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Limited Review Report

The Board of Directors Network18 Media & Investments Limited

1. We have reviewed the accompanying statement of unaudited consolidated financial results ('the Statement') of Network18 Media & Investments Limited (the 'Company'), its subsidiaries, associates and joint ventures (collectively referred to as the 'Group') for the quarter and nine months ended December 31, 2011, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a review report on this Statement based on our review.
2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. We did not review the interim financial results of 42 entities, included in the Statement, whose interim financial results reflect total revenues (after eliminating intra-group transactions) of Rs. 44,504.15 lakhs and Rs. 117,144.72 lakhs and net loss after tax and prior period items (after eliminating intra-group transactions) of Rs. 10,772.34 lakhs and Rs. 15,986.14 lakhs for the quarter and nine months ended December 31, 2011, respectively. These financial results have been reviewed by other auditors whose reports have been furnished to us and our opinion in respect thereof is based solely on the report of such other auditors.
4. (a) *The Company has paid Rs. 173.64 lakhs as managerial remuneration to its managing director upto December 31, 2011 (upto December 31, 2010: Rs. 124.68 lakhs and upto March 31, 2011: Rs. 152.04 lakhs; the opinion of the predecessor auditor was qualified in this respect), which is in excess of the limits prescribed under the Companies Act, 1956 ('the Act').*



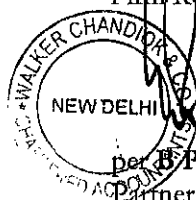
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(b) Stargaze Entertainment Private Limited ('Stargaze'), a subsidiary of the Company, has paid Rs. 167.12 lakhs as managerial remuneration to its erstwhile managing director upto December 31, 2011, which is in excess of the limits prescribed under the Act. The auditors of Stargaze have qualified their report in respect of this matter.

Had the Company and Stargaze accounted for the remuneration in accordance with the Act, the net loss after tax for the quarter and nine months ended December 31, 2011 would have been lower by Rs. 340.76 lakhs (for the quarter ended December 31, 2010, net profit after tax would have been higher and for the nine months ended December 31, 2010, net loss after tax would have been lower by Rs. 124.68 lakhs and for the year ended March 31, 2011, net loss after tax would have been lower by Rs. 152.04 lakhs).

5. The auditors of Infomedia 18 Limited ('Infomedia'), a subsidiary of the Company, have qualified their report in respect of non-provision of any amounts against an income tax demand of Rs. 529.22 lakhs (as at December 31, 2010 and March 31, 2011: Rs. 529.22 lakhs, and the opinion of the auditors of Infomedia was qualified in this respect) received in earlier periods which is being disputed by Infomedia. Infomedia has filed an appeal before the higher authority and has also been legally advised that the possibility of the matter being decided against Infomedia is not likely. However, in the view of the auditors of Infomedia, the demand crystallizing against Infomedia is possible, though as per them the impact of the ultimate outcome of this matter presently cannot be determined.
6. Based on our review conducted as above and consideration of reports of other auditors, except for the effects of the matters described in the paragraphs 4 and 5 above, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable accounting standards, as notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.
7. Without qualifying our opinion, we draw attention to Note 4 of the Statement. In accordance with the scheme of arrangement between the Company and some of its subsidiary companies approved by the High Court of Delhi on April 26, 2011 and effective on June 10, 2011, the Company has adjusted the book values of certain assets and liabilities to reflect their fair values and has recorded the resulting adjustment in the Securities Premium Account.

Walker Chandiook & Co
for Walker, Chandiook & Co
Chartered Accountants
Firm Registration No: 001076N



per B P Singh
Partner

Membership No. 70116

Place: New Delhi

Date: February 9, 2012