 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

Mumbai

May 28, 2011

For and on behalf of the Board

Directors

Company Secretary & Manager

Rajesh Sawhney

Anil Sekhri

Pradeep Shah

Darius Jehangir Kakalia

Prasoon Joshi

Gururaja Rao

Reliance Broadcast Network Limited

Balance Sheet Abstract and Company's General Business Profile

I Registration Details

Registration No. 1 5 8 3 5 5 State Code 1 1
 Balance Sheet Date 3 1 0 3 2 0 1 1
 Date Month Year

II Capital Raised during the period (Amount in ₹ Thousands)

Public Issue N I L Rights Issue N I L
 Bonus Issue N I L Private Placement N I L

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

Total Liabilities 5 6 8 8 2 8 5 Total Assets 5 6 8 8 2 8 5

Source of Funds

Paid up Capital 3 9 7 2 5 6 Reserves & Surplus 4 0 9 6 8 5 2
 Secured Loans N I L Unsecured Loans 1 1 9 4 1 7 7
 Deferred Tax Liability N I L

Application of Funds

Net Fixed Assets 2 0 8 9 1 6 6 Investments 2 6 4 5 2 3
 Net Current Assets 1 1 1 1 9 6 1 Misc. Expenditure N I L
 Accumulated Losses 2 1 4 5 7 3 0

IV Performance of Company (Amount in ₹ Thousands)

Turnover 1 3 7 3 5 5 2 Total Expenditure 1 5 2 3 2 6 4
 Profit / Loss(-) Before Tax - 1 1 4 9 6 8 After Tax - 1 1 4 9 6 8
 Earning Per Share in ₹ - 1 . 4 5 Dividend Rate % N I L

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

Item Code No. (ITC Code) N O T A P P L I C A B L E

Product Description N O T A P P L I C A B L E

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

Auditors' Report on Consolidated Financial Statements

To,

The Board of Directors of

Reliance Broadcast Network Limited

- We have audited the attached Consolidated Balance Sheet of Reliance Broadcast Network Limited ('the Company' or 'the Parent Company') and its subsidiaries and joint venture, (collectively referred to as 'the Group') as at March 31, 2011 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.
- 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.
- We did not audit the financial statements and other financial information of a subsidiary. The consolidated financial statements includes total assets of ₹ 154,407,319/- as on March 31, 2011 and total revenue of ₹ 8,769,726/- and net cash outflow aggregating ₹ 56,644,150/- for the period ended on that date in respect of aforementioned subsidiary. These financial statements and related other financial information have been audited by other auditor whose report have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiary is based solely on the report of the other auditor.
- We have relied on unaudited Consolidated financial statements of a subsidiary whose financial statements reflect total assets of ₹ 89,186,513/- as on March 31, 2011, total revenue of ₹ Nil and cash outflows amounting to ₹ 1,207,418/- for the period then ended. These unaudited financial statements as approved by the Board of Directors of the subsidiary have been furnished to us by the management and our report in so far as it relates to the amounts included in respect of the subsidiary is solely based on such approved unaudited financial statements.
- 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' and Accounting Standard (AS) 27 'Financial Reporting of Interest in Joint Ventures' notified in the Companies (Accounting Standards) Rules, 2006.
- 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 March 31, 2011;
 - 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

Mumbai

May 28, 2011

Reliance Broadcast Network Limited

Consolidated Balance Sheet as at March 31, 2011

(Currency in ₹)

	Schedule	As At March 31, 2011	As At September 30, 2010
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	2	397,255,850	397,255,850
Reserves and Surplus	3	4,096,852,035	4,096,852,035
		4,494,107,885	4,494,107,885
Loan Funds			
Unsecured Loans	4	1,194,177,319	3,041,258,794
		5,688,285,204	7,535,366,679
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	3,624,171,466	3,540,601,294
Less : Accumulated Depreciation / Amortisation		1,491,200,800	1,291,576,878
Net Block		2,132,970,666	2,249,024,416
Capital Work in Progress (Including Capital Advances)		76,905,270	84,013,250
		2,209,875,936	2,333,037,666
Goodwill on Consolidation		174,032,655	-
Investments	6	9,896,580	-
Current Assets, Loans and Advances			
Inventories	7	101,341,640	36,401,070
Sundry Debtors	8	834,459,790	657,034,304
Cash and Bank Balances	9	86,555,287	2,605,647,048
Loans and Advances	10	986,237,788	808,443,807
		2,008,594,505	4,107,526,229
Current Liabilities and Provisions			
Current Liabilities	11	956,001,836	905,838,154
Provisions	12	31,451,938	30,252,214
		987,453,774	936,090,368
Net Current Assets		1,021,140,731	3,171,435,861
Profit and Loss Account Debit Balance	3A	2,273,339,302	2,030,893,151
		5,688,285,204	7,535,366,679
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

Mumbai

May 28, 2011

For and on behalf of the Board

Directors

Company Secretary & Manager

Rajesh Sawhney

Anil Sekhri

Pradeep Shah

Darius Jehangir Kakalia

Prasoon Joshi

Gururaja Rao

Reliance Broadcast Network Limited

Consolidated Profit and Loss Account for the period ended March 31, 2011

(Currency in ₹)

