

ANNUAL REPORT

2010 - 2011



INDIA'S No.1 NEWS NETWORK

आज तक

तेज

दिल्ली
भारतक

HEADLINES
TODAY

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BOARD OF DIRECTORS

Aroon Purie, Chairman & Managing Director

Koel Purie Rinchet, Whole Time Director

Anil Mehra

Anil Vig

Rakesh Kumar Malhotra

Rajeev Thakore

Ashok Kapur

Audit Committee

Rakesh Kumar Malhotra, Chairman

Anil Mehra

Rajeev Thakore

Chief Executive Officer

G. Krishnan

GM (Legal & F & A) & Company Secretary

Puneet Jain

Auditors

Price Waterhouse

Chartered Accountants

New Delhi

Bankers

Canara Bank

ICICI Bank Limited

Registered Office

Videocon Tower

E-1, Jhandewalan Extn.

New Delhi - 110 055

Registrar & Transfer Agents

MCS Limited

F- 65, Okhla Industrial Area

Phase-I, New Delhi-110 020

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors are pleased to present the Twelfth Annual Report together with the Audited Statement of Accounts of the Company for the financial year ended 31st March 2011.

1. Financial Results

The financial results of the Company for the year ended 31st March 2011 are summarized below for your consideration.

(Rs. in Crores)

Particulars	Year Ended 31 st Mar '11	Year Ended 31 st Mar '10
Income from operations	293.26	284.82
Other income	9.54	23.10
Profit before Finance, Charges, Amortization, Depreciation and Tax	35.40	75.13
Finance Charges (Including Interest)	0.95	7.05
Depreciation	16.01	21.10
Profit before tax	18.45	46.98
Provision for Tax	6.03	16.12
Net Profit	12.42	30.86
Balance amount brought forward	155.10	134.30
Profit Available for appropriation	167.52	165.17
Transferred to General Reserve	0.65	5.00
Proposed Dividend	4.46	4.33
Corporate Dividend Tax	0.72	0.74
Balance Carried forward	161.68	155.10

2. Performance

During the financial year under review, your Company's revenue from operations has been Rs.293.26 Crores compared to Rs. 284.82 Crores last year. Profit after tax was lower at Rs.12.42 Crores compared to Rs. 30.86 Crores last year.

Your company's business model is such that it mainly depends on Ad Revenues. Your Company due to its Channel's impeccable reputation and leadership position of the flagship channel "AAJ TAK", and confidence reposed by its viewers and clients managed to achieve a reasonably satisfactory performance.

In recognition of its leadership position, your Company's Channels have been conferred with the following prestigious awards:

News Television Awards 2011

- Best Crime Show (Hindi) – Vardaat (Aaj Tak)
- Best Entertainment Show (Hindi) – Bheja Fry (Tez)
- Best Promo – Raksha Bandhan (Dilli Aaj Tak)
- Best Investigative Feature – Honour Killers in Uniform (Headlines Today)
- Best Prime Time Newscast – HT questions Journalist Ethics

Laadli Media Awards 2011

- Best News Feature - Branded a Witch, Hunted for Life (Headlines Today)

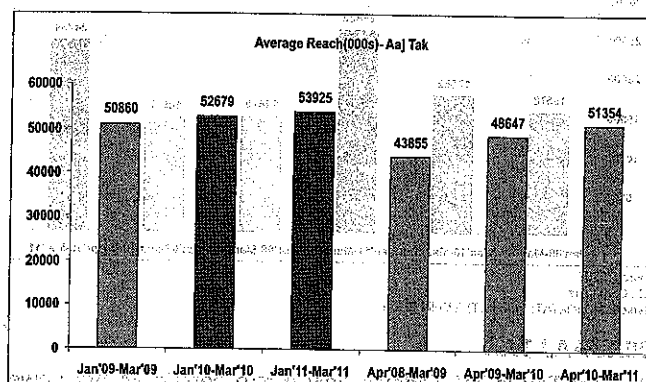
Indian Television Academy Award 2010

- Best Hindi News Channel – Aaj Tak

AAJ TAK

Aaj Tak continued to maintain its leadership position for the 10th consecutive year despite intense competition in the Hindi news genre. Viewers reposed confidence in Aaj Tak for the 10th consecutive year due to its editorial excellence, fair and unbiased reporting, launch of new innovative News shows catering to different segments of society and a motivated team of well-qualified professionals.

In spite of intense competition and a cluttered news space, Aaj Tak continues to dominate by being the channel of choice during key events. Whether it's a national or an international event, the credibility of Aaj Tak is unmatched.



Source: TAM
TQ: CS 4+ Yrs
Market: All India (AT:TEZ:HLT) & Delhi(DAT)

HEADLINES TODAY

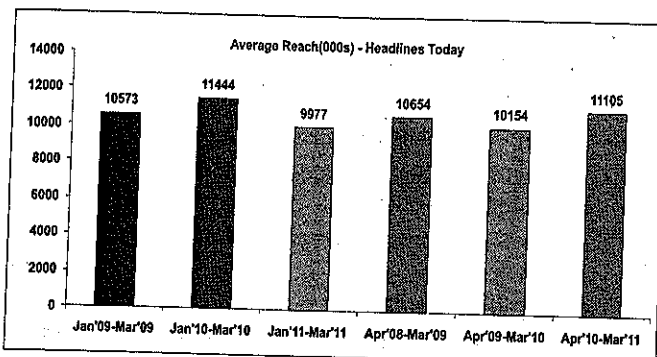
2010-11 was a year of consolidation and perception building for Headlines Today. The past year established Headlines Today as a force when it came to investigative and incisive news reporting.

Headlines Today have led from the front breaking stories of national and international importance.

Headlines Today Reach has grown to 11.1 million in 2010-11 as compared to 10.15 million in 2009-10.



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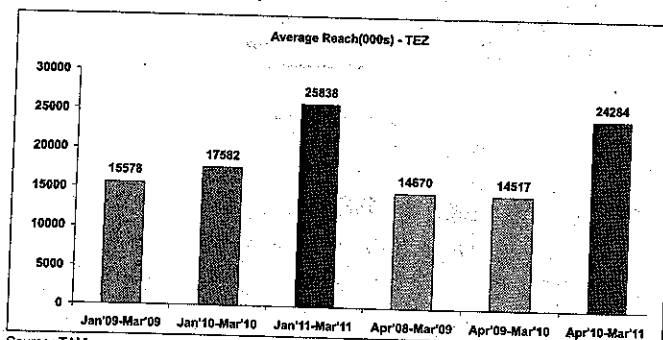


(Source: TAM
TG: CS 4+ Yrs
Market: All India (AT; TEZ; HLT) & Delhi (DAT))

TEZ

Tez was launched to cater to those viewers who have little time and want condensed news in quickest possible way, mostly in the target group of male, 25-44 years; Tez retained its ratings over the preceding year with both reach and time spent also going up considerably

In the full year of operation ended March 31, 2011, "Tez" had reached 24.28 Million viewers as compared to 14.51 million last year. During the quarter January-March 2011, the reach of "Tez" was 25.83 million compared to 17.58 million during the same quarter last year.

