ANNUAL REPORT

OF

UTV GLOBAL BROADCASTING LIMITED

FOR

FINANCIAL YEAR 2010-2011

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COMPANY INFORMATION

NAME OF THE COMPANY

UTV GLOBAL BROADCASTING LIMITED

REGISTRATION NO. OF THE COMPANY

U32300MH2007PLC171337

DATE OF INCORPORATION

June 6, 2007

BOARD OF DIRECTORS

Mr. Rohinton Screwvala - Chairman
Mr. Andy Bird - Director
Mr. Sanjaya Kulkarni - Director

STATUTORY AUDITORS

M/s. Price Waterhouse & Co.,
Chartered Accountants,
252, Veer Savarkar Marg,
Shivaji Park, Dadar
Mumbai-400028.

REGISTERED OFFICE

7th Floor, Bldg No. 11, Solitaire Corporate Park
Guru Hargovindji Marg, Chakala, Andheri (E),
Mumbai 400 093

Registrar and Transfer Agent

M/s. Karvy Computershare Private Limited,
Karvy House, 46 , Avenue 4, Street No. 1
Banjara Hills,
Hyderabad-500 038.

SUBSIDIARIES

Subsidiary	Date of Incorporation	Place of Incorporation	Auditors
Genx Entertainment Limited	February 19, 2007	Mumbai	M/s. Price Waterhouse & Co., Chartered Accountants
UTV Entertainment Television Limited	April 28, 2007	Mumbai	M/s. Price Waterhouse & Co., Chartered Accountants

Bankers

HDFC Bank Limited

Axis Bank Limited

Standard Chartered Bank

SICOM LTD.

Profile of Directors

1	2	3
Rohinton Screwvala (Chairman) Mr. Rohinton Screwvala is one of the founder Director of the Company and is also a founder of M/s UTV Software Communications Limited, parent company. During the 1990's, while the national broadcaster (Doordarshan) enjoyed a monopoly in television broadcasting, he gave the Indian viewers first taste of choice, when he started India's very first Cable TV network. Recently rated by Fortune as Asia's 25 most powerful not only has he built up one of India's first global media & entertainment houses, with full-fledged divisions catering to various aspects of the entertainment industry, but has also contributed to the growth of the Television, Animation, Feature Film and Broadcasting industries in India, Singapore and Malaysia. Mr. Screwvala graduated from Mumbai's Cathedral and John Cannon School and Sydenham College of Commerce. He also has a passion for the theatre and, as a hobby, has acted in several theatre productions. Mr. Screwvala is a recognized media name in Asia, and is regularly invited to lecture and participate in global forums in the US, UK and Europe.	**Mr. Andy Bird** (Director) Mr.Andy Bird is a representative director of The Walt Disney Company (Southeast Asia) Pte Ltd. on the Board of the Company. Mr. Andy Bird, Chairman, Walt Disney International is a talented executive with strong media, entertainment and business experience. He has built businesses in Europe, Latin America and Asia. Over the past three years he has overseen a remarkable growth and expansion of Disney's businesses in overseas markets. Prior to Disney, Mr. Andy Bird was with Time Warner, where he worked in cable televisions, broadcasting and the wireless arena.	**Sanjaya Kulkarni** (Director) Sanjaya Kulkarni is finance professional and has been formerly associated with Citibank. He was a promoter of 20th Century Finance Corporation Limited, Centurion Bank etc. Mr. Kulkarni is an engineer from IIT Mumbai and an MBA from IIM Ahmedabad has varied experience in Private equity, consumer finance , treasury, merchant banking etc.

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Fourth Annual Report along with Audited Balance Sheet and Profit & Loss Account on the operations of your Company for the financial year ended March 31, 2011.

1. FINANCIAL HIGHLIGHTS

Company Standalone

(Amount in Rs'000')

Particulars	As at March 31, 2011	As at March 31, 2010
INCOME		
Sales and Services (Net)	483,950	307,252
Other Income	6,567	10,854
Total Income	**490,517**	**318,106**
EXPENDITURE		
Direct Cost	316,270	211,075
Staff Cost	85,071	54,604
Other Expenses	72,058	88,494
Total Expenditure	**473,399**	**354,173**
PROFIT/(LOSS) BEFORE INTEREST, DEPRECIATION AND TAX	**17,118**	**(36,067)**
Less : Interest & Finance charges (net)	388,393	209,278
PROFIT/(LOSS) BEFORE DEPRECIATION AND TAX	**(371,275)**	**(245,345)**
Less : Depreciation / Amortisation	10,543	3,369
PROFIT/(LOSS) BEFORE TAX	**(381,818)**	**(248,714)**
Less : Provision for Taxation	-	-
- Fringe benefit tax	-	-
PROFIT/(LOSS) AFTER TAX	**(381,818)**	**(248,714)**

Consolidated

(Amount in Rs'000')

Particulars	As at March 31, 2011	As at March 31, 2010
INCOME		
Sales and Services (Net)	2,316,630	1,511,020
Other Income	63,410	46,250
Total Income	**2,380,040**	**1,557,270**
EXPENDITURE		
Direct Cost	1,327,200	1,021,710
Staff Cost	294,420	192,810
Other Expenses	487,010	363,170
Total Expenses	**2,108,630**	**1,577,690**
PROFIT/(LOSS) BEFORE INTEREST,DEPRECIATION AND TAX	**271,410**	**(20,420)**
Less : Interest & Finance Charges (net)	394,790	225,530
PROFIT/(LOSS) BEFORE DEPRECIATION AND TAX	**(123,380)**	**(245,950)**
Less : Depreciation / Amortisation	23,820	15,893
PROFIT/(LOSS) BEFORE TAX AND BEFORE EXCEPTIONAL ITEMS	**(147,200)**	**(261,843)**
Exceptional Items: Inventory written off and expenses charged pursuant to Scheme of Arrangement.	-	(1,500,000)
Transfer from Business Reorganisation Reserve account	-	1,500,000
PROFIT/(LOSS) BEFORE TAX	**(147,200)**	**(261,843)**
Less : Provision for Taxation		
-Current	60,190	58,453
-MAT Credit Entitlements	(60,190)	(58,453)
-Deferred Tax	560	-
-Fringe benefit tax	-	-
PROFIT/(LOSS) AFTER TAX	**(147,760)**	**(261,843)**

BUSINESS OVERVIEW

Your Company is currently distributing five channels namely UTV Bindass, UTV Action, UTV World Movies, UTV Movies and Bloomberg UTV. All these channels target specific audiences, UTV World Movies showcases world's greatest movies from 40 countries. Bindass is fast becoming an Iconic Indian Youth brand by focusing on path breaking content & the very best Music. UTV Action the latest addition to the network is a genre-specific movie channel showcasing fast-paced and high-octane action films from Hollywood and Bollywood. UTV Movies is India's New Age Hindi Movie channel offering both the viewers and advertiser a highly engaged audience. With the maximum number of premiers, the latest library and making use of UTV group synergies, UTV Movies is triggered to grow to the top 3 position. We have developed strong and ongoing relationships with over 1300 brands/sub brands and 439 Advertisers. We distribute our own channels and are well distributed on cable as well as across all DTH platforms as well as many IPTV networks across the country. Importantly we believe strongly that broadcast will eventually be driven by pay revenues as digitization accelerates and each of our channels have been pay since launch.

PERFORMANCE AND PLANS

During the year the subscription revenue has nearly doubled as compared to the last year. The increase in revenue is mainly attributable to UTV Movies which has been distributed in the international markets and also there is an increase in the subscriber base on the DTH platforms and UTV Movies has established itself as the driver for the network.

The subscriber base for all the channels that were distributed at the start of the year were around 10.17 lakhs which has grown to 18.79 lakhs at the end of the financial year.

The Company is also planning to increase its distribution strengths in various other geographical areas so as to increase its subscriber base and reach of the channels which will have a direct impact on the revenue generation capabilities.