	Schedule	For the Period Ended March 31, 2011	For the Period Ended September 30, 2010
INCOME			
Service Revenue and Other Operating Income	13	1,370,506,205	1,084,387,079
Other Income	14	36,885,623	20,690,686
		1,407,391,828	1,105,077,765
EXPENDITURE			
Direct Costs	15	655,126,537	492,391,320
Personnel Costs	16	299,643,053	261,573,359
Other Operating and General Administrative Expenses	17	481,419,329	327,153,370
Interest & Finance Charges	18	36,529,793	135,443,389
Amortisation	5	83,825,913	83,562,479
Depreciation	5	96,145,802	99,066,059
		1,652,690,429	1,399,189,976
Profit/(Loss) Before Tax		(245,298,600)	(294,112,211)
Less : Provision for taxation			
- Current Tax / Wealth Tax		-	190,745
- Reversal of Current tax		(2,852,449)	-
Net Profit / (Loss) After Tax		(242,446,151)	(294,302,956)
Balance Carried to Balance Sheet		(242,446,151)	(294,302,956)
Earnings Per Share Basic/ Diluted (Not Annualised)		(3.05)	(6.36)
(Refer Note 9 of Schedule 18)			
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

Mumbai

May 28, 2011

For and on behalf of the Board

Directors

Company Secretary & Manager

Rajesh Sawhney

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Gururaja Rao

Reliance Broadcast Network Limited

Consolidated Cash Flow Statement for the period ended March 31, 2011

(Currency in ₹)

	For the Period Ended March 31, 2011	For the Period Ended September 30, 2010
A Cash flows from operating activities		
Net Profit / (Loss) before taxes	(245,298,600)	(294,112,211)
Less: Interest Income	(11,535,381)	(5,935,067)
Add: Interest Expense	36,529,793	135,443,389
Add: Depreciation/Amortisation	179,971,715	182,628,538
Add: Provision for Doubtful Debts	52,563,574	39,727,271
Add: Provision for Doubtful Advances	-	1,782,819
Less: Profit / (Loss) on sale of fixed assets	140,106	828,333
Operating Profit/ (Loss) before working capital changes	12,371,207	60,363,072
(Increase)/ Decrease in Inventories	(21,333,203)	(32,977,887)
(Increase)/ Decrease in Loans and Advances	(82,088,097)	(286,419,582)
(Increase)/ Decrease in Debtors	(209,398,474)	8,493,822
Increase/(Decrease) in Current Liabilities and Provisions	11,099,894	(21,382,762)
Cash generated from operations	(289,348,673)	(271,923,337)
Taxes Paid	(31,774,043)	(6,157,225)
Net cash generated from / (used in) operating activities (A)	(321,122,716)	(278,080,562)
B Cash flows from investing activities		
Purchase of Fixed Assets	(18,840,684)	(30,669,250)
Sale Proceeds from Fixed Assets	1,000	104,571
Purchase of Investments - long term - in shares of subsidiary companies	(257,418,286)	-
Interest Income	12,020,823	8,623,999
Net cash generated from / (used in) investing activities (B)	(264,237,147)	(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	(2,000,000,000)	(320,000,000)
Interest Payment on Unsecured Loan	(912,021)	(18,613,149)
Net cash generated from / (used in) financing activities (C)	(2,000,912,021)	2,784,690,133
Net increase/(decrease) in cash and cash equivalents (A + B + C)	(2,586,271,884)	2,484,668,891
Cash and Cash equivalents at beginning of the period	2,605,647,048	120,978,157
Cash and cash equivalents acquired on purchase of investment	67,180,123	-
Cash and Cash equivalents at end of the period	86,555,287	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

Mumbai

May 28, 2011

For and on behalf of the Board

Directors

Company Secretary & Manager

Rajesh Sawhney

Anil Sekhri

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Darius Jehangir Kakalia

Prasoon Joshi

Gururaja Rao

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

Schedule – 1 Summary of significant accounting policies

1 Basis of Preparation

The financial statements of the Group 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 Limited ('the Company / Parent Company'), its subsidiary companies and joint ventures. The Company along with its subsidiaries and joint ventures constitute 'the Group'.

The financial statements of the subsidiaries and joint venture used in the consolidation are for the same reporting period as the Company i.e. period ended March 31, 2011.

2 Principles of Consolidation

The consolidated financial statements are prepared in accordance with AS 21 – 'Consolidated Financial Statements' and AS 27 – 'Financial Reporting of Interest in Joint Ventures'.

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 Parent company's separate financial statements.

The consolidated financial statements have been consolidated on the following basis:

Subsidiaries

The excess of cost to the Group of its Investment in subsidiaries over its portion of equity in the subsidiaries at the respective dates on which investments in such subsidiaries were made are recognised in the financial statements as goodwill and any excess of assets over the investment of the Group in a subsidiary is transferred to Capital Reserve. The Group's portion of equity in the subsidiaries are determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiaries as on the date of the investment.

The financial statements of the Parent company and its subsidiaries 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. The amounts shown in respect of reserves/accumulated losses comprise the reserve/accumulated losses as per the balance sheet of the Parent Company and its share in the post-acquisition increase/decrease in the relevant reserve/accumulated losses of the subsidiaries.