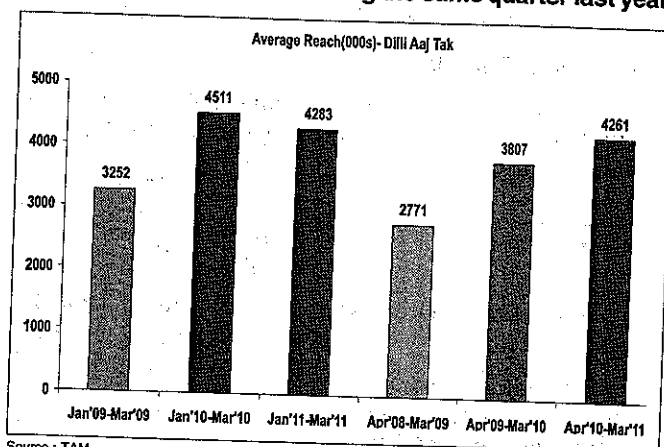


(Source: TAM
TG: CS 4+ Yrs
Market: All India (AT; TEZ; HLT) & Delhi (DAT))

DILLI AAJ TAK

Dilli Aaj Tak is TV Today's only metro centric 24 hrs news channel. In the course of its five year journey so far since the launch in 2006, the channel has not only redefined local news coverage but also acted as an objective & positive catalyst in bringing out changes that affect the lives of people of Delhi & NCR. The channel's news radar has always picked issues ranging from daily water-power crisis to local body polls, assembly & parliament elections & very big events like commonwealth games & their impact on overall capital canvas. Through its performance year after year it has carved a niche when compared with national broadcasters. It has truly lived its catch line "Aap Ka Shahr Aap Tak" by consolidating its connect with viewers by raising their issues, their problems through live & interactive programming & emerging as an aggressive & unbiased campaigner for a decent life in a metropolitan space like Delhi.

The channel has a news-you-can-use format, and has been No.1 in Delhi since the date of its launch in Delhi with an average viewership of 4.26 million in 2010-11 as compared to 3.80 million in 2009-10. During the quarter January-March 2011, the reach of "Dilli Aaj Tak" was 4.28 million compared to 4.51 million during the same quarter last year.



(Source: TAM
TG: CS 4+ Yrs
Market: All India (AT; TEZ; HLT) & Delhi (DAT))

3. Dividend

Your directors are pleased to recommend for your consideration and approval payment of dividend @ 15% amounting to Rs. 0.75 per equity share of Rs. 5/- each for the financial year 2010-11. Total amount of dividend outgo for the financial year shall be Rs. 5.18 Crores (including Corporate Dividend Tax amounting to Rs. 0.72 Crores).

4. Deposits

During the year, your Company has not accepted/renewed deposits from the Public within the meaning of Section 58A, 58AA and other relevant provisions of the Companies Act, 1956, if any.

5. Directors

In accordance with the provisions of Section 256 of the Companies Act, 1956 and the Articles of Association of your Company, Mr. Anil Mehra and Mr. Rajeev Thakore, Directors, liable to retire by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. Your directors recommend re-appointment of Mr. Anil Mehra and Mr. Rajeev Thakore as Directors on the Board of the Company.

6. Director's Responsibility Statement

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

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

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2010-11 and of the profit of the company for that period;

they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

the annual accounts had been prepared on a going concern basis.

7. Subsidiary Company

The Audited Statement of Accounts, alongwith the report of the Board of Directors and the Auditor's Report pursuant to Section 212 of the Companies Act, 1956 of the wholly owned subsidiary Company, TV Today Network (Business) Limited, for the year ended on 31st March 2011 is annexed.

8. Consolidated Accounts

In accordance with the requirement of Accounting Standard 21 of the Institute of Chartered Accountants of India to present consolidated accounts, your Company, in compliance with the said requirement has prepared the consolidated Accounts which is annexed herewith.

9. Investments

Your Company has made a strategic investment in Mail Today Newspapers Pvt. Ltd for which it has acquired some stake amounting to Rs. 45.50 Crore during the year ended March 31, 2011. This investment is towards considering a foray into the Print Media utilizing the synergies of content and brand. The same has been further elaborated in Note no. 11 of the Financial statement which is self explanatory.

10. Auditors

The statutory auditors of your Company M/s Price Waterhouse, Chartered Accountants holds office up to the conclusion of the forthcoming Annual General Meeting and have offered themselves for re-appointment. They have confirmed that, if re-appointed, their appointment would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956. Your directors recommend their re-appointment as Statutory Auditors of the Company.

11. Auditor's Report

There are no qualifications of the Auditors on the Accounts of the Company for the financial year ended 31st March 2011 requiring further comment from the Board of Directors.

12. Corporate Governance

In accordance with Clause 49 of the listing agreement, your Company has ensured continued compliance of Corporate Governance requirements during the financial

year. Your Company lays strong emphasis on transparency, disclosure and independent supervision to increase various stakeholders' value.

The report on Corporate Governance for the financial year 2010-11 is given as a separate section titled "Report on Corporate Governance" and Certificate of Company Secretary in Practice as required under the revised Clause 49 of the listing agreement is appended herewith which forms part of this Annual Report.

13. Employees Stock Option Plan

Human Resource is the key to the success of any organization. The Company has always valued its human resources and has tried to adopt the best HR practices. To retain and nurture well-performing employees who are contributing to the growth of the Company, your Company introduced stock option plan (ESOP) for its employees and Directors in 2006. The disclosures in compliance with clause 12 of the Securities and Exchange Board of India (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (as amended) are set out in the Annexure appended herewith.

A certificate from Statutory Auditors, with regard to the implementation of the Company Employees' Stock Option Scheme, would be placed before the shareholders in the next Annual General Meeting, and a copy of the same shall be available for inspection at the registered office of the Company.

14. Management Discussion and Analysis

Separate report on Management Discussion & Analysis is appended herewith.

15. The Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

In terms of the requirement of clause (e) of sub-section (1) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars with respect to "Conservation of Energy, Technology Absorption and foreign exchange earnings and outgo" are given as under:

(a) Conservation of Energy	: Not Applicable
(b) Technology Absorption	: Not Applicable
(c) Transaction in Foreign Currency :	
i) Value of Imports	: Rs. 21,134,543
(CIF basis)	
ii) Expenditure in foreign currency (Accrued basis)	
(a) Traveling Expenses	: Rs. 14,338,051
(b) Production Cost	: Rs. 96,010,286
(c) Repair and Maintenance	: Rs. 3,026,682
(d) Others	: Rs. 15,876,959
(d) Income in foreign currency	: Rs. 82,547,314
(Accrued basis)	



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16. Particulars of Employees

Particulars of Employees as required under Section 217 (2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 (as amended) is annexed hereto and forms part of this report.

17. Acknowledgement

Your Directors place on record their deep appreciation of the contribution made by all section of employees with dedication, commitment and team effort which helped your Company in achieving the performance during the year despite stiff competition from the existing as well as new players in the news and current affairs genre.