2. SUBSIDIARIES COMPANIES

As at March 31, 2011, your company has the following two wholly owned subsidiaries viz. Genx Entertainment Limited ("Genx") and UTV Entertainment Television Limited ("UETL"). The audited Balance Sheet, Profit & Loss account, along with the Directors' Report and Auditors Report of Genx and UETL as required under section 212 of the Companies Act, 1956 ("Act") have been attached with the Balance Sheet of the Company and a statement pursuant to section 212 relating to Company's interest in subsidiary Companies is annexed as **Annexure A**.

The Consolidated Accounts of your Company and its subsidiaries are presented as part of this annual report in accordance with Accounting Standard 21 issued by the Institute of Chartered Accountants of India.

3. DIVIDEND

As the Company has incurred a Loss during the year, no dividend has been recommended by the Board of Directors.

4. DIRECTORS

Mrs.Zarina Mehta tendered her resignation as a Director of the Company. The Board of Directors at their meeting held on 30th May,2011 approved her resignation with effect from 6th April,2011.The Board placed on record its appreciation of the valuable services rendered by Mrs.Zarina Mehta during her tenure as the Director of the Company.

During the year under review, Mr. Sanjaya Kulkarni, director of the company, retire by rotation in the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his reappointment.

5. FIXED DEPOSIT

Your company has neither accepted nor renewed any fixed deposit in respect of the year under review. As such, no amount of principal and / or interest is outstanding as on the balance sheet date.

6. AUDITORS

M/s. Price Waterhouse & Co., Chartered Accountants, the present statutory auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting and are eligible for reappointment. It is proposed to re-appoint them as the statutory auditors of the Company until the conclusion of the next Annual General Meeting. M/s. Price Waterhouse & Co., have under section 224(1B) of the Companies Act, 1956 furnished the certificate of their eligibility for re-appointment.

7. AUDITORS REPORT

The Auditors Report to the shareholders does not contain any qualification.

8. SECRETARIAL COMPLIANCE REPORT

In accordance with the provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Company has obtained "Secretarial Compliance Certificate" from a Practicing Company Secretary "M/s. Sanjay Parab & Co", Mumbai and same forms part of this Directors' Report. The Secretarial Compliance Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956,

9. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the **Annexure B** to the Directors' Report.

10. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of 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, the Directors furnish herein below the required additional information:

- **Conservation of Energy:**

  Although the operations of the Company are not energy intensive operations, it continues to adopt energy conservation measures at all operational levels and the company has taken adequate measures to reduce the energy consumption by using energy efficient hardware and other equipment. Air conditioners are used only when required. Further the company has spread awareness among the employees on the need to conserve energy which is well adopted by the employees.

- **Research & Development (R&D):**

  The Company is a broadcasting Company in the Media and Entertainment Industry and carries out research and innovation in creating content in various segments of entertainment as part of its regular on going business.

- **Technology Absorption, Adaptation and Innovation**

  Your Company keeps innovating, takes all measures necessary to absorb and adapt latest technology.

- **Foreign Exchange Earnings and Outgo:**

(Rs. in thousands)

Particulars	As at March 31, 2011	As at March 31, 2010
Earnings in foreign Currency	72,342	74,623
Expenditure in foreign Currency:		
Training and Development Expenses	83	-
Travel Expense	121	34
Repairs & Maintenance	646	1,189
Commission	8,889	5,879

11. EMPLOYEE STOCK OPTION SCHEME

UGBL Employees Stock Option Scheme - 2008 ("ESOP Scheme") was introduced by your Company in February 2008 for permanent employees and Directors of the Company and its subsidiaries. The ESOP Scheme provides for grant of 1,00,000 options. Each option, on exercise, is convertible into one equity share of the Company having face value of Rs.10/-each.

The details of options granted and outstanding are as under:

Particulars	As at March 31, 2011	As at March 31, 2010
Option outstanding at the beginning of the year	52,000	43,500
Options granted during the year	10,000	20,000
Options exercised during the year	—	100
Options lapsed during the year	31,000	11,400
Options Outstanding at the year end	31,000	52,000

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

(a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) That the Directors have selected appropriate accounting policies and applied consistently and made judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2011 and of the loss of the Company for the year ended March 31, 2011.

(c) That 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;

(d) That the Directors have prepared the annual accounts on a going concern basis.

13. ACKNOWLEDGEMENT

Your Board takes this opportunity to thank all the stakeholders for their support and co-operation rendered to the Company during the year under review and to all employees for their enormous contribution to the Company and its subsidiaries.

By order of the Board of Directors
For UTV Global Broadcasting Limited

Rohinton Screwvala
Director

Place: Mumbai
Date: 30th May, 2011

Annexure A

STATEMENTS PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956, RELATING TO COMPANY'S INTEREST IN SUBSIDIARY COMPANIES AS AT 31ST MARCH,2011

S. N.	Particulars	Genx Entertainment Limited	UTV Entertainment Television Limited
1.	The financial year of the Subsidiary Companies ended	31st March 2011	31st March 2011
2.	Date from which they became subsidiary	29th June,2007	16th January,2008
3.	Shares of the subsidiary held by UTV Global Broadcasting Limited at the end of the financial year as at 31st March 2011:		
	a. Number of shares held	a. 8,111,000 Equity shares at Rs.10/- each fully paid up b. 2,050,000 1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs.10/- each	a. 5,574,000 Equity shares of Rs.10/- each fully paid b. 890,000 1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs.10/- each
	b. Extent of holding	100%	100%
4.	Net aggregate amount of Profit/ Loss of the subsidiary so far as they concern the members of the holding Company:	*(Amount in Rs.'000)*	*(Amount in Rs.'000)*
4a	(i) Dealt with in the Holding Company's accounts:		
	a) For the financial year of the subsidiary	(60,513)	294,582
	b) For the previous financial year since it become Holding Company's subsidiary	(2,081,046)	(1,518,178)
4b	(ii) Not dealt with in the Holding Company's accounts:		
	a) For the financial year of the subsidiary	Nil	Nil
	b) For the previous financial year since it become Holding Company's subsidiary	(78,354)	(46,299)

FOR **UTV GLOBAL BROADCASTING LIMITED**

ROHINTON SCREWVALA
DIRECTOR

Annexure B

Particulars of the employee as required under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March 2011

Sr. No.	Name	Age	Designation	Qualification	Date of Birth	Date of Joining	Date of leaving	Experience in the Company (Yrs.)	Experience (Years)	Remuneration received (Rs)	% of Equity shares held by the employee	Previous Employment-Designation
1	Sameer Ganapathy	33	Sr. VP (Network) & Business Head (UTVA/ UTVM/UTVW	Bcom	21-Feb-78	9-Apr-07	–	4.1	12	11,500,000	Nil	Sahara One Media and Entertainment Pvt.Ltd- Head Distribution
2	M.K.Anand	44	Chief Executive Officer	M.Sc., M.A.M	1-Jan-67	15-Oct-09	–	1.5	19	23,000,000	Nil	Zoom Entertainment Network Ltd.- Business Head

Notes

(1) Remuneration comprises salary, allowances, bonus, employer contribution to provident fund and superannuation Fund wherever applicable and the perquisites, gratuity and the expenditure incurred on valued in accordance with the Income Tax Rules, 1962. The Company has contributed to the Gratuity an appropriate amount based on acturial valuation. As no separate figures are available for individual employees, this amount has not been included in the remuneration.

(2) Conditions of employment of all employees are non-contractual and as per the terms and conditions of the company.