The amount of Goodwill and Capital Reserve are presented on a net basis for each subsidiary.

Joint Venture Entities

Interest in joint venture is accounted for using the proportionate consolidated method.

The list of subsidiaries considered in these consolidated financial statements with percentage holding is summarized below:

Name of Subsidiary	Country of Incorporation	Ownership Interest March 31, 2011	Ownership Interest 30 Sept. 2010
Reliance Television Private Limited	India	100%	100%
Cinestar Advertising Private Limited	India	100%	-

The list of step-down subsidiary considered in these financial statements with percentage shareholding is summarised below:

Name of Step-down Subsidiary	Country of Incorporation	Ownership Interest March 31, 2011	Ownership Interest 30 Sept. 2010
BIG Showbiz Broadcast Limited (Formerly known Imagine Showbiz Limited)	India	100%	-

The list of joint venture entity considered in these financial statements with percentage shareholding is summarised below:

Name of Joint Venture	Country of Incorporation	Ownership Interest March 31, 2011	Ownership Interest 30 Sept. 2010
BIG CBS Networks Private Limited	India	50%	-

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.

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

4 Goodwill on Consolidation

The excess of cost to the Parent company of its investments over its portion of equity in the subsidiaries/joint ventures as at the date on which the investment was made, is recognized as goodwill in the consolidated financial statements. The Parent Company's portion of equity in the subsidiaries/joint ventures is determined on the basis of the book value of assets and liabilities as per the financial statements of the subsidiaries as on the date of investment.

Goodwill is reviewed for a decline other than temporary in its carrying value, whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group assesses the recoverability of goodwill by reference to the valuation methodology adopted by it on the acquisition date, which include strategic and synergic factors that were expected to enhance the enterprise value. Accordingly, the Group would consider that there exists a decline other than temporary in the carrying value of goodwill when, in conjunction with its valuation methodology, its expectations with respect to the underlying acquisitions it has made deteriorates with adverse market conditions.

5 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	7.07%-10%
Furniture and Fixture	12.50%-20%
Office Equipments for Radio Division	10%
Office Equipments for OOH Division	20%
Office Equipments except Radio and OOH Division	20%-33.33%
Data Processing Equipments	16.66%-33.33%
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 ₹ 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 three to 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.

6 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 assets (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.

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

7 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.

8 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 percent in the year of event execution and 20 percent in the subsequent year.

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

Inventories comprise of purchased programmes and movies which are stated at the lower of cost or net realisable value. The cost of purchased programmes and movies is amortised on a straight-line basis over the license period or at such higher rates based on management estimates of revenues from each of these rights.

9 Share Issue Expenses

Share issue expenses are adjusted against securities premium account.

10 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.

11 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.

12 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 radio airtime

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

Revenue from Broadcasting

Advertisement revenue from broadcasting is recognised, net of agency commissions, when the related advertisement appears before the public i.e. on telecast.

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

Revenue from Experiential Marketing

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.

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.

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.

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.

13 License Fees

As per the new Frequency Module (FM) broadcasting policy, effective April 1, 2005 license fees are charged to revenue at the rate of 4 percent of gross revenue for the period or 10 percent 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 percent of highest valid bid in the city.

14 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 items are restated at the period ended rates. The exchange differences between the rate prevailing on the date of transaction and on settlement/restatement (other than those relating to acquisition of fixed assets) is recognised as income or expense, as the case may be. Non-monetary items which are carried at historical costs denominated in foreign currency are reported using the exchange rate at the date of the transaction.

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.

15 Earning Per Share

In determining earning per share, the company considers the net result after tax and includes the post tax effect of any extraordinary / exceptional item. The number of shares used in computing basic earning per share is the weighted average number of shares outstanding during the year. The number of shares used in computing diluted earning per share comprises the weighted average shares considered for deriving basic earnings per share and also the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares unless the results would be anti-dilutive. Dilutive potential equity shares are deemed converted as of the beginning of the year, unless issued at a later date.

16 Taxation

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.

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

17 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.

18 Leases

The Company has various operating leases, principally for radio stations, office space and equipments 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.

19 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 March 31, 2011

(Currency in ₹)

	As At March 31, 2011	As At September 30, 2010
Schedule 2 – Share Capital		
Authorised:		
150,000,000 (Previous Period 150,000,000) Equity Shares of ₹ 5/- each	750,000,000	750,000,000
100,000,000 (Previous Period 100,000,000) Preference Shares of ₹ 5/- each	500,000,000	500,000,000
	1,250,000,000	1,250,000,000
Issued, Subscribed and Paid Up:		
79,451,170 (Previous Period 79,451,170) Equity Shares of ₹ 5/- each	397,255,850	397,255,850
	397,255,850	397,255,850
Schedule 3 – Reserves and Surplus		
a Securities premium account:		
At the commencement of the period	3,747,128,282	1,090,450,000
Additions during the period		
On Issue of Shares	-	2,666,000,000
Less: Share Issue Expenses	-	9,321,718
	3,747,128,282	3,747,128,282
b Capital Reserves	349,723,753	349,723,753
	4,096,852,035	4,096,852,035
Schedule 3A – Profit & Loss Account:		
Loss at the commencement of the period	2,030,893,151	1,736,590,195
Add : Loss for the period	242,446,151	294,302,956
	2,273,339,302	2,030,893,151
Schedule 4 – Unsecured Loans		
Loans from Body Corporates	1,194,177,319	3,041,258,794
[Repayable On Demand]		
(Includes interest accrued ₹ 407,316,994, Previous Period ₹ 254,383,982)		
	1,194,177,319	3,041,258,794