Your Directors also acknowledge with thanks the support given by the Central Government, bankers, shareholders and investors at large and look forward to their continued support.

For and on behalf of the Board of Directors

Place : New Delhi

Date : May 30th, 2011

Sd/-

Anil Mehra
Director

Sd/-

Aroon Purie
Chairman &
Managing Director

Note: As per the provisions of Section 219(1) (b) (iv) of the Companies Act, 1956, read with amended Clause 32 of the Listing Agreement with the Stock Exchanges, the Annual Report is being sent to all shareholders of the Company excluding Particulars of Employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975. Any shareholder interested in obtaining such particulars may write to the Company Secretary at the Company's New Delhi office at Videocon Tower, E-1, Jhandewalan Extension Delhi-110 055.

INFORMATION REGARDING THE EMPLOYEES STOCK OPTION PLAN (As on March 31, 2011)

Sl. No.	Particulars	First Grant	Second Grant	Third Grant	Fourth Grant	Fifth Grant	Sixth Grant	Seventh Grant
I	Date of Grant	December 01, 2006	March 01, 2007	December 01, 2007	June 24, 2008	April 05, 2010	May 20, 2010	September 30, 2010
II	Market value on date of grant of the underlying equity shares	Rs. 74.35	Rs. 134.85	Rs. 152.75	Rs. 93.15	Rs. 113.90	Rs. 102.85	Rs. 85.15
III	Exercise Price (50% of options) (Balance 50% of options)*	Rs. 74.35 Rs. 44.35	Rs. 134.85 Rs. 104.85	Rs. 152.75 Rs. 122.75	Rs. 93.15 Rs. 63.15	Rs. 113.90 Rs. 83.90	Rs. 102.85 Rs. 72.85	Rs. 85.15 Rs. 55.15
IV	Vesting Period	4 years	4 years	4 years	4 years	4 years	4 years	4 years
a	Options Granted (NET OF OPTIONS CANCELLED)	1,90,500	55,000	15,000	104,000	21,500	37,500	200,000
b	Pricing Formula	50% of options are granted at the market price and balance 50% of the options at a discount to the market price. Discount shall vary from Rs. 0 to Rs. 30/- depending upon the meeting of the performance criteria by the employee from year to year.						
c	Option Vested	45,500	NIL	NIL	NIL	NIL	NIL	NIL
d	Option Exercised	45,500	NIL	NIL	NIL	NIL	NIL	NIL
e	Number of shares arising as a result of exercise of option	45,500	NIL	NIL	NIL	NIL	NIL	NIL
f	Option Lapsed	NIL	NIL	NIL	NIL	NIL	NIL	NIL
g	Variation of terms of options	NA	NA	NA	NA	NA	NA	NA
h	Money realized by exercise of options	27,22,925	NA	NA	NA	NA	NA	NA
i	Total number of options in force	1,45,000	55,000	15,000	1,04,000	21,500	37,500	2,00,000
j	Employee-wise details of options granted to i) Senior Management Personnel	<ol style="list-style-type: none"> 1. Q.W Naqvi - News Director - 45,000 options 2. Rajnish Rikhy - Senior VP-Ad Sales - 45,000 options 3. Sanjay Jain - VP Finance - 3,000 options (resigned) 4. Rinku Paul - GM - Ad Sales - 15,000 options 5. Nikita Tulsian - GM Ad Sales - 15,000 options 6. Satyaky Chowdhury - GM Ad Sales - 15,000 options 7. Rehan Kidwai-VP-Operations - 15,000 options 8. Prince Sharma - VP Technology - 22,500 options 9. Amitabh - Executive Prod - 15,000 options 10. Rajmohan Nair - VP Network - 45,000 options 11. Bijo - GM Ad Sales - 10,000 options 12. Shailesh Kumar - Executive Prod - 15,000 options 13. Rahul Kanwal - Executive Producer - 15,000 options 14. Denzil O'Connell - Associate Exec Prod - 9,000 options 15. Ritul Joshi - Deputy Editor - 7,500 options 16. Sonia Singh - Senior Special Correspondent - 7,500 options 17. Sahil Joshi - Bureau Chief - 7,500 options 18. Deepak Sharma - Editor - 7,500 options 19. Shams Tahir Khan - Editor - 7,500 options 20. Vikrant Gupta- Editor - 7,500 options 21. Gautam Roy - Senior Special Correspondent - 7,500 options 22. Avantika Singh Associate Senior Producer - 7,500 options 23. Samip Rajguru Senior Special Correspondent - 5,000 options 24. Sanjiv Chauhan - Special Correspondent - 5,000 options 25. Prateek Trivedi, Special Correspondent - 5,000 options 26. Nida Khan - Associate Senior Producer - 5,000 options 						



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		27. Mandeep Bevil - Associate Executive Producer - 9,000 options 28. Manish Dubey - Editor - 7,500 options 29. Ruchika Tomar - Principal Correspondent - 5,000 options 30. Ajay Kumar - Executive Producer - 15,000 options 31. Abhisar - Deputy Editor - 7,500 options 32. Poonam Sharma - Deputy Editor - 7,500 options 33. Gaurav Sawant - Associate Editor - 7,500 options 34. G. Krishnan - Chief Executive Officer - 100,000 options 35. Anil Mehra - Director - 100,000 options (Out of above, 45,500 options have been exercised as mentioned under Sl. No. d)						
	ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year;	None.						
	iii) Identified employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of the grant.	None.						
k	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of options calculated in accordance with accounting Standard (AS) 20 'Earning Per Share'.	Rs. 2.15						
l	In case, the employees compensation cost is calculated on the basis of intrinsic value of stock option, the difference between the employees compensation of the stock option cost based on intrinsic value of the stock and the employees compensation of the stock option cost based fair value, and the impact of this difference on profits and on EPS of the Company.	The Company has used intrinsic value method for calculating the employee compensation cost with respect to the Stock Options. If the employee compensation cost for the ESOP had been determined in a manner consistent with the fair value approach the Stock Option compensation expenses would have been higher by Rs. 3.58 million. Consequently, the profit would have been Rs. 120.62 million instead of the current profit of Rs. 124.19 million and the EPS of the Company would have been (Rs. 2.09) instead of (Rs. 2.15).						
m	For options whose exercise price either equals or exceeds or is less than the market price of the stock the following are disclosed separately: a) Weighted average exercise price i) when the exercise price is equal to market price ii) when the exercise price is less than market price b) Weighted average fair value i) when the exercise price is equal to market price ii) when the exercise price is less than market price	Rs. 89.58	Rs. 75.10	Rs. 56.79	Rs. 63.16			
n	A description of the method and significant assumptions used during the year to estimate the fair value of options, including the following weighted-average information: i) risk-free interest rate; ii) expected life; iii) expected volatility; iv) expected dividends; and v) the price the underlying shares in the market at the time of option grant.	7.35%	7.87%	8.07%	8.83%	8.09%	7.94%	8.10%
		10 years	10 years	10 years	10 years	10 years	10 years	10 years
		48.28%	55.44%	51.27%	58.35%	54.44%	52.40%	43.13%
		1.01%	0.56%	0.49 %	0.83 %	0.66%	0.74%	0.89%
		74.35	134.85	152.75	93.15	113.90	102.85	85.15

* Maximum discount of Rs. 30/- which may vary between Rs. 0 to Rs. 30/- based on the employees performance.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The Indian Entertainment and media industry (E & M), which was reeling under slow growth has bounced back in 2010 registering a growth rate of 11 percent compared to a mere 1.4 percent in 2009. This growth was primarily driven by the resurgence of media spends by advertisers across media platforms. The overall size of the Media and Entertainment industry grew from INR 58700 crore in 2009 to INR 65200 crore in 2010, registering an overall growth of 11 percent. Backed by positive industry sentiments and growing media consumption, the industry is estimated to achieve growth of 13 percent in 2011 to touch INR 73800 crore. The growth is projected to grow at a CAGR of 14 to reach INR 127500 crore by 2015 according to a latest FICCI KPMG report. The contribution of advertising revenue to overall industry pie is expected to increase from 38 percent in 2007 to 42 percent in 2012.