FOR **UTV GLOBAL BROADCASTING LIMITED**

ROHINTON SCREWVALA
DIRECTOR

COMPLIANCE CERTIFICATE

CIN: U32300MH2007PLC171337

Authorised capital : Rs. 3,00,00,000/-

Paid up Capital : Rs. 2,00,01,000/-

To,

The Members of

UTV GLOBAL BROADCASTING LIMITED ("UGBL")
7th Floor, Bldg No. 11, Solitaire Corporate Park,
Guru Hargovindji Marg, Chakala, Andheri (E),
Mumbai 400 093

We have examined the necessary registers, records, books and papers of **M/s. UTV GLOBAL BROADCASTING LIMITED** ('the Company') required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of the Act and the rules made there under and entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Maharashtra or such other authorities as required under the Act and the rules made there under.
3. The company being Public Limited Company, hence no comments are required.
4. The Board of Directors duly met 05 (Five) times on:

   06.05.2010, 24.06.2010, 15.07.2010, 14.10.2010 and 27.01.2011 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

   Further resolutions were also passed by circulation pursuant to Section 289 of the Act on 04.05.2010, 28.08.2010 and 07.01.2011 in respect of which proper notices along with necessary papers were circulated to all directors in India and the same have been approved by majority of directors. The proceedings of the same were properly recorded and signed in the minute's book maintained for the purpose.
5. The company, being unlisted public limited company was not statutorily required to close its Register of members, during the period under review. Accordingly the company has not closed its Register of members, during the period under review.
6. The Annual General Meeting of the members for the financial year ended 31st March, 2010 was held on 11th August, 2010, after giving due notice to the Members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One extra ordinary general meeting were held on 26.02.2011 during the financial year ended 31st March, 2011, in respect of which meeting proper notice was given and the proceedings was properly recorded and signed in the minutes book maintained for the purpose.
8. The company has not advanced any loan to its director and or persons or firms or companies referred in the Section 295 of the Act, save otherwise than exemptions specified by the Act.
9. The company, wherever applicable, has complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The company has not issued any duplicate certificates during the financial year under review.

13. The Company :
    (i) wherever applicable, has delivered all certificates on allotment of securities and on lodgment thereof for transfer during the period under review, in accordance with provisions of the Act, however no transmission of security has effected during the period under review;
    (ii) has not declared any dividend during the financial year.
    (iii) was not required to post warrants for dividends as no dividend was declared.
    (iv) was not been required to transfer any amounts to the Investor Education & Protection Fund.
    (v) has complied with the requirements of section 217 of the Act.
14. The Board of Directors of the company is duly constituted. However there was no instance of an appointment(s) of director(s), additional director(s) and/or alternate director/(s) occurred during the period under review.
15. There was no additional appointment of any managing director, whole-time director, and or manager during the financial year under review.
16. The Company has not appointed any sole-selling agents during the financial year under review.
17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not made any allotment of shares other than the grant of 10,000 options under UGBL ESOP Scheme during the period under review.
20. The Company has not bought back any shares during the financial year ending 31st March, 2011.
21. Since the Company have no preference shares / debentures, no comment is required.
22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The Company has not invited/accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A and 58AA read with companies (Acceptance of Deposit) Rules, 1975, during the financial year under review.
24. The amount borrowed by the Company during the financial period ended 31st March, 2011 are well within the borrowing limits of the company and the Company has passed necessary resolution in terms of the provisions of Section 293 (1)(d) of the Act, to facilitate the same.
25. During the financial year under review, wherever applicable, the Company has complied with the provisions of section 372A of the Companies Act, 1956.
26. The Company has not altered the provisions of the memorandum with respect to situation of the Company's registered office from one state to another during the financial year under review.
27. The Company has not altered the provisions of the memorandum with respect to the objects of the Company during the financial year under review.
28. The Company has not altered the provisions of the memorandum with respect to name of the Company during the financial under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the Company during the financial year under review.
30. During the financial year under review, the Company has not altered the provisions of its Articles of Association of Association.
31. There was no prosecution initiated against or show cause notices received by the Company for alleged offenses under the Act and no fines and penalties or any other punishment was imposed on the Company during the financial year.
32. The Company has not received any money as security from its employees during the financial year under review.
33. The Company has deposited both employee's and employer's contribution to provident fund with prescribed authorities.

Place : Mumbai
Date : 30th May, 2011

SANJAY PARAB & Co.
Company Secretaries
ACS No. 16718 C.P.No.: 7093

Annexure: A

Sr. No.	Registers maintained by the Company	Under Section
01	Register of Members	150/151
02.	Minutes Books of Proceedings of: A. General Meetings: B. Meetings of Board of Directors:	 193
03.	Register of Contracts, Companies and firms in which Directors are interested.	301(3)
04.	Register of Directors	303
05.	Register of Directors' Shareholding	307
06.	Register of Investment / Loan.	372A
07.	Register of Share Application & Allotment	75
08	Register of Investment	49
09.	Register of Share Transfer	Voluntary
10.	Register of Warrants	Voluntary
11.	Register of Charge	143
12.	Register and Returns	163

Place : Mumbai

Date: 30th May, 2011

SANJAY PARAB & Co.
Company Secretaries
ACS No. 16718 C.P.No.: 7093

Annexure: B

Sr.	E- form No.	Purpose	SRN No.	When filed	Filed In Time (Y/N)
1	Form 2	Return of Allotment. Shares allotted under ESOP	A82262544	06/04/2010	Y
2	Form 32	Resignation of Company Secretary	A85295400	18/05/2010	Y
3	Form 18	Shifting of Registered office within local limits	A85744555	24/05/2010	Y
4	Form 66	Filing of Compliance Certificate for F.Y 31st March, 2010	P50439447	27/08/2010	Y
5	Form 23AC/ACA	Balance Sheet and Profit and Loss Account for F.Y 31st March, 2010	P51667079	01/09/2010	Y
6	Form 20B	Annual Filing – Annual Return as on date of AGM for F.Y 31st March, 2010	P51803666	03/09/2010	Y
7	Form 23	Filing of resolution passed u/s 293(1)(a)	B06957856	03/03/2011	Y
8	Form 8	Registration of Charge	B07361595	09/03/2011	Y

Place : Mumbai
Date: 30th May, 2011

SANJAY PARAB & Co.
Company Secretaries
ACS No. 16718 C.P.No.: 7093

FINANCIAL SECTION

Auditor's Report on the Consolidated Financial Statements of UTV Global Broadcasting Limited

The Board of Directors of UTV Global Broadcasting Limited

1. We have audited the attached consolidated Balance Sheet of UTV Global Broadcasting Limited (the "Company") and its subsidiaries, hereinafter referred to as the "Group" (refer Note A on Schedule 19 to the attached consolidated financial statements) as at March 31, 2011 the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the 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. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21 - Consolidated Financial Statements, notified under Section 211(3C) of the Companies Act, 1956.

4. In our opinion and to the best of our information and according to the explanations given to us, 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 year ended on that date: and

   (c) in the case of the consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For Price Waterhouse & Co
Firm Registration Number: 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number F-55913

Place: Mumbai
Date: 30th May, 2011

Consolidated Balance Sheet as at March 31, 2011

	Schedule No.		As at March 31, 2011 Rs. in Million		As at March 31, 2010 Rs. in Million
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1	**20.00**		20.00	
Advance money received against ESOP		**0.07**		0.16	
Convertible Warrants	2	**7.20**		7.20	
Reserves and Surplus	3	**2,061.02**	**2,088.29**	2,061.02	2,088.38
Loan Funds					
Secured Loans	4		**455.00**		500.00
Unsecured Loans	5		**3,000.00**		2,641.10
Deferred Tax Liability					
(Refer Note 4(i) of Sch.19-C)			**1.91**		6.50
TOTAL			**5,545.20**		5,235.98
APPLICATION OF FUNDS					
Fixed Assets	6				
Gross Block		**280.89**		285.83	
Less : Accumulated Depreciation		**68.22**		56.88	
Net Block		**212.67**		228.95	
Capital Work In Progress		**35.92**	**248.59**	-	228.95
Deferred Tax Asset			**381.35**		386.50
(Refer Note 4(i) of Sch.19-C)					
Current Assets, Loans and Advances					
Inventories	7	**538.44**		178.59	
Sundry Debtors	8	**631.87**		640.80	
Cash and Bank Balances	9	**40.56**		48.65	
Loans and Advances	10	**649.15**		615.91	
		1,860.02		1,483.95	
Less : Current Liabilities and Provisions					
Current liabilities	11	**971.46**		737.62	
Provisions	12	**34.40**		39.14	
		1,005.86		776.76	
Net Current Assets			**854.16**		707.19
Profit & Loss Account - Debit Balance			**4,061.10**		3,913.34
TOTAL			**5,545.20**		5,235.98
NOTES TO THE FINANCIAL STATEMENTS	19				