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

Schedule 5 – Fixed Assets

(Currency in ₹)

Particulars	Gross Block			Depreciation/Amortisation				Net Block	
	As at October 1, 2010	Adjustment #	Addition October 2010 to March 2011	Deletions October 2010 to March 2011	As at March 31, 2011	Adjustment #	For the Period October 2010 to March 2011	Deletions October 2010 to March 2011	As at March 31, 2011
Tangible Asset									
Plant & Machinery	1,361,872,874	36,727,399	14,712,138	-	1,413,312,411	15,262,559	66,309,681	-	851,781,799
Office Equipments	39,527,103	1,715,684	4,038,583	14,085	45,267,285	590,986	2,218,544	3,482	31,053,633
Furniture & Fixtures	21,637,661	5,303,489	345,057	-	27,286,207	303,211	1,504,747	-	14,115,180
Data Processing Machines	77,613,714	4,882,265	2,557,407	-	85,053,386	3,049,330	6,495,200	-	25,684,851
Leasehold Improvements	324,711,711	-	681,440	-	325,393,151	-	16,204,540	-	194,143,878
Vehicles	42,762,291	-	676,307	154,671	43,283,927	-	3,413,090	24,168	23,124,815
Intangible Asset									
(Other than internally generated)									
Radio broadcasting license (Refer Note 3(b) of Schedule 1)	1,602,886,950	-	-	-	1,602,886,950	-	79,924,774	-	937,569,448
Computer Software	65,438,723	9,161,427	2,937,732	-	77,537,882	473,771	3,694,194	-	53,222,942
Copyrights	4,150,267	-	-	-	4,150,267	-	206,945	-	2,274,120
Total	3,540,601,294	57,790,264	25,948,664	168,756	3,624,171,466	19,679,857	179,971,715	27,650	2,132,970,666
Previous Period	3,529,260,021	-	12,572,932	1,231,659	3,540,601,294	-	182,628,538	298,754	2,249,024,416
Capital Work In Progress (Including Capital Advances)									
# Adjustments represents addition of fixed assets and accumulated depreciation on acquisition of subsidiary and a joint venture.									

Note:

Capital Work In Progress comprises of the following :

Particulars	Amount
Capital Advances	49,892,823
Capital Stores/Inventory	27,012,447
Total	76,905,270

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

	As At March 31, 2011	As At September 30, 2010
Schedule 6 – Investments		
Current Investments (non-trade, unquoted and at lower of cost and fair value)		
In mutual funds	9,896,580	-
7,592 (Previous Period: Nil) units of Reliance Money Manager Fund – Institutional Option – Growth Plan [Net Asset Value : ₹ 10,161,172, (Previous Period: Nil)]		
	<u>9,896,580</u>	<u>-</u>
Schedule 7 – Inventories		
Events / Contents	54,962,337	36,355,969
Events / Content In Progress	73,492	45,101
Unamortised cost of programme and movie rights	46,305,811	-
	<u>101,341,640</u>	<u>36,401,070</u>
Schedule 8 – Sundry Debtors (Unsecured)		
Debts outstanding for a period exceeding six months		
- Considered Good	181,887,651	186,043,222
- Considered Doubtful	236,551,522	182,883,092
	<u>418,439,173</u>	<u>368,926,314</u>
Other debts		
- Considered Good	647,001,321	470,991,082
- Considered Doubtful	4,468,027	-
	<u>651,469,348</u>	<u>470,991,082</u>
	<u>1,069,908,521</u>	<u>839,917,396</u>
Less: Provision for doubtful debts	235,448,731	182,883,092
	<u>834,459,790</u>	<u>657,034,304</u>
Schedule 9 – Cash and Bank Balances		
Cash and Bank Balances		
Cash in Hand	443,571	591,862
Balances with Scheduled Banks		
In Current Accounts	32,871,017	1,445,549,716
In Fixed Deposits	53,240,699	1,159,505,470
[Deposits aggregating to ₹ 39,446,342/- (Previous period ₹ 38,640,498) are lying under lien with Banks]		
	<u>86,555,287</u>	<u>2,605,647,048</u>

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

	As At March 31, 2011	As At September 30, 2010
Schedule 10 – Loans and Advances		
(Unsecured Considered Good Unless Otherwise Stated)		
Advances recoverable in cash or in kind or for value to be received		
– Considered Good*	637,240,725	433,665,471
– Considered Doubtful	-	6,941,618
	637,240,725	440,607,089
Less: Provision for Doubtful Advances	-	6,941,618
	637,240,725	433,665,471
Advance towards Share Application Money	50,000	7,500,000
Income Accrued but not due	2,110,258	2,595,700
Deposits		
– Considered Good	238,416,757	291,167,147
– Considered Doubtful	79,000,000	79,000,000
	317,416,757	370,167,147
Less: Provision for Doubtful Deposits	79,000,000	79,000,000
	238,416,757	291,167,147
Taxes Paid (Net of Provision for Taxation)	108,420,048	73,515,489
	986,237,788	808,443,807
*Includes loan given to Manager of ₹ Nil (Previous Period ₹ 2,50,000)		
Schedule 11 – Current Liabilities		
Sundry Creditors		
Outstanding dues to Micro and Small Enterprises (Refer Note 3 of Schedule 19)	15,726	15,693
Others	745,718,862	715,149,191
	745,734,588	715,164,884
Advance Payments by Customers	29,812,665	34,634,408
Other Current Liabilities	180,454,583	156,038,862
	956,001,836	905,838,154
Schedule 12 – Provisions		
Gratuity	12,803,322	11,670,814
Leave Encashment	18,648,616	18,581,400
	31,451,938	30,252,214