The contribution of television to the overall industry has risen at a CAGR of 12% and the same is expected to grow at a CAGR of 15% in the next 5 years. Out of the total industry size of INR 65200 crore in 2010, television size was INR 29700 crore which accounts for 45.55 percent of the total industry size. Overall the television industry grew from INR 25700 crore in 2009 to INR 29700 crore in 2010 recording a growth of 15 percent compared to 7 percent last year. It is expected to reach a size of INR 63000 crore in the next five years i.e. by 2015 at a CAGR of 17 percent. The total number of TV households grew from 129 million in 2009 to 138 million by the end of 2010 showing an increase of 7 percent. The C&S households increased from 95 million in 2009 to 108 million in 2010. The number of television channel increased from 461 in 2009 to 550 by August, 2010.

The private FM Radio industry registered robust growth of around 24 percent during the year after recovering from the impact of economic slowdown. Industry growth was driven largely by volumes. The industry is expected to grow at CAGR of 20 percent over the next five years.

INDUSTRY GROWTH – FUNDAMENTAL DRIVERS

The key growth drivers which have enabled the sector to grow are:

- **Digitization** – Digitization has added value to the industry as it provides better quality transmission with the possibility of interactive and value added services. DTH was one of the biggest contributors to the digitization story as it displayed rapid growth to reach 28 million gross subscribers by the end of 2010 registering robust growth of 75 percent in net subscriber base over 2009, by adding 12 million subscribers. With the regulatory push on digitization, increasing mobile and broadband penetration and ongoing 3G rollouts, the market for digital distribution platform is only expected to grow.

- **Regional Channels** - Backed by the increasing purchasing power across tier 2 and tier 3 cities, regional media consumption is expected to continue to rise. With regional channels gaining momentum and emerging as complimentary media propositions, the growth in advertising revenues is expected to come from increase in ad rates being commanded by these channels. In 2010, of total ad volumes, on television, 53 percent was on regional channels as opposed to national channels, growing from 47 percent in 2009.

Focus on profitable growth

Indian M & E companies implemented cost reduction strategies to weather the economic slowdown of 2008-2009. While industry projections look optimistic, increasing competition is creating greater pressure on margins. In order to sustain profitable growth, several cost control initiatives implemented during the slowdown have continued to prevail despite the industry resuming its double digit growth rate.

Increasing Media penetration and per capita consumption

With increase in per capita consumption, discretionary spends are expected to grow and entertainment and leisure platforms are likely to be beneficiaries of this trend. Moreover as metros and tier 1 markets get saturated, media companies are looking to penetrate the tier 2 and tier 3 towns and rural markets.

Growing importance of new Media

The past decade marked the convergence of media and technology of user generated content and social media have changed the way the media is consumed. These changes in the media are being driven by factors such as content pull from telecom services providers due to 3G launch, emerging gaming platforms and innovation in technological devices such as tablets. New media is bringing about a revolution by merging the functionalities for customer end terminal devices like T.V., PCs, mobile phone etc. This creates new and exciting methods of monetizing content and attracting new media consumers. Recently launched I-pad has the potential of becoming a delivery platform for news and entertainment content in the future. Launch of HD channels and its packaged sales by some DTH operators is another example of monetization through new media.

Growing importance of pay markets

Traditionally, advertising revenues have had a strong hold in the M&E industry, but increasingly, subscription revenues are becoming important with consumers paying for media services. The media business models in India are undergoing a change with audiences becoming more willing to pay for content and value added services. Technology has brought about convenience and offers superior quality to consumers who are responding positively. The growth in ticket prices of movies at multiplexes, increasing number of Pay T.V. Subscribers, increasing penetration of DTH with its user-friendly interface and technology, and introduction of Value Added Services



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(VAS) by media players are some examples of pay markets gaining importance.

OPPORTUNITIES, GROWTH DRIVERS & CONCERNS

Though growth has been evident in varying proportions across the different segments of the Media Industry i.e. Television occupies a formidable 39% share of ad spend in 2010 indicating its nature as a powerful medium to engage. With 550 channels and 138 million T.V. households and with increased penetration of DTH and digital cable, the opportunities in the broadcasting sector are immense. With the emergence of trends towards new technologies and availability of multiple media vehicles, the Indian Entertainment and Media Industry has been witnessing structural shifts with consumers increasingly taking control of their media consumption. Further increased consumer spending is likely to have greater impact on revenue streams.

Television advertising

The television industry was trying to recover from budget cuts by advertisers in 2009, but there were sectors and brands which ensured the revenue remained stable. While sectors such as Financial Services, Consumer durables etc. cut down their ad spends on advertising, FMCGs maintained their ad spends. Telecom and Auto were other sectors that continued their ad spends. The General elections helped in the growth in ad volumes in 2009. In terms of volumes, T.V. Advertising recorded a growth of 31% in 2009 compared to the same period in 2008 though the rates remained flat in the first half of the year.

Subscription

The number of T.V. households grew at a rate of 7 percent to reach 138 million in 2010 compared to 129 million in 2009. The penetration for Cable & satellite (C&S) households increased from 95 million households in 2009 to 108 million in 2010 registering a growth of over 13 percent. A large part of this growth came from the digital homes being added wherein the DTH base itself was 28 million subscribers by the end of 2010, net of churn.

FM Radio

FM Radio industry has registered an impressive growth of around 24 percent during the year and it is expected to maintain the momentum of growth. As per KPMG FICCI report, the FM Radio sector is expected to grow at a CAGR of 20% in the next five years wherein the listenership growth is expected to increase at a CAGR of 15% during this period. Radio accounts for only 3.75 percent of total ad spends in India. The latest Copyright Board order declared in August has paved the way for revenue linked royalty fees against the existing fixed license fees. While the matter has been appealed in court, the industry is expecting a final resolution that will benefit the industry as a whole. This is expected to have significant impact on profitability going forward. Phase three licensing is expected to be announced later in the year which will provide opportunity to increase the licenses by 800.