Schedules referred to above and notes attached thereto form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Rohinton Screwvala
Director

Sanjaya Kulkarni
Director

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 30th May, 2011

Place : Mumbai
Date : 30th May, 2011

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

	Schedule No.		Year Ended March 31, 2011 Rs. in Million		Year Ended March 31, 2010 Rs. in Million
INCOME					
Sales and Services (Net)	13	**2,316.63**		1,511.02	
Other Income	14	**63.41**		46.25	
			2,380.04		1,557.27
EXPENDITURE					
Direct Cost	15	**1,327.20**		1,021.71	
Staff Cost	16	**294.42**		192.81	
Other Expenses	17	**487.00**		363.17	
			2,108.62		1,577.69
PROFIT/(LOSS) BEFORE INTEREST, DEPRECIATION AND TAX			**271.42**		(20.42)
Less : Interest and Finance Charges (net)	18		**394.80**		225.53
PROFIT/(LOSS) BEFORE DEPRECIATION AND TAX			**(123.38)**		(245.95)
Less : Depreciation / Amortisation	6		**23.82**		15.89
PROFIT/(LOSS) BEFORE TAX AND BEFORE EXCEPTIONAL ITEMS			**(147.20)**		(261.84)
EXCEPTIONAL ITEMS					
Inventory written off and expenses charged pursuant to Scheme of Arrangement.			**-**		(1,500.00)
Transfer from Business Reorganisation Reserve account			**-**		1,500.00
PROFIT/(LOSS) BEFORE TAX			**(147.20)**		(261.84)
Less : Provision for Taxation					
- Current		**60.19**		58.45	
- Mat Credit Entitlements (Refer Note 4(ii) of Sch.19-C)		**(60.19)**		(58.45)	
- Deferred tax		**0.56**	**0.56**		-
PROFIT/(LOSS) AFTER TAX			**(147.76)**		(261.84)
Balance Loss brought forward			**(3,913.34)**		(3,651.50)
BALANCE CARRIED TO BALANCE SHEET			**(4,061.10)**		(3,913.34)
Earnings Per Share of Rs.10 each (Refer Note 9 of Sch.19-C)					
Basic			**(73.88)**		(130.92)
Diluted			**(73.88)**		(130.92)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	19				

Schedules referred to above and notes attached thereto form an integral part of the Consolidated Profit and Loss Account

This is the Consolidated Profit and Loss Account referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 30th May, 2011

Rohinton Screwvala
Director

Sanjaya Kulkarni
Director

Place : Mumbai
Date : 30th May, 2011

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

		As at March 31, 2011 Rs. in Million	As at March 31, 2010 Rs. in Million
A.	**Cash flow from operating activities:**		
	Loss before tax	**(147.20)**	(261.84)
	Adjustments for:		
	Depreciation / Amortisation	**23.82**	15.89
	Interest Expense	**395.79**	225.53
	Loss on Sale of Fixed Assets (Net)	**25.32**	-
	Interest Income	**(0.99)**	-
	Amortisation of Movie Rights/Programmes	**352.79**	-
	Provision no longer required written back	**(19.89)**	(33.80)
	Provision for Gratuity and Leave encashment	**4.74**	-
	Provision for Bad and Doubtful Debts	**4.00**	-
	Bad debts written off	**7.06**	
	Unrealised Foreign Exchange (Gain) / Loss	**0.06**	32.32
	Foreign Exchange Fluctuation (Net)	**-**	-
	Expenses of Scheme of Arrangement w/off	**-**	0.20
	Operating loss before working capital changes	**645.50**	(21.70)
	Adjustments for changes in working capital :		
	(Increase)/Decrease in Inventories	**(712.64)**	(1,445.35)
	(Increase)/Decrease in Sundry Debtors	**(2.13)**	(221.33)
	(Increase)/Decrease in Loans & Advances	**74.87**	(447.65)
	Increase/(Decrease) inTrade and Other Payables	**147.45**	355.30
	Cash Generated Used In Operations	**153.05**	(1,780.73)
	- Taxes Paid (Including Tax Deducted at Source)	**(101.83)**	(60.53)
	Net cash used in operating activities (A)	**51.22**	(1,841.26)
B.	**Cash flow from Investing activities:**		
	Purchase of Fixed Assets	**(53.47)**	(6.49)
	Proceeds from Sale of Fixed Assets	**0.19**	-
	Interest Received	**0.99**	-
	Net cash used in investing activities (B)	**(52.29)**	(6.49)
C.	**Cash flow from financing activities:**		
	Proceeds from fresh issue of Share Capital	**-**	-
	Advance money received against ESOP	**(0.09)**	0.16
	Proceeds from Secured loan	**(45.00)**	0.69
	Proceeds from Unsecured loan	**358.90**	2,061.60
	Interest Paid	**(312.25)**	(201.42)
	Finance Charges	**(8.58)**	-
	Cash generated in financing activities (C)	**(7.02)**	1,861.03
	Net Increase/(Decrease) in Cash and Cash Equivalents (A + B + C)	**(8.09)**	13.28
	Opening Cash and Cash Equivalents	**48.65**	35.37
	Closing Cash and Cash Equivalents	**40.56**	48.65
	Cash and Cash Equivalents Comprise		
	Cash, Cheques & Drafts (in hand) and Remittances in transit	**9.30**	0.25
	Balance with Scheduled Banks & Fixed Deposits with banks	**31.26**	48.40
		40.56	48.65

Notes :

1 The above Consolidated Cash flow statement has been prepared under the indirect method setout in Accounting Standard-3 issued by the Institute of Chartered Accountants of India.

2 Figures in brackets indicate cash outgo.

3 Previous year figures have been regrouped/reclassified wherever necessary

This is the Consolidated Cashflow Statement referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Rohinton Screwvala
Director

Sanjaya Kulkarni
Director

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 30th May, 2011

Schedules forming part of the Consolidated Financial Statements

		As at March 31, 2011 Rs. in Million Total	As at March 31, 2010 Rs. in Million Total
1	**SHARE CAPITAL**		
	AUTHORISED		
	3,000,000 (Previous Year 3,000,000) Equity shares of Rs. 10 each	**30.00**	30.00
	ISSUED, SUBSCRIBED AND PAID UP		
	2,000,100 (Previous Year 2,000,100) Equity shares of Rs. 10 each fully paid up.	**20.00**	20.00
	(Out of the above 1,700,000 (Previous Year 1,700,000) shares of Rs. 10 are held by holding company UTV Software Communications Limited).		
	TOTAL	**20.00**	20.00
2	**CONVERTIBLE WARRANTS**		
	720,000 (Previous Year 720,000) Compulsorily Convertible warrants of Rs. 10 each	**7.20**	7.20
	The above warrants have been issued to The Walt Disney Company (Southeast Asia) Pte. Limited pursuant to a resolution passed by the Company's Board of Directors on February 16, 2008. The conversion of the warrants shall be subject to the terms and conditions set out in the SHA between the company and the warrant holder.		
	TOTAL	**7.20**	7.20
3	**RESERVES AND SURPLUS**		
i.	Securities Premium		
	As per last Balance Sheet	**2,061.02**	3,561.02
	Add : Premium on shares issued in the Current period	**-**	-
		2,061.02	3,561.02
	Less: Amount transferred to Business Reorganisation Reserve account pursuant to Scheme of Arrangement	**-**	1,500.00
	Less: Share Issue Expenses	**-**	
		2,061.02	2,061.02
	Less : Write down pursuant to Scheme of Arrangement		
		2,061.02	2,061.02
ii.	Business Reorganisation Reserve		
	Amount transferred from Securities Premium account pursuant to Scheme of Arrangement	**-**	1,500.00
	Transferred to Profit and Loss account	**-**	(1,500.00)
	TOTAL	**2,061.02**	2,061.02
4	**SECURED LOANS**		
	Term Loan from SICOM Limited		
	(Secured by corporate guarantee of UTV Software Communications Limited (Holding Company) and Personal guarantee of a director of the Company)	**455.00**	500.00
	(Charge on content library of its subsidiaries Genx Entertainment Limited and UTV Entertainment Television Limited) "(Amount repayable within one year Rs 110 Million (Previous year Rs. 45 million)"		
	TOTAL	**455.00**	500.00
5	**UNSECURED LOANS**		
	From Holding Company (Long Term)	**3,000.00**	2,641.10
	TOTAL	**3,000.00**	2,641.10