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

	For the Period Ended March 31, 2011	For the Period Ended September 30, 2010
Schedule 13 – Service Revenue and Other Operating Income		
Sale of Airtime	940,220,657	793,716,521
Experiential Marketing	272,372,762	182,149,104
Out of Home Media Income	123,763,477	89,363,131
Income from Media Operations	3,979,986	-
Others	30,169,323	19,158,323
	<u>1,370,506,205</u>	<u>1,084,387,079</u>
Schedule 14 – Other Income		
Interest Income from:		
-Bank deposits (TDS ₹ 939,454, Previous period ₹ 514,541)	10,653,927	5,144,467
-Others	881,454	790,600
Income from facility sharing (net of service tax)	6,875,219	7,164,895
Excess Accruals Written Back	15,987,124	6,987,568
Profit on sale of current investments	2,105,202	-
Miscellaneous income	382,697	603,156
	<u>36,885,623</u>	<u>20,690,686</u>
Schedule 15 – Direct Costs		
Royalty	85,216,956	90,832,599
Event Expenses	225,098,775	119,571,010
Agency Commission and Incentive	113,833,287	97,533,409
Transmission Expenses	27,223,781	30,473,869
Out of Home Media Expenses	117,804,802	78,918,356
Revenue Sharing License Fees	42,895,235	37,176,253
Other Production Expenses	43,053,701	37,885,824
	<u>655,126,537</u>	<u>492,391,320</u>
Schedule 16 – Personnel Cost		
Salaries, Wages and Allowances	275,846,185	240,634,222
Contribution to Provident Fund	13,410,465	12,349,597
Gratuity	1,132,508	1,425,728
Leave encashment	416,300	2,273,323
Staff Welfare Expenses	8,837,595	4,890,489
	<u>299,643,053</u>	<u>261,573,359</u>

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

	For the Period Ended March 31, 2011	For the Period Ended September 30, 2010
Schedule 17 – Other Operating and General Administrative Expenses		
Advertisements	104,990,972	86,756,537
Marketing & Research Expenses	5,396,150	-
Telecast and uplinking fees	6,242,448	-
Content cost	6,083,785	-
Placement fees	65,322,537	-
Bank Charges	1,197,431	1,089,745
Bad Debts	3,166,750	4,062,603
Business Promotion	1,601,350	1,471,254
Rent, Rates and Taxes	89,018,834	75,082,201
Travelling and Conveyance	23,778,039	17,706,942
Auditors' Remuneration	2,955,000	2,270,000
Electricity Charges	19,836,514	21,438,357
Equipment Hiring Charges	1,250,565	-
Insurance Charges	806,075	1,355,829
Legal and Professional Fees	21,998,846	16,637,635
Director's Sitting Fees	230,000	135,000
Loss on Sale/Disposal of Assets	140,106	828,333
Other Miscellaneous Expenses	2,571,943	2,332,293
Communication Expenses	6,232,155	7,833,449
Printing and Stationery	1,603,660	1,179,309
Provision for Doubtful Debts	52,563,574	39,727,271
Provision for Doubtful Deposits/Advances	-	1,782,819
Advances Written Off	6,737,362	-
Repairs and Maintenance		
- Repairs to Machinery	5,503,578	4,391,604
- Repairs to Others	28,515,185	23,783,992
Security Charges	4,090,640	3,885,439
Housekeeping Charges	3,382,680	2,812,911
Foreign Exchange Loss (Net)	-	747,749
Computer / Internet / Intranet	7,331,936	6,104,741
Preliminary Expenses	12,566	15,976
Conference Expenses	8,858,648	3,721,381
	481,419,329	327,153,370
Schedule 18 –Interest & Finance Charges		
On Loans	36,402,944	134,309,793
On Others	126,849	1,133,596
	36,529,793	135,443,389

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

Schedule 19 -Notes to the accounts

1 Contingent Liabilities

Particulars	March 31, 2011	September 30, 2010
Bank Guarantees	146,865,425	145,670,624
Claims against the Group not acknowledged as debt	927,375	-
Disputed Service Tax demand	88,997,981	87,975,819
Disputed Sales Tax demand	6,803,808	6,803,808
	<u>243,594,589</u>	<u>240,450,251</u>

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	March 31, 2011	September 30, 2010
Estimated amount of contracts remaining to be executed on capital account not provided for (Net of advances)	4,947,871	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 ₹ Nil (Previous Period ₹ 115,527,885).