Outlook

Two main sources of revenue for the broadcasters are - Advertisement Revenue and Subscription Revenue. Since your Company is in the News genre, the primary source of income for your Company is Ad sales revenue. Both the streams of revenue i.e. Advertisement and subscription revenues have shown growth compared to the last financial year. Though the viewership share of national news channels both Hindi and English genre has gone down when compared with last year, your company has been able to maintain not only its leadership position, but also improvements in revenues.

The ad spend on a channel depends on its market share, reach and the credibility and popularity it enjoys with the consumer. The leadership position of Aaj Tak as the No.1 news channel for the tenth consecutive year has contributed to the growth in advertising revenue. Your Company's 24 hour English News channel "Headlines Today" and Hindi News channel "Tez" catering to the upmarket urban population and Metro centric channel "Dilli Aaj Tak" have also contributed to the revenue growth of the Company in the financial year ended 31st March, 2011 and are expected to further contribute for the Company in the coming years. Your Company is constantly investing in the content as well as distribution on the basis of detailed research in order to achieve better ratings.

Three channels were converted to 'Pay' in 2008. While Channels "AAJ TAK", "Headlines Today", "TEZ" are on the platform of Set Discovery Private Limited (now "MSM Discovery"), Dilli Aaj Tak is marketed directly by the Company.

With the increased penetration of digitisation including new platforms like DTH and IPTV, your Company is expected to benefit from increased subscription revenue through more transparency and addressable reporting of subscription revenues.

Your Company also partners in the digital consolidation with the other group Companies to have an edge on digital technology besides considering the potential opportunity in regional space and leveraging the Groups strength in few other media platforms like Hindi newspaper etc.

Risk and Concerns

A. Television

Lack of transparency in sharing of revenues by distributors.

The lack of transparency in case of analog cable systems has traditionally been a challenge for the broadcasters. Local Cable Operators (LCOs) still garner almost 75 percent of the subscription revenues due to under declaration of the subscription numbers, broadcaster gets around 20 percent and MSO gets around 5 percent. There is a possibility for this scenario to change to a more equitable sharing norm, only with higher penetration of digital platforms.

Carriage Fee

With the limited bandwidth available to the cable operators, there has been a sharp increase in the carriage fees and placement fees paid to DTH, MSOs and LCOs over the last two- three years. The fee varies in accordance with the type of band selected, popularity of the channel and the negotiations between the broadcaster and the DTH operator, MSO or LCO concerned. Even though digitization facilitates hire bandwidth capacity, the number of new channels is also growing and hence both carriage and placement fee might continue to remain a concern for broadcasters, specially after introduction of carriage fees by DTH players.

Competition leading to increasing content and distribution cost

In the current scenario, broadcasters are vying for a share of viewer eye balls, in order to chase ad spends. Fragmentation of viewership ratings and excess capacity are forcing players to incur high marketing, content and distribution costs in order to stay competitive. Production cost are estimated to have gone up by 10-15 percent.

Measurement systems

Though the current measurement system in the country captures useful information from 8000 T.V. households, the coverage is limited. The system is continuously evolving to cater to the diversity of the Indian market. TAM continues to be the dominant television broadcasting rating agency in India. It has announced initiatives to broaden its coverage and geographic reach.

B. FM Radio

Cost structures remain a concern for the industry given the high royalty payments, one time entry fees and restrictions on networking. Though there are encouraging signs in the form of Copyright Board's order on revenue linked royalty fees and expectation of announcement of phase three licensing, the industry is waiting to tide over the current scenario of low revenues and high costs.

Regulatory Concerns

1. TRAI issued a new tariff order applicable from 1st September, 2010 to all digital addressable systems wherein the key provisions of the order include that
 - Every broadcaster/distributor shall offer pay channels on a la carte basis and as bouquet at specified rates. In addition, it shall be open for distributors to specify a minimum subscription period not exceeding three months.
 - The wholesale rate of pay tv channels on a la carte basis and bouquet basis for all addressable systems has been capped at 35 percent of the corresponding rates for cable operators/ MSOs in the non-addressable market. However the distributors will be free to specify the retail tariffs. They have been empowered to specify a minimum monthly subscription rate per subscriber. However such

minimum rate specified should not exceed Rs.150 per month per subscriber.

- Broadcasters shall be free to specify tariffs for high definition and 3D TV channels.
2. Rule 7(10) of the cable Television Networks Rules, 1994 (Cable TV Rules) provides that all the advertisements should be clearly distinguishable from the program and should not in any manner interfere with program viz. lower part of screen to carry options, static or moving alongside the program. Taking serious note of the complaints received by the MIB about the violation of the above rule by private TV channels, it has advised all the TV channels including news and current affairs channels to follow the rule.
 3. On FM Radio front, policy for phase three was discussed in the recent Group of Ministers meeting in January, 2011 wherein the following are the key policy changes that are expected as part of phase three licensing:-
 - The award of license should be through the electronic auction route.
 - The period of license in phase three will be extended to 15 years against 10 year in phase two. The government is also looking at allowing existing license holders to extend their licenses to fifteen years, on payment of a migration fees.
 - Permission to relay news (to be sourced from Prasar Bharati and broadcast unaltered), sports and current affairs content is expected.
 - Permission for networking of content, within the network of an operator (networking of stations across operators will not be permitted) across categories of cities is expected. However, this may be subject to a stipulation that a minimum of 20 percent of the content for any station to be produced/ sourced locally.
 - Permission for a single operator to own multiple frequencies in a city is expected (subject to the condition that the city must have three operators with no operator owning more than 40 percent of the frequencies)
 - Prasar Bharati rentals for transmission infrastructure could be potentially reduced.
 - Potential increase in FDI limit from 20 percent to 26 percent which has been approved by MIB recently.

Human Resources

Your Company's employee strength as on 31st March, 2011 was 1196 in comparison to 1028 in the previous year. Your Company considers human resources to be one of the key elements to sustain competitive advantage in the Media sector. Media organizations are human resource driven; its growth depends upon the quality contribution made by the people in the organization. Therefore your Company recognizes human



T.V. Today Network Limited

resource as a key component for facilitating organizational growth. Your Company has continuously worked to create and nurture an organization that is highly motivated, result oriented and adaptable to the changing business environment.

Internal Control and Systems

Your Company has adequate internal control system commensurate with the size and nature of its business. Your Company's internal audit process is being handled by one of the top four audit firms, Ernst & Young, who continuously monitor the adequacy and effectiveness of the internal control systems and policies.

Your Company's internal control is designed to:

- Safeguard the Company's assets and to identify liabilities and manage it accordingly.
- Ensure the transactions are properly recorded and authorized.
- Ensure maintenance of proper records and processes that facilitates relevant and reliable information.
- Ensure compliance with applicable laws and regulations.

Further, Ernst & Young conducts extensive audits round the year covering each and every aspect of the business activity

so as to ensure accuracy, reliability and consistency of records, systems and procedures. The recommendations and observations of the internal auditors are being reviewed regularly by the Audit Committee.