Schedules forming part of the Consolidated Financial Statements

Schedule 6: Fixed Assets

Rs. in Million

	COST				DEPRECIATION / AMORTISATION				NET BLOCK	
Particulars	**Opening As at April 1, 2010**	**Additions**	**Deductions**	**As at March 31, 2011**	**Opening As at 1, April 2010**	**For the year 31, March 2011**	**Deductions**	**As at March 31, 2011**	**As at March 31, 2011**	**As at March 31, 2010**
				(A)				**(B)**	**(A-B)**	
Intangible Asset										
Computer Software	16.98	17.67	-	**34.65**	6.17	7.88	-	**14.05**	**20.60**	10.81
Goodwill on Consolidation	131.57	-	-	**131.57**	-	-	-	**-**	**131.57**	131.57
Tangible Asset										
Leasehold Improvements	59.27	9.11	32.86	**35.52**	17.26	10.28	11.50	**16.04**	**19.48**	42.01
Freehold Land	0.43	-	-	**0.43**	-	-	-	**-**	**0.43**	0.43
Plant & Machinery	31.76	3.65	0.78	**34.63**	20.13	0.73	0.12	**20.74**	**13.89**	11.63
Furniture & Fixtures	15.53	0.34	4.23	**11.64**	2.26	1.00	0.83	**2.43**	**9.21**	13.27
Computers	19.96	1.42	0.10	**21.28**	7.09	3.52	0.03	**10.58**	**10.70**	12.87
Office Equipments	10.33	0.86	0.02	**11.17**	3.97	0.41	-	**4.38**	**6.79**	6.36
Total	285.83	33.05	37.99	**280.89**	56.88	23.82	12.48	**68.22**	**212.67**	228.95
Capital Work in Progress, at cost (including Capital Advances)									**35.92**	-
Grand Total									**248.59**	228.95
Previous year	279.34	6.49	-	**285.83**	40.99	15.89	-	**56.88**	**228.95**	-

Schedules forming part of the Consolidated Financial Statements

		As at March 31, 2011 Rs. in Million Total	As at March 31, 2010 Rs. in Million Total
7	**INVENTORIES**		
	(As certified by the Management at lower of cost or net realisable value)		
	Unamortised Cost of Programmes / Movies	**538.44**	178.59
	(The above inventory has been charged for secured loan taken by the Company)		
	TOTAL	**538.44**	178.59
8	**SUNDRY DEBTORS**		
	(Unsecured, considered good,unless otherwise stated)		
	i. Over Six months		
	- considered good	**27.02**	23.27
	- considered doubtful	**5.70**	4.85
		32.72	28.12
	Less : Provision for doubtful debts	**5.70**	4.85
		27.02	23.27
	ii. Other Debts - considered good	**604.85**	617.53
	TOTAL	**631.87**	640.80
9	**CASH AND BANK BALANCES**		
	i. Cash and Cheques in hands	**9.30**	0.25
	ii. Balance with Scheduled Banks		
	- Current Account	**30.26**	48.35
	- Fixed Deposit Account	**1.00**	0.05
	TOTAL	**40.56**	48.65
10	**LOANS AND ADVANCES**		
	(Unsecured & considered good unless otherwise stated)		
	Advances recoverable in cash or in kind or for value to be received	**259.30**	339.69
	MAT Credit Entitlement (Refer Note 4(ii) of Sch.19-C)	**118.64**	58.45
	Advance to Suppliers	**67.50**	56.41
	"Advance Income Tax“	**150.39**	108.75
	[net of provision for Income Tax Rs. 118.64 Million (Previous year Rs. 58.45 Million)]		
	Deposits with Government authorities	**17.12**	17.09
	Other deposits	**36.20**	35.52
	TOTAL	**649.15**	615.91
11	**CURRENT LIABILITIES**		
	Acceptances	**313.40**	-
	Sundry Creditors for Capital Goods, Materials & Expenses		
	- Holding Company	**118.99**	23.25
	- Others	**413.84**	572.47
	Advances / Deposits from customers	**29.44**	19.51
	Advance Billing	**5.33**	21.25
	Others Liabilities and Provisions	**90.46**	101.14
	TOTAL	**971.46**	737.62
12	**PROVISIONS**		
	Provision for Employees retirement benefits (Refer Note 5 of Sch.19-C)	**9.40**	14.14
	Provision for Contingencies (Refer Note 2(ii) of Sch.19-C)	**25.00**	25.00
	TOTAL	**34.40**	39.14

Schedules forming part of the Consolidated Financial Statements

		Year ended March 31, 2011 Rs. in Million Total	Year ended March 31, 2010 Rs. in Million Total
13	**SALES AND SERVICES (NET)**		
	Sales and Service Revenues (Net) (Refer Note 6 of Sch.19-C)	**2,316.63**	1,511.02
	TOTAL	**2,316.63**	1,511.02
14	**OTHER INCOME**		
	Provision no longer required written back	**53.69**	33.80
	Miscellaneous Income	**9.72**	12.45
	TOTAL	**63.41**	46.25
15	**DIRECT COST**		
	Telecast Fees and uplink fees	**82.30**	70.57
	Cast and technicians' fees and commission	**11.00**	4.48
	Equipment hire, sets, costumes and venue hire	**26.05**	17.29
	Consumption of Rawstock of video tapes and films	**1.19**	1.19
	Post production charges	**3.55**	4.74
	Travelling expenses	**1.69**	0.11
	License Fees	**36.78**	28.07
	Distribution Commission	**13.00**	7.92
	Distribution Cost	**796.71**	658.64
	Programming Cost	**352.79**	228.11
	Miscellaneous expenses	**2.14**	0.59
	Gross Direct Cost	**1,327.20**	1,021.71
16	**STAFF COST**		
	Salaries, wages and bonus	**276.20**	183.01
	Contribution to Gratuity, Provident and other funds	**14.44**	7.68
	Staff Welfare	**3.78**	2.12
	TOTAL	**294.42**	192.81
17	**OTHER EXPENSES**		
	Rent - Premises	**26.47**	50.08
	Repairs and Maintenance		
	Plant and Machinery	**-**	0.01
	Others	**13.83**	12.27
	Rates and Taxes	**3.09**	7.89
	Insurance	**1.95**	1.32
	Electricity Charges	**4.64**	9.36
	Travelling and Conveyance Expenses	**13.16**	8.77
	Communication and Postage Expenses	**3.14**	3.81
	Provision for Doubtful Debts	**4.00**	4.10
	Bad Debts written off	**7.06**	16.29
	Advertisement and Business Promotion Expenses	**3.11**	1.17
	Loss on sale on fixed assets (Net)	**25.32**	-
	Loss on Foreign Exchange Fluctuation (Net)	**1.13**	1.99

Schedules forming part of the Consolidated Financial Statements

	Year ended March 31, 2011 Rs. in Million Total	Year ended March 31, 2010 Rs. in Million Total
17 OTHER EXPENSES (Continued)		
Professional Fees	**10.19**	21.97
Membership and Subscription Expenses	**2.06**	0.67
Marketing Expenses	**327.65**	189.15
Miscellaneous expenses	**24.70**	3.63
Printing and Stationary Expenses	**1.85**	1.20
Service charges	**10.51**	28.13
Training and Development Expenses	**2.82**	1.02
Bank Charges	**0.32**	0.34
TOTAL	**487.00**	363.17
18 INTEREST AND FINANCE CHARGES (NET)		
Interest on Loan		
On Fixed Loans	**98.88**	15.31
On Loan from Holding Company	**288.33**	210.35
Finance Charges	**8.58**	-
Less : Interest Income:		
On Receivables and Others	**0.99**	0.13
(Tax Deducted at Source Rs. Nil (Previous year Rs. Nil))		
TOTAL	**394.80**	225.53

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

A. BACKGROUND

UTV Global Broadcasting Limited (the "Company") has the following subsidiaries (collectively referred as "the Group")

Name of the Subsidiary	Date of Incorporation	Country of Incorporation	Ownership and Percentage either directly or through subsidiaries
Genx Entertainment Limited	February 19, 2007	India	100%
UTV Entertainment Television Limited	April 28, 2007	India	100%

The Company is a subsidiary of UTV Software Communications Limited with effect from August 08, 2008.

B. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis of preparation of Consolidated Financial Statements

The consolidated financial statement have been prepared and presented under the historical cost convention on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

The Consolidated Financial statements relate to UTV Global Broadcasting Limited and its Subsidiary Companies and 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 the Company's separate financial statements.

The Consolidated Financial Statements have been prepared on the following basis:

i. In respect of Subsidiary Companies, the financial statements have been consolidated on a line-by-line basis by adding together the book values of like item of assets, liabilities, incomes and expenses, after fully eliminating intra-group balances and unrealised profits/losses on intra-group transactions as per Accounting Standard - AS 21 "Consolidated Financial Statements".

ii. The excess of cost to the Company of its investment in the Subsidiary Company over the Company's share of net assets of the subsidiary company is recognised in the financial statements as Goodwill, which will be tested for impairment at year end. The excess of Company's share of net assets of the subsidiary company over the cost of acquisition is treated as Capital Reserve.

iii. The results of operations of a subsidiary are included in the Consolidated Financial Statements from the date on which the parent-subsidiary relationship comes into existence. The results of operation of a subsidiary with which the parent-subsidiary relationship ceases to exist are included in the consolidated statement of profit and loss until the date of cessation of the relationship. The difference between the proceeds from the disposal of investment in a subsidiary and the carrying amount of its assets less liabilities as on the date of disposal are recognised as profit or loss on disposal of investment in the subsidiary.

iv. The Notes and Significant Accounting Policies to the Consolidated Financial Statements are intended to serve as a guide for better understanding of the Group's position. In this respect, the Group has disclosed such notes and policies, which represent the requisite disclosure.

2. Fixed Assets and Depreciation

i. Fixed assets are stated at cost of acquisition less accumulated depreciation. The Group capitalises all costs relating to the acquisition and installation of fixed assets.

ii. Depreciation is provided based on management estimate of useful lives of the fixed assets, on the straight line method prorata to the year of use or at the rates prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher.

Fixed Assets individually costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

Leasehold improvements are amortised over the period of lease.

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

The rates for following assets are based on estimated useful life as under:

Assets	Estimated useful life (in years)
Software	6-7
Plant and Machinery - IRD Boxes and Smart Cards	1

iii. Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

3. Investments

i. Long term investments are stated at cost, except where there is a diminution in value other than temporary, in which case requisite provision is made to write down the carrying value to recognise such decline.

ii. Current investments are stated at cost or fair value whichever is lower.

4. Inventories

Inventories comprise of Commissioned programs and Acquired/Licensed programs. The cost of inventories comprises cost of purchase and other significant costs incurred in bringing the inventories to a state of being telecast. Inventories are stated at the lower of cost (cost less accumulated amortization/impairment) or realisable value.

The Group amortises the cost of commissioned programs over three years based on management estimates of the revenue potential over the period. The cost of licensed/acquired programs is amortised over the license period from the date of commencement of license period/acquisition.

The carrying value of inventories are continually reviewed by Management and revised at each period-end or when warranted by changing conditions. In the event that management estimates that program(s) may not be exploited for entire License Period or in the event of lower revenue forecasts, an additional amount is provided on such inventory based on realizable value.'

5. Retirement benefits

Long Term Employee Benefits

In case of Defined Contribution plans, the Group's contributions to these plans are charged to Profit and Loss Account as incurred. Liability for Defined Benefit Plans is provided on basis of valuations, as at the Balance Sheet date, carried out by an Independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit Method. The obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. The liability for leave encashment is provided on the basis of valuation, as at Balance Sheet date, carried out by an independent actuary. Group's contributions paid/payable during the year to Labour Welfare Fund are recognised in the Profit and Loss Account.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Profit and Loss Account in the year in which they arise.

6. Provisions and Contingent Liabilities

The Group recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

7. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

i. Advertisement sales revenue (net of agency commission) is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

ii. Subscription income for the distribution of the channels is recognised when the services are provided in accordance with the terms of the agreement and for which there is reasonable certainty of ultimate collections.

iii. Revenue from syndication of movies is recognised on delivery of the movies to the Licensee.

iv. Income from exploitation of interactive rights is recognised in accordance with the terms of the agreement with the service providers and/or intermediary.

8. Foreign Currency Transactions

The transactions in foreign exchange are accounted at the exchange rates prevailing on the date of transactions. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Non-monetary foreign currency items are carried at cost. Gain and loss resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account. Premium or discount in respect of forward contract is accounted over the period of the contract.

9. Taxes on Income

Current Taxation

Provision for Current tax (including Wealth Tax) has been made in accordance with the Income Tax and Wealth Tax laws prevailing for relevant Assessment Years.

Deferred Taxation

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable incomes and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax asset are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

10. Operating Leases

Lease payments for operating leases are recognised as expense on a straight-line basis over the lease term. Initial direct costs are recognised immediately as an expense.

11. Employee Stock Option Schemes (ESOP)

The Company accounts for compensation expense under the Employee Stock Option Schemes using the intrinsic value method as permitted by the Guidance Note on " Accounting for Employee Share-based Payments" issued by the Institute of Chartered Accountants of India. The difference between market price/ fair price and the exercise price as at the date of the grant is treated as compensation expense and charged over the vesting period.

12. Earnings Per Share

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value, which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted at the beginning of the period, unless issued at a later date.

13. Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual results and estimates are recognised in the periods in which the results are known/ materialise.

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

C. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net off advances) is Rs. 90.69 Million (Previous Year Rs. 0.04 Million).

2. Contingent Liabilities and Provision for Contingencies:

i. Contingent Liabilities not provided for

Sr No.	Nature	Description	Name of the Subsidiary	March 31, 2011 (Rs. In Million)	March 31, 2010 (Rs. In Million)
(a)	Disputed Demands of Income Tax	Demands from TDS department of Income Tax	Genx Entertainment Limited	121.37	-
(b)	Disputed Demands of Income Tax	Demands from TDS department of Income Tax	UTV Entertainment Television Limited	45.82	-
				167.19	**-**

ii. Provision for Contingencies

Genx Entertainment Limited, a subsidiary of the Company, has, in earlier years, made a provision for probable liability arising out of pending dispute with Custom Authorities on applicability of duty on license fees. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence the Company is not able to ascertain the timing of outflow.

Disclosure of movement in provision as required by AS 29 - "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India is as given below:

Particulars	March 31, 2011 (Rs. in Million)	March 31, 2010 (Rs. in Million)
Carrying amount at the beginning of the year	**25.00**	25.00
Additional provisions made during the year	**-**	-
Amounts used	**-**	-
Unused amounts reversed during the year	**-**	-
Carrying amount at the end of the year	**25.00**	25.00

3. Employee Stock Option Scheme - 2008:

Pursuant to the resolution passed by the Board of directors on February 1, 2008 and shareholders of the Company at the Extra Ordinary General Meeting held on February 1, 2008, the Company had introduced Employee Stock Option Scheme ("the scheme") for permanent employees and directors of the Company of its subsidiaries.

The scheme provides that the total number of options granted there under will be 100,000. Each option, on exercise, is convertible into one equity share of the company having face value of Rs.10.

The option have been granted at an exercise price which is higher than the value of the underlying share determined by an independent valuer as on the date of the grant. Accordingly, the Company has not recognised any expense on account of grant of stock options.