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	March 31, 2011	September 30, 2010
a Principal amount remaining unpaid as on March 31, 2011	15,726	15,693
b Interest due thereon as on March 31, 2011	-	-
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 March 31, 2011	-	-
f Further interest remaining due and payable even in the succeeding period until such date when the interest dues as above are actually paid to the small enterprise.	-	-

4 Employee Stock Option Scheme (ESOS)

During the previous period the Parent Company had introduced Employee Stock Option Plan, under which it had granted 2,018,000 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 ₹ 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 ₹ 165,846,421 (Previous Period ₹ 153,300,000) has been granted to the Trust. ₹ 165,852,896 (Previous Period

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Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

₹ 1,506,34,180) has been utilised by the trust for purchasing 2,017,997 (Previous Period 1,846,094) Equity Shares upto March 31, 2011. 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 (₹)	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 (₹)	22.26	25.04	26.93	28.31
Proportion of Vest	25%	25%	25%	25%
Weightage Average Fair Value (₹)	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 (₹)	Weighted Avg Remaining Contractual Life (in Years)
Outstanding at the beginning of the period	2,018,000	80	3.5 to 6.5
Granted	-	-	-
Exercised	Nil	N.A.	N.A.
Lapsed/Forfeited	69,000	N.A.	N.A.
Outstanding at the end of the period	1,949,000	80	3.5 to 6.5
Exercisable at the end of the period	1,949,000	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 ₹ Nil (Previous Period ₹ Nil). Had the Parent Company adopted the fair value method, the net results for the period would have been lower by ₹ 12,958,430 (Previous Period : ₹ 5,686,857) and accordingly EPS (Both Basic and Diluted) would have been lower by ₹ 0.16 (Previous Period ₹ 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 Group is obligated under non-cancellable leases primarily for equipments, which are renewable thereafter as per the term of the respective agreements.

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

The future minimum lease payments in respect of non-cancellable operating lease are as follows:

Particulars	Minimum Lease Payments	
	March 31, 2011	September 30, 2010
Amounts due within one year from the balance sheet date	27,655,955	-
Amounts due in the period between one year and five years	126,937,822	-
Amounts due after five years	-	-
	<u>154,593,777</u>	<u>-</u>

The Lease rentals recognised in the profit and loss account is amounting to ₹ 186,642,802 (Previous Period ₹ 135,609,289)

6 Deferred Tax

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 March 31, 2011

7. Disclosure of Segment Reporting under AS 17

(Currency in ₹)

Particulars	Radio Broadcasting		Outdoor		Experiential Marketing		Television		Others		Total	
	March 31, 2011	Sept. 30, 2010	March 31, 2011	Sept. 30, 2010	March 31, 2011	Sept. 30, 2010	March 31, 2011	Sept. 30, 2010	March 31, 2011	Sept. 30, 2010	March 31, 2011	Sept. 30, 2010
Segment Revenue	955,858,696	793,716,521	123,778,350	89,620,531	272,372,762	182,149,104	10,626,992	-	22,340,120	19,158,323	1,384,976,919	1,084,644,480
Inter Segment Revenue	-	-	(14,873)	(257,400)	-	-	-	-	-	-	(14,873)	(257,400)
Total Income	955,858,696	793,716,521	123,763,477	89,363,131	272,372,762	182,149,104	10,626,992	-	22,340,120	19,158,323	1,384,962,046	1,084,387,080
Others/ (Unallocated) Revenue											22,429,782	20,690,685
Total Revenue	955,858,696	793,716,521	123,763,477	89,363,131	272,372,762	182,149,104	10,626,992	-	22,340,120	19,158,323	1,407,391,828	1,105,077,765
Result												
Segment Result	23,129,764	(97,096,390)	(90,507,081)	(59,932,105)	(24,567,464)	(5,180,447)	(125,158,536)	-	(1,837,237)	4,613,334	(218,940,554)	(157,595,608)
Unallocated Corporate Expenses (Net of Unallocated Income)											1,363,634	7,008,281
Interest Expenses (Net of Income)											24,994,412	129,508,322
Income Taxes											(2,852,449)	190,745
Net Profit After Tax											(242,446,151)	(294,302,956)
Other Information												
Segment Assets	2,983,209,277	3,249,445,185	494,883,434	503,138,273	412,856,294	264,543,641	445,006,230	-	43,076,613	39,879,619	4,379,031,848	4,057,006,718
Segment Liabilities	370,559,395	611,154,240	219,099,935	196,409,247	325,093,724	218,053,689	101,931,281	-	42,362,670	27,751,365	1,059,047,005	1,053,368,541
Unallocated Corporate Liabilities											1,099,216,260	540,423,442
Capital Expenditure											57,790,264	12,572,932
Depreciation and amortisation											179,971,715	182,628,538

The Group has disclosed the Business Segment as primary segment. The business of the Group is primarily divided into five segments – Radio Business, Outdoor Business, Experiential Marketing, Television 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. Television operations consists of operating and broadcasting service of Television Channels. Experiential Marketing segment consists of activations, events and contents. 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 March 31, 2011

(Currency in ₹)

8 Interest in Joint Venture

The Company's interests in jointly controlled entity (incorporated joint venture)

Name of Joint Venture	Country of Incorporation	Ownership Interest March 31, 2011
BIG CBS Networks Private Limited	India	50%