Cautionary Statement

The statement made in this report describing the Company's objective, expectations and predictions may be forward looking statement within the meaning of applicable securities laws and regulations. These statements and expectations envisaged by the management are only estimates and actual results may differ from such expectations due to known and unknown risks, uncertainties and other factors including, but not limited to, changes in economic conditions, government policies, technology changes and exposure to market risks and other external and internal factors, which are beyond the control of the Company.

For and on behalf of the Board of Directors

Place : New Delhi
Date : May 30th, 2011

Sd/-
Anil Mehra
Director

Sd/-
Aroon Purie
Chairman &
Managing Director

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance:

Corporate Governance is an insight into the management of affairs of the Company. It implies governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. Company is committed to and firmly believes in, following good corporate governance practices, as they are critical for meeting its obligations towards shareholders and other stakeholders.

2. Board of Directors:

a) Composition of the Board

The Board of Directors Presently consists of seven directors of which one is a Managing Director & Chairman of the Board, one Whole-time Director and the other five are Non-executive directors. Mr. Rajeev Thakore, Mr. Rakesh Kumar Malhotra and Mr. Ashok Kapur are Independent directors.

b) Number of Board meetings

During the financial year ended March 31, 2011, the Board met Four (4) times on 24th May 2010, 23rd July 2010, 02nd November 2010 and 11th February 2011.

c) Directors' attendance record and Directorship in other Public Limited Companies

Name of the Director	Category	Board Meetings held during the year	Board Meetings attended during the year	Whether last AGM attended	Directorships in other public limited companies	No. of Memberships/ Chairmanships of other Board Committees*	
						Membership	Chairmanship
Mr. Aroon Purie	(Promoter)-Chairman & Managing Director Whole Time Director	4	4	Yes	9 NIL	-	-
Ms. Koel Purie		4	4			-	-
Mr. Anil Rinchet Mehra	Non-Executive Director	4	4	Yes	7	2	1
Mr. Anil Vig	Non-Executive Director	4	3	Yes	NIL	-	-
Mr. Rajeev Thakore	Independent Director	4	4	No	1	-	-
Mr. Rakesh Kumar Malhotra	Independent Director	4	4	Yes	1	1	-
Mr. Ashok Kapur	Independent Director	4	3	No	6	-	-

*None of the directors is a member of more than ten Board Committees or a Chairman of more than five such committees, as required under clause 49 of the Listing Agreement.

d) Code of Conduct

The Board had laid down a code of conduct for all the Board members and senior management personnel of the company since January 2005, which is also posted on the web-site of the Company (<http://aajtak.intoday.in>).

All Board members and senior management personnel to whom the code of conduct is applicable have affirmed compliance with the code for the financial year 2010-11.

3. Audit Committee:

a) Composition

The Audit Committee comprises of Mr. Rakesh Kumar Malhotra as Chairman and Mr. Anil Mehra & Mr. Rajeev Thakore, as members. Two-thirds of the members of the Committee including the Chairman are independent directors. The composition of the Committee is in conformity with Clause 49(II) (A) of the Listing Agreement.

All members of the Committee are financially literate. Mr. Rajeev Thakore and Mr. Anil Mehra are financial experts.

b) Terms of Reference, Powers & Role of the Committee

The terms of reference of the Audit Committee including its role & powers are as specified in Clause 49 of the Listing Agreement with the Stock Exchanges, and also in Section 292A of the Companies Act, 1956 as amended from time to time, besides other terms as may be referred to it by the Board of Directors.

c) Number of Committee Meetings & Attendance

The Committee met Four times during the year on 24th May 2010, 23rd July 2010, 02nd November 2010 and 11th February 2011. The gap between two meetings was not more than four months.

The attendance record of the members is as follows:

Name of the Director	Status	No. of meetings held	No. of meetings attended
Mr. Rakesh Kumar Malhotra	Chairman	4	4
Mr. Anil Mehra	Member	4	4
Mr. Rajeev Thakore	Member	4	4

d) Review of information by the Audit Committee

The Audit Committee reviews the report of the Internal Auditors, meets Statutory and Internal Auditors as and when required & discusses their findings, observations, suggestions, internal control system, scope of audit and other related matters. The appointment, removal and terms of remuneration of Internal Auditors subject to review of the Audit Committee. The Committee also reviews Management Discussion & Analysis of financial conditions and results of operations. It also reviews significant related party transactions, submitted by the Management.

4. Remuneration Committee

a) Composition:

The Remuneration Committee comprises of three non-executive directors, out of which the Chairman, Mr. Rajan Bharti Mittal had resigned from the Board as well as the Remuneration Committee with effect from 8th November 2010 and on his place, Mr. Ashok Kapur is appointed as a member of the Remuneration Committee with effect from 11th Feb 2011. Now, the Remuneration Committee comprises of three non executive directors, namely Mr. Rakesh Kumar Malhotra, Chairman, Mr. Ashok Kapur and Mr. Anil Mehra as members of the Committee. The Chairman of the Committee as well as Mr. Ashok Kapur are Independent Directors.

b) Terms of reference:

Remuneration Committee has been constituted for the purpose of formulation of ESOP Scheme under SEBI (Employees Stock Option & Employees Stock Purchase Scheme) Guidelines, 1999 and Clause 49 of the Listing Agreement for formulation of terms and conditions of Employee Stock Option Scheme & appointment, fixing/determination of remuneration of Managing Director/Directors and the senior management personnel of the Company and to review the same, from time to time.

c) Number of Meetings held & Attendance Record:

Name of the Director	Status	No. of meetings held	No. of meetings attended
Mr. Rajan Bharti Mittal*	Chairman*	2	2
Mr. Rakesh Kumar Malhotra	Chairman	3	3
Mr. Anil Mehra	Member	3	3
Mr. Ashok Kapur	Member	3	1

*Mr. Rajan Bharti Mittal who was chairman of the Committee had resigned on 08.11.2010 and had attended all the meetings of remuneration Committee.

d) Remuneration Policy & Remuneration of Directors:

No remuneration has been paid to Directors except to Mr. Aron Purie, Chairman & Managing Director and Ms. Koel Purie Rinchet, Whole Time Director. Mr. Aron Purie is entitled to remuneration by way of commission @ 5% of the net profits of the Company, which also includes the facility of a Chauffer driven car partly for official and personal purposes. He was not entitled to any other benefit, salary, bonus, stock option, pension etc. The monetary value of the remuneration (commission) paid to him during the financial year is Rs. 9,220,034 (Includes Perquisites amounting to Rs. 1,009,352).