Stock options activity under the scheme is as follows:

Particulars	Mar 31, 2011 (in number)	Mar 31, 2010 (in number)
Option outstanding at the beginning of the year	**52,000**	43,500
Options granted during the year	**10,000**	20,000
Options exercised during the year	**-**	100
Options lapsed during the year	**31,000**	11,400
Options Outstanding at the year end	**31,000**	52,000

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

4. Taxation

i. Component of Deferred Tax Assets and Liabilities arising are:

Particulars	Mar 31, 2011 (Rs in Million)	Mar 31, 2010 (Rs in Million)
- Provision for Doubtful Debts	**0.70**	1.28
- Provision for Gratuity	**0.30**	0.08
- Provision for Leave encashment	**-**	0.81
- Business Losses and Unabsorbed Depreciation	**380.35**	384.33
Total Deferred Tax Assets on March 31, 2011	**381.35**	386.50
- Depreciation	**1.26**	2.71
- Lease Rent Payable	**0.65**	3.79
Total Deferred Tax Liabilities on March 31, 2011	**1.91**	6.50
Net Deferred Tax Assets on March 31, 2011	**379.44**	380.00

Considering long term corporate strategies, future profitability and virtual certainty, Deferred Tax Asset (net) of Rs. 379.44 Million has been recognised as on March 31, 2011 and the management is of the opinion that in the long run, the carry forward losses would be fully absorbed.

ii. Provision of Current Tax of Rs.60.19 Millions (Previous Year Rs.58.45 Million) represents tax computed according to provision of section 115JB of the Income Tax Act, 1961.

5. Employee Benefits

The Group has classified the various benefits provided to employees as under:

I. Brief description of the Plans

The Group provides long-term benefits in the nature of Provident fund and Gratuity to its employees. The Group's defined contribution plans are provident fund, Maharashtra state labour welfare plan and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Group has no further obligation beyond making the contributions. The Group's defined benefit plans include gratuity benefit to its employees. The employees of the Group are also entitled to leave encashment as per the Group's policy.

II. Defined Contribution Plans

a) Provident Fund

b) Maharashtra State Labour Welfare Plan

The Group has recognised the following amounts in the Profit and Loss Account for the year:

	Mar 31, 2011 (Rs in Million)	Mar 31, 2010 (Rs in Million)
Employers' Contribution to Provident Fund	**10.57**	7.11
Maharashtra State Labour Welfare Plan	**0.00**	0.00

Included in Staff Cost (Refer Schedule 16)

III. Defined Benefit Plans

	Mar 31, 2011 (Rs in Million)	Mar 31, 2010 (Rs in Million)
Contribution to Gratuity Fund (Non – Funded Scheme)	**9.14**	4.88
Leave Encashment (Non – Funded Scheme)*	**-**	7.00

*During the current financial year the Company has discontinued the leave encashment scheme prevailing in the Company. Pursuant to which the Company has reversed the leave encashment provision and credited provision no longer required amounting to Rs.8.61 (Rs. in Million)

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

		Current Year	Previous Year
a)	Discount Rate (per annum)	**8.25%**	8%
b)	Rate of increase in Compensation Levels	**5%**	5%
c)	Expected Average remaining working lives of employees in number of period	**20-22**	20-22

		Mar 31, 2011 (Rs in Million)	Mar 31, 2010 (Rs in Million)
		Gratuity (Non funded)	
A	**Changes in the Defined Benefit Obligation**		
(a)	Opening Defined Benefit Obligation	**5.53**	4.95
(b)	Interest Cost	**0.57**	0.49
(c)	Current Service Cost	**1.58**	1.19
(d)	Benefits Paid	-	-
(e)	Actuarial (Gain)/Loss	**1.72**	(1.11)
(f)	Closing Defined Benefit Obligation	**9.40**	5.53
B	**Changes in the Fair value of Plan Assets**		
(a)	Opening Value of Plan Assets	**-**	-
(b)	Expected Return on Plan Assets	**-**	-
(c)	Contribution during the year by employer	**-**	-
(d)	Benefits Paid	**-**	-
(e)	Actuarial Loss	**-**	-
(f)	Closing Fair Value of Plan Assets	**-**	-
C	**Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets**		
(a)	Present Value of Non Funded Obligation as at year end	**9.40**	5.53
(b)	Fair Value of Plan Assets as at year end	**-**	-
(c)	Non Funded (Asset)/Liability recognised in the Balance Sheet (Included in Provisions - Schedule 12)	**9.40**	5.53
D	**Amount recognised in the Balance Sheet**		
(a)	Present Value of Obligation as at year end	**9.40**	5.53
(b)	Fair Value of Plan Assets as at year end	**-**	-
(c)	Asset/(Liability) recognised in the Balance Sheet as at year end	**-**	-
E	**Expenses recognised in the Profit and Loss Account**		
(a)	Current Service Cost	**1.58**	1.19
(b)	Interest Cost	**0.57**	0.49
(c)	Expected Return on Plan Assets	**-**	-
(d)	Actuarial (Gain)/Loss	**1.72**	(1.11)
	Total Expenses recognised in the Profit and Loss Account (Included in Staff Cost - Schedule 16)	**3.87**	0.57

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

		Mar 31, 2011 (Rs in Million)	Mar 31, 2010 (Rs in Million)
		Gratuity (Non funded)	
F	**Actual return on Plan Assets**		
	Expected Return on Plan Assets	-	-
	Actuarial loss on Plan Assets	-	-
	Actual Return on Plan Assets	-	-
G	**Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31**	**NA**	NA
H	**Experience Adjustment**		
	On Plan liabilities	**1.98**	(1.11)
	On Plan Assets	-	-
I	**Expected Employers contribution for the next year**	-	-
J	**The liability for leave encashment and compensated absences as at year end is**	-	8.61

6. Segment Information

(i) Business segments

The Company is primarily engaged in a single segment business of distribution of broadcasting services and is managed as one entity, for its activities which is governed by a similar set of risks and returns.

(ii) Geographical segments

In the view of the management, the Indian and export markets represent geographical segments.

(a) The following is the distribution of the Company's sale by geographical market:

Geographical segment	March 31, 2011 (Rs in Million)	March 31, 2010 (Rs in Million)
India	**2,243.54**	1,436.40
Outside India	**73.09**	74.62
Total	**2,316.63**	1,511.02

(b) The following table shows the carrying amount of segments assets by geographical area in which the assets are located:

Particulars	India March 31, 2011 (Rs. in Million)	Others* March 31, 2011 (Rs. in Million)	India March 31, 2010 (Rs. in Million)	Others* March 31, 2010 (Rs. in Million)
Carrying amount of segment assets	**2,467.89**	**22.07**	2,079.15	20.25
Total	**2,467.89**	**22.07**	2,079.15	20.25

* Others represent receivables from debtors located outside India.

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

7. Related Party Disclosures as required by AS 18 - "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are given below:

(i)	**Holding Company**
	UTV Software Communications Limited
(ii)	**Shareholder of the Company**
	The Walt Disney Company (Southeast Asia) Pte Limited.
(iii)	**Fellow Subsidiaries**
	UTV New Media Limited
	UTV Communications (USA) LLC
	IG Interactive Entertainment Limited
	Indiagames Limited
	Ignition Entertainment Limited, UK.
	Ignition London Limited (Formerly known as Digi Guys Limited)
	Ignition Entertainment Limited, USA.
	UTV Games Limited
	True Games Interactive Inc.
	UTV TV Content Limited
	RB Entertainment Limited
	First Future Agri. & Developers Limited
	UTV Tele Talkies Limited
	Screenshot Television Limited (Formerly known as Smriti Irani Television Limited)
(iv)	**Other related parties where common control exists**
	UTV News Limited
	Unilazer Media Limited
	Unilazer Holdings Limited
	Television News and Entertainment (I) Limited
	Vijay Broadcasting Private Limited
	United Tele-Shopping & Marketing Company Limited
(v)	**Key Management Personnel**
	Shantonu Aditya – Whole Time Director (Resigned w.e.f. September 11, 2009)