Details of Joint Venture

Particulars	March 31, 2011
I Assets	
1 Fixed Assets net block (including capital work in-progress)	8,078,147
2 Investments	-
3 Current assets, loans and advances	
a) Inventories	46,305,810
b) Sundry Debtors	5,570,818
c) Cash and bank balances	5,928,717
d) Interest Accrued but not due	28,110
e) Loans and advances	84,108,436
II Liabilities	
1 Shareholder's fund – reserves and surplus	71,855,271
2 Advance towards share application money	50,021
3 Unsecured Loans	-
4 Deferred tax Liability (net)	-
5 Current liabilities and provisions	
a) Liabilities	58,084,717
b) Provisions	140,500
III Income	
1 Income from Operations	6,328,156
2 Other Income	1,259,372
IV Expenses	
1 Operating, Administration and Other Expenses	93,716,126
2 Employee Costs	3,422,956
3 Depreciation/Amortisation	461,279
4 Interest	-
Loss before Taxation	(90,012,833)
Provision for Tax (including deferred tax)	-
Loss After Tax	(90,012,833)
V Other Matters	
1 Contingent Liabilities	Nil
2 Capital Commitments	Nil

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

9 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 Managerial Personnel and their relatives

Relationship	Name of the Related party	Remarks
Key Managerial Personnel	Tarun Katial	Chief Executive Officer
Key Managerial Personnel	Gururaja Rao	Manager
Key Managerial Personnel	Ismail Dabhoya	Chief Financial Officer

Relative of Key Managerial Personnel

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

Transactions with Related Parties

Particulars	March 31, 2011	September 30, 2010
Key Managerial Personnel		
Remuneration to Tarun Katial	8,957,844	16,129,324
Remuneration to Gururaja Rao	1,685,179	2,099,543
Remuneration to Ismail Dabhoya	2,136,400	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	200,000	500,000
Loans & Advances received back from Gururaja Rao	450,000	250,000
Receiving of Car Hire Services from Relative of Key Managerial Personnel		
Mrs. Akshata Rao	105,000	90,000
Mrs. Irfana Dabhoya	90,000	90,000

10 Earnings Per Share ('EPS')

Particulars	March 31, 2011	September 30, 2010
Net Profit / (loss) available for equity shareholders	(242,446,151)	(294,302,956)
Weighted average number of equity shares outstanding during the period	79,451,170	46,308,274
Basic / Diluted Earnings Per Share	(3.05)	(6.36)
Nominal value per share	5	5

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

Particulars	March 31, 2011			September 30, 2010		
	Currency	Foreign Currency Amount	Amount in ₹	Currency	Foreign Currency Amount	Amount in ₹
Sundry Creditors	USD	3,305	142,397	-	-	-
Sundry Debtors	SGD	50,964	1,740,548	SGD	50,964	1,740,548

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

12 Employee Benefits

Defined Contribution Plan

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

Particulars	March 31, 2011	September 30, 2010
Employers contribution to Provident fund and other funds	13,410,465	12,349,597

Other long term employee benefits comprises encashment of leave. Expense recognised during the current period is ₹ 416,300 (Previous Period : ₹ 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	March 31, 2011	September 30, 2010
Gratuity (Unfunded)		
Defined Benefit obligation at beginning of the period	12,118,814	10,245,086
Current Service Cost	33,46,809	2,485,143
Interest Cost	719,694	629,364
Actuarial (gain)/loss	(2,933,995)	(1,688,779)
Past Service Cost	-	-
Defined Benefit obligation at the end of the period	12,803,322	11,670,814

II. Reconciliation of fair value of assets and obligations

Particulars	March 31, 2011	September 30, 2010
Gratuity (Unfunded)		
Fair value of plan assets at the end of the period	-	-
Present value of obligation at the end of the period	12,803,322	11,670,814
Liability recognised in the Balance Sheet	12,803,322	11,670,814

III. Expense / (Income) recognised during the period

Particulars	March 31, 2011	September 30, 2010
Gratuity		
Current Service Cost	3,346,809	2,485,143
Interest Cost	719,694	629,364
Expected return on plan assets	-	-
Actuarial (gain) / loss	(2,933,995)	(1,688,779)
Past Service Cost	-	-
Expense/(Income) recognised during the period	1,132,508	1,425,728

IV. Investment details

NIL

NIL

V. Experience Adjustments

Particulars	March 31, 2011	September 30, 2010
Defined Benefit Obligation	12,290,022	11,670,814
Plan Assets	-	-
Surplus / (Deficit)	(12,290,022)	(11,670,814)
Experience Adjustments on Plan Liabilities	(2,813,686)	(1,573,555)
Experience Adjustments on Plan Assets	-	-

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

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 March 31, 2010, 31 March 2009 and 31 March 2008 is not applicable to the Group.

VI. Actuarial assumptions

Particulars	March 31, 2011		September 30, 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)	8.20% - 8.35%	8.20% - 8.35%	8.35%	8.35%
Expected rate of return on plan assets (per annum)	-	-	-	-
Rate of escalation in salary (per annum)	6.5% to 10% for the first two years and 6.5% to 7% thereafter	6.5% to 10% for the first two years and 6.5% to 7% thereafter	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.