Ms. Koel Purie Rinchet is entitled to remuneration by way of salary, perquisites, allowances and bonus including a Company maintained car with reimbursement of Driver's salary, Provident Fund, Gratuity as per rules of the Company. Ms. Koel Purie Rinchet shall be entitled to Group Medical Insurance Scheme and the Group Accident Insurance Scheme as applicable to Senior Employees of the Company. The monetary value of the remuneration paid to her during the financial year is Rs. 4,389,050.

e) Compensation to Non-executive Directors:

During the financial year, Non- Executive Directors were paid sitting fee @ Rs. 10,000/- for each meeting

f) Shares held by Non-executive Directors

Name of the Director	No. of Shares held
Mr. Anil Mehra	100
Mr. Rajeev Thakore	300

5. Shareholders/Investors Grievance and Share Transfer Committee

i) Composition

The committee comprises of Mr. Anil Mehra, Mr. Aron Purie and Mr. Anil Vig. Mr. Anil Mehra, a Non-Executive Director, is the Chairman of the Committee. The Company Secretary acts as Secretary to the Committee. The composition of the Committee is in conformity with Clause 49 (IV) (G) (iii) of the Listing Agreement.

ii) Terms of Reference

The Committee has been constituted to specifically look into issues relating to redressal of the Investors/ Shareholders complaints including complaints relating to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends and/or any

other matter relating to Shareholders/Investors. The Committee meets as and when required.

iii) Name & Designation of Compliance officer

Mr. Puneet Jain GM (Legal & F & A) and Company Secretary is the Compliance Officer.

iv) Investors complaints received and resolved during the year

During the year under review, 7 complaints were received, all of which have been resolved. No complaint was pending as at the end of the financial year.

6. General Body Meetings

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

Financial Year	Date	Time	Venue	Details of special resolutions passed, if any
2009-10	26.08.10	1.00 P.M.	M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujarati Samaj), 2, Raj Nivas Marg, Delhi-110054.	None
2008-09	27.08.09	1.00 P.M.	M.P.C.U. Shah Auditorium, Mahatma Gandhi Sanskritik Kendra, (Shree Delhi Gujarati Samaj), 2, Raj Nivas Marg, Delhi-110054.	None
2007-08	25.09.08	4.00 P.M.	FICCI Auditorium, Federation House, Tansen Marg, new Delhi-110001	None

b) Postal Ballot

During the financial year 2010-2011, no special resolution was passed through postal ballot.

As of now, no special resolution is proposed to be conducted through postal ballot.

7. Disclosures

- (i) The details of related party transaction with the company are given in Note No. 8 of Schedule Q (B) of the Notes to Accounts of the Company. Besides this, the company has no material significant transaction with the related parties viz. promoters, directors of the company, management, their relatives, subsidiaries of promoter Company etc. that may have a potential conflict with the interest of the Company at large.
- (ii) No penalties or strictures have been imposed on the Company by the Stock Exchange or SEBI or any other statutory authority on any matter related to capital markets for non-compliance by the Company during the year.
- (iii) The Company has a centralized Human Resource Department which attends to the grievances of the employees on regular basis and has an exit policy which records the reasons of separation which are shared with the Management.
- (iv) All mandatory requirement as applicable to the Company are being complied with and the Company has also adopted the non-mandatory requirement relating to the Remuneration Committee.
- (v) Management Discussion and Analysis forms part of the Annual report.

8. Means of Communication

- a) At present quarterly/half yearly reports are not being sent to each household of shareholders.
- b) The quarterly/half yearly results are published in leading English & Hindi Newspapers and are also displayed on website of the Company- <http://aa/jtak.intoday.in/> along with official news releases and presentations. The same is also being sent to the institutional investors and to the analysts.

9. General Shareholder information

a. Annual General Meeting

Date : August 29, 2011

Venue : The Airforce Auditorium, Subroto Park, Dhaula Kuan, New Delhi -110010.

Time : 3:00 P.M.

b. Financial Calendar

The next financial year 2011-12 ends on March 31, 2012. The tentative dates for approval of un-audited financial results are as follows:

Quarter ending June 30, 2011	: upto 14th of August 2011.
Quarter ending September 30, 2011	: upto 14th of November 2011.
Quarter ending December 31, 2011	: upto 14th of February 2012.
Quarter ending March 31, 2012	: upto 15th of May 2012 (un audited) / upto 30th of May 2012 (audited).

c. Book Closure

The register of members and share transfer records of the company shall remain closed from August 18, 2011 to August 29, 2011 (both days inclusive).



T.V. Today Network Limited

d. Dividend Payment Date: September 02, 2011

e. Listing in stock exchanges and stock codes

The names of the Stock Exchanges at which the equity shares are listed and the respective stock codes are as under:

Name of the Stock Exchanges	Stock Code/Symbol
Bombay Stock Exchange Limited	532515
National Stock Exchange of India Ltd.	TVTODAY

Listing fee for the financial year ended March 31, 2011, as payable to the aforesaid Stock Exchanges, has already been paid. The ISIN number allotted to the company for dematerialization of shares is as under:

NSDL - INE 038F01029

CDSL - INE 038F01029

f. Market Price Data

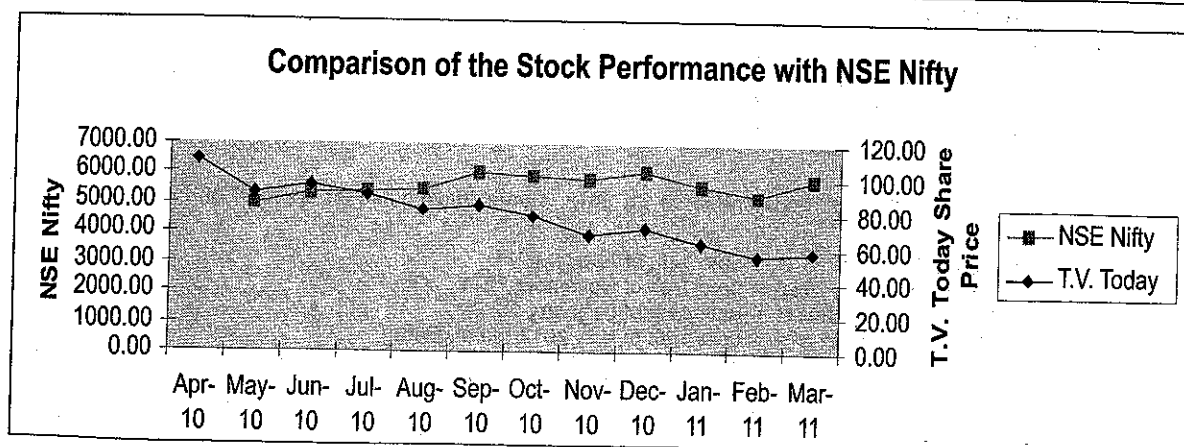
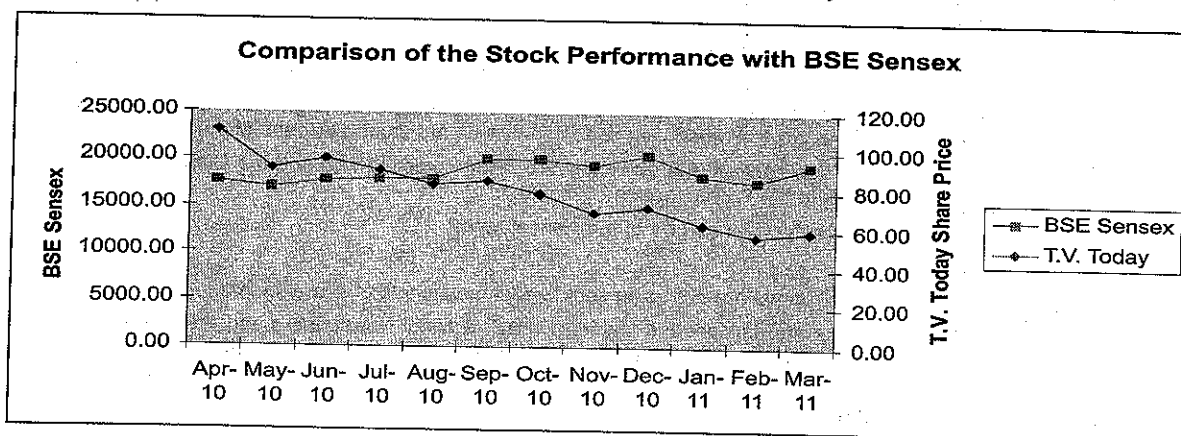
The High/Low of the market price of the Company's equity shares traded on the Bombay Stock Exchange Limited, and National Stock Exchange of India Limited, during the financial year ended 31st March 2011 were as follows:

Month	BSE		NSE	
	High	Low	High	Low
April 2010	122.00	109.40	124.60	109.00
May 2010	113.80	89.85	112.90	89.25
June 2010	98.50	88.50	98.45	88.60
July 2010	103.80	90.00	105.00	90.00
August 2010	95.60	81.60	95.40	81.40
September 2010	96.50	77.05	98.00	77.45
October 2010	90.90	78.25	91.00	78.15
November 2010	84.00	64.50	82.95	64.30
December 2010	74.40	63.20	74.60	63.00
January 2011	75.00	60.30	75.20	60.10
February 2011	65.10	53.25	65.10	53.00
March 2011	65.20	56.50	65.50	56.20

(Source: www.bseindia.com)

(Source: www.nseindia.com)

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



h) Registrar & Share Transfer Agent

M/s MCS Limited

F-65, Okhla Industrial Area

Phase-I, New Delhi-110020

Ph. 011-41406149/51-52

Fax No. 011-41709881

E-mail: admin@mcsdel.com

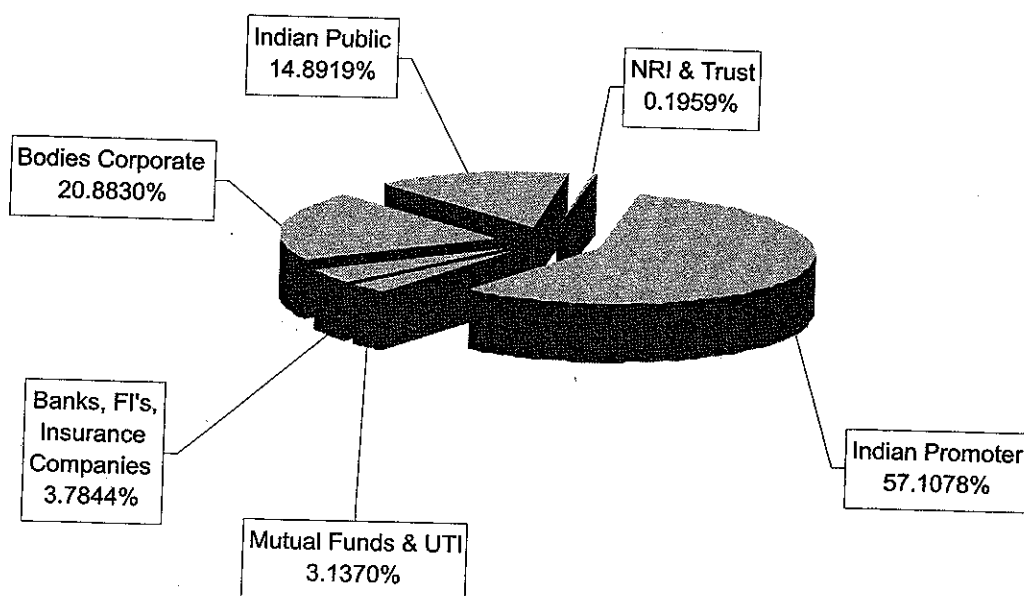
i) Share Transfer Systems

All share transfers are handled by company's Registrar & Share Transfer Agent. Share transfers in physical form are registered within a month from the date of receipt, provided the documents are found to be in order.

j) Distribution of shareholding as on 31st March 2011

S.No.	Shareholders	Percentage of Holding
1	Indian Promoter	57.1078
2	Mutual Funds & UTI	3.1370
3	Banks, FI's, Insurance Companies	3.7844
4	Bodies Corporate	20.8830
5	Indian Public	14.8919
6	NRI & Trust	0.1959
	Total	100.0000

Distribution of Shareholding



k. Shares held in physical and dematerialised form

As on 31st March 2011, 42.87% of the Company's total equity shares representing 2,54,91,105 shares were held in dematerialized form (NSDL -2,18,05,232 & CDSL - 36,85,873) and 57.13% equity shares representing 3,39,65,510 shares were held in physical form. The shares of the Company are traded in 'B1' group in BSE.

l. There are no outstanding GDR's / ADR's / Warrants / convertible instruments.

m. Plant Location

Not Applicable



T.V. Today Network Limited

n. Address for Correspondence:

T.V. Today Network Limited
Videocon Tower,
E-1, Jhandewalan Extension,
New Delhi-110055.
Telephone: 011-23684878, 23684888
Fax: 011-41540231
E-Mail – puneet.jain@aajtak.com

o. Bank details in respect of Shares held in dematerialized form

Shareholders holding shares in electronic form may give instructions regarding bank details, which they wish to incorporate on their dividend warrants, to their depository participants. As per the regulations of NSDL and CDSL, the company is obliged to print the bank details on the dividend warrants, as furnished by these depositories to the Company.

Certificate on Compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of TV Today Network Limited

1. We have reviewed the implementation of Corporate Governance procedures by TV Today Network Limited (the Company) during the year ended March 31, 2011, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.
4. On the basis of our review and according to the best of our information and according to the explanations given to us, the Company is already complying with the conditions of Corporate Governance, as stipulated in Clause 49 of the listing agreement (s) with the Stock Exchanges as in force.

Jyoti Upmanyu Sharma
Certificate of Practice No. 8987

Place : New Delhi
Date : May 30, 2011

For & on behalf of
JUS & Associates
Company Secretaries



T.V. Today Network Limited

DECLARATION ON THE COMPLIANCE WITH THE CODE OF CONDUCT

Dear Members,

In compliance with the provisions of revised Clause 49 of the Listing Agreement, the Company had laid down a "Code of Conduct" to be followed by all Board Members and senior management personnel which received the sanction of the Board and had been posted on the website of the Company. The Code lays down the standards of ethical and moral conduct to be followed by the members in the course of proper discharge of their official duties and commitments. All the members are duty bound to follow and conform to the said Code.

It is hereby certified that all the members of the Board and senior management personnel have conformed to and complied with the "Code of Conduct" during the financial year 2010-11 and that there has been no instances of violation of the Code.

Place: New Delhi
Date : May 30, 2011

Aroon Purie
Chairman & Managing Director