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

Transactions during the year and balances with Related Parties: Rs. in Million

Particulars	Shareholder of the Company		Fellow Subsidiaries		Other related parties where common control exists	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Services charged by						
UTV Software Communication Limited	150.25	71.15				
UTV New Media Limited			-	0.17		
Indiagames Limited			1.10	-		
Sale of Advertisement Spots to						
UTV Software Communication Limited	3.39	-				
Purchase of Fixed Assets From						
UTV Software Communication Limited	19.11	-				
Purchase of license From						
UTV Software Communication Limited		74.35				
Share of Common Expenses						
UTV Software Communication Limited	6.75	-				
Share of Subscription Income						
UTV News Limited					40.82	30.38
Share of subscription bad debts						
UTV News Limited					0.32	1.57
Share of new media income from						
UTV New Media Limited			(0.20)	0.67		
Finance						
UTV Software Communication Limited – Unsecured Loan - taken	1878.90	2,894.10				
UTV Software Communication Limited – Unsecured Loan - repaid	1520.00	832.50				
UTV Software Communication Limited – Interest charged	283.17	153.90				
Outstanding Balance						
Payable						
UTV Software Communication Limited (Net)	3,118.99	2,664.35				
UTV News Limited					19.08	2.42
Receivable						
UTV New Media Limited			-	0.37		

Schedule 19 – Notes to the Consolidated Financial Statements for the year ended March 31, 2011

8. Operating Leases

The Group has taken premises under non-cancelable operating lease agreement ranging from a period of two to six years. The Group has placed a refundable deposit of Rs. 27.24 Million (Previous year Rs. 27.19 Million) in respect of these leasing arrangements. The lease rentals charge during the year is Rs. 6.13 Million (Previous year Rs. 31.50 Million) and maximum obligation on long term non cancelable operating lease payable as per the rentals stated in respective agreement are as follows:

Obligation on long term non cancellable operating leases	Mar 31, 2011 (Rs. In Million)	Mar 31, 2010 (Rs. In Million)
Not Later than one year	**29.87**	43.44
Later than one year and not later than five years	**77.53**	178.84
Later than five years	**0.92**	52.45

9. Earning Per Share

	Mar 31, 2011	Mar 31, 2010
Loss after tax (Rs. in Million)	**147.76**	261.84
Weighted average number of Equity Shares for Basic EPS(nos.)	**2,000,100**	2,000,000
Weighted average number of Equity Shares for Diluted EPS(nos.)	**2,000,100**	2,000,000
Loss Per Share (Rs.)		
- Basic and Diluted	**73.88**	130.92
Face Value per Share (Rs.)	**10**	10

10. The previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary.

Signature to Schedules 1 to 19 which form an integral part of the Consolidated Financial Statements

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership No. F-55913

Place : Mumbai
Date : 30th May, 2011

Rohinton Screwvala
Director

Sanjaya Kulkarni
Director

Place : Mumbai
Date : 30th May, 2011

Auditors' Report to the Members of UTV Global Broadcasting Limited

1. We have audited the attached Balance Sheet of UTV Global Broadcasting Limited (the "Company") as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the 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, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

4. Further to our comments in the Annexure 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 Act;

   (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is 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 Act;

   (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011;

      (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse & Co
Firm Registration Number: 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number F-55913

Mumbai
Date: 30th May, 2011

ANNEXURE TO AUDITORS' REPORT

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of UTV Global Broadcasting Limited on the financial statements for the year ended March 31, 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

2. As the company does not have inventory clause (ii) of paragraph 4 of the companies (Auditor's Report) Order 2003, as amended by the companies (Auditor's report) (Amendment) Order, 2004, is not applicable for the year.

3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

   (b) The Company has taken unsecured loan, from one company covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year and the year-end balance of such loans aggregates to Rs. 3,122,200('000) Rs.3,000,000('000) respectively.

   (c) In our opinion, the rate of interest and other terms and conditions of such loans are not prima facie prejudicial to the interest of the Company.

   (d) In respect of the aforesaid loans, the Company is regular in repaying the principal amounts as stipulated and is also regular in payment of interest, where applicable.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

ANNEXURE TO AUDITORS' REPORT

Referred to in paragraph 3 of the Auditors' Report of even date to the members of UTV Global Broadcasting Limited on the financial statements for the year ended March 31, 2011

10. As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable for the year.

11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.

12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.

14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.

15. In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company, for loans taken by others from banks or financial institutions during the year, are not prejudicial to the interest of the Company.

16. In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.

17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, short-term funds amounting to Rs. 102,780 ('000) have been used for long-term investment.

18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.

19. The company has not issued any debentures

20. The Company has not raised any money by public issues during the year.

21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse & Co
Firm Registration Number: 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number F-55913

Mumbai
Date: 30th May, 2011

Balance Sheet as at March 31, 2011

	Schedule No.		As at March 31, 2011 Rs. in Thousands		As at March 31, 2010 Rs. in Thousands
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1		**20,001**		20,001
Share warrants (Refer Note 5 of Sch. 18)			**7,200**		7,200
Advance money received against ESOP			**67**		165
Reserves and Surplus	2		**3,561,017**		3,561,017
Loan Funds					
Secured Loans	3		**455,000**		500,000
Unsecured Loans	4		**3,000,000**		2,641,100
Deferred Tax Liability (Refer Note 17 (a) of Sch.18)			**1,354**		6,504
Total			**7,044,639**		6,735,987
APPLICATION OF FUNDS					
Fixed Assets	5				
Gross Block		**44,156**		28,951	
Less : Accumulated Depreciation		**(21,994)**		(11,451)	
Net Block		**22,162**		17,500	
Capital Work In Progress (Including Advances)		**30,000**		-	
			52,162		17,500
Investments	6		**5,687,142**		5,687,142
Deferred Tax Assets (Refer Note 17 (a) of Sch.18)			**1,354**		6,504
Current Assets, Loans and Advances					
Sundry Debtors	7	**166,668**		180,070	
Cash and Bank Balances	8	**38,168**		21,161	
Loans and Advances	9	**581,742**		611,375	
		786,578		812,606	
Less : Current Liabilities and Provisions					
Current liabilities	10	**176,356**		97,876	
Provisions	11	**2,166**		3,996	
		178,522		101,872	
Net Current Assets			**608,056**		710,734
Profit and Loss Account- Debit Balance			**695,925**		314,107
Total			**7,044,639**		6,735,987
NOTES TO THE FINANCIAL STATEMENTS	18				

Schedules referred to above and notes attached thereto form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number. F-55913

Place : Mumbai
Date : 30th May, 2011

Rohinton Screwvala
Director

Sanjaya Kulkarni
Director

Place : Mumbai
Date : 30th May, 2011

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

	Schedule No.		Year Ended March 31, 2011 Rs. in Thousands		Year Ended March 31, 2010 Rs. in Thousands
INCOME					
Sales and Services (net)	12	**483,950**		307,252	
Other Income	13	**6,567**		10,854	
			490,517		318,106
EXPENDITURE					
Direct Cost	14	**316,270**		211,075	
Staff Cost	15	**85,071**		54,604	
Other Expenses	16	**72,058**		88,494	
			473,399		354,173
LOSS/(PROFIT) BEFORE INTEREST, DEPRECIATION AND TAX			**(17,118)**		36,067
Less : Interest & Finance charges (net)	17		**388,393**		209,278
LOSS BEFORE DEPRECIATION AND TAX			**371,275**		245,345
Less : Depreciation/ Amortisation	5		**10,543**		3,369
LOSS BEFORE TAX			**381,818**		248,714
Less : Provision for Taxation			**-**		-
LOSS AFTER TAX			**381,818**		248,714
Balance Loss brought forward			**314,107**		65,393
BALANCE CARRIED TO BALANCE SHEET			**695,925**		314,107
Loss per share of Rs 10 each (Refer Note 16 of Sch.18)					
Basic			**191**		124
Diluted			**191**		124
NOTES TO THE FINANCIAL STATEMENTS	18				

Schedules referred to above and notes attached thereto form an integral part of the Profit & Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number. F-55913

Place : Mumbai
Date : 30th May, 2011

Rohinton Screwvala
Director

Sanjaya Kulkarni
Director

Place : Mumbai
Date : 30th May, 2011

Cash Flow