- 13 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 12,950,000 equity shares of ₹ 5/- each fully paid up to various investors and 20,375,000 equity shares of ₹ 5/- each fully paid up to the Promoter Group, at a price of ₹ 85/- (including a premium of ₹ 80/-) per equity share.

The details of funds raised through Preferential Allotment (PA) and utilisation of said funds are as follows:

Particulars	March 31, 2011	September 30, 2010
Funds received through PA	2,832,625,000	2,832,625,000
Utilisation of funds		
Repayment of debt and accrued interest	2,331,599,000	331,598,903
Investment in Share Capital of Reliance Television Private Limited, Wholly Owned Subsidiary	111,000,000	-
Investment in Share Capital of Cinestar Advertising Private Limited, Wholly Owned Subsidiary	104,708,622	-
Funding to Subsidiary Company for acquisition of Channel Company and Operating Expenses	203,025,000	-
Utilised for General purpose	60,999,580	-
Total funds utilised up to March 31, 2011	2,811,332,202	331,598,903
Funds unutilised as on March 31, 2011	21,292,798	2,501,026,097
Fixed Deposits	11,396,218	1,100,750,000
Investment in Mutual Funds	9,896,580	-
Balance in Bank	-	1,400,276,097

Reliance Broadcast Network Limited

Schedules to the Consolidated Financial Statements for the period ended March 31, 2011

(Currency in ₹)

14. The Ministry of Corporate Affairs Governance of India, vide General circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with Section 212 of the Companies Act, 1956, subject to the fulfilment of condition stipulated in the circular.

Financial Information of Subsidiary Companies for the year ended March 31, 2011, pursuant to the approval under section 212 (8) of the Companies Act, 1956:

Sr. No.	Particulars	Reliance Television Private Limited	Cinestar Advertising Private Limited	BIG Showbiz Broadcast Limited
1	Paid up Share Capital	1,309,000	185,580	40,937,850
2	Reserves	107,050,743	79,326,552	(86,831,287)
3	Total Asset	206,991,158	188,057,522	67,695,294
4	Total Liabilities	98,631,415	108,545,390	11,358,731
5	Investment included in Total Assets	198,895,300	81,845,010	-
6	Turnover	2,364,397	-	59,253,480
7	Loss before Tax	(12,510,040)	(5,889,236)	(3,733,924)
8	Provision for tax	-	-	-
9	Loss after tax	(12,510,040)	(5,889,236)	(3,733,924)
10	Proposed Dividend	-	-	-

Figures of Profit & Loss Account pertains to the period from October 1, 2010 to March 31, 2011 in the case of Reliance Television Private Limited and from April 1, 2010 to March 31, 2011 in the case of Cinestar Advertising Private Limited and BIG Showbiz Broadcast Limited.

15. Disclosure under Part II of Schedule VI to the Companies Act, 1956, has been made to the extent applicable to the Group.
16. The figures of the previous period 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

Mumbai

May 28, 2011

For and on behalf of the Board

Directors

Company Secretary & Manager

Rajesh Sawhney

Anil Sekhri

Pradeep Shah

Darius Jehangir Kakalia

Prasoon Joshi

Gururaja Rao

ATTENDANCE SLIP**Reliance Broadcast Network Limited**Registered Office: 401, 4th Floor, Infiniti, Link Road, Oshiwara, Andheri West, Mumbai – 400 053

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.
Joint shareholders may obtain additional attendance slip at the venue.

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
------------	--

No. of Share(s) held	
----------------------	--

NAME AND ADDRESS OF THE SHAREHOLDER

I/We hereby record my/our presence at the **7TH ANNUAL GENERAL MEETING** of the Company held on Thursday, September 29, 2011 at 10.00 a.m. at Auditorium, Reliance Energy Management Institute, 19 Aarey Colony, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 065.

*Applicable for investors holding shares in electronic form.

Signature of the shareholder or proxy

.....TEAR HERE.....

PROXY FORM**Reliance Broadcast Network Limited**Registered Office: 401, 4th Floor, Infiniti, Link Road, Oshiwara, Andheri West, Mumbai – 400 053

DP. Id*	
---------	--

Folio No.	
-----------	--

Client Id*	
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No. of Share(s) held	
----------------------	--

I/We.....of
..... in the district of being a member/members
of Reliance Broadcast Network Limited hereby appoint of
..... in the district of
or failing him/her of
in the district of as my/our proxy to vote for me/us and on my/our behalf
at the **7TH ANNUAL GENERAL MEETING** of the Company to be held on Thursday, September 29, 2011 at 10.00 a.m. at Auditorium, Reliance Energy Management Institute, 19 Aarey Colony, Jogeshwari Vikhroli Link Road, Opp. SEEPZ, Mumbai 400 065 or at any adjournment thereof.

Signed this..... day of 2011.

*Applicable for investors holding shares in electronic form.

Affix ₹ 1/- revenue stamp

- NOTES: 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.



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**Karvy Computershare Private Limited
(Unit: Reliance Broadcast Network Limited)**

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

Plot No. 13 & 13 C, Survey No. 74 & 75

Madhapur Village, Hyderabad 500 081

Tel. : + 91 40 4030 8000

Fax : + 91 40 2342 0859

Email : rbnl@karvy.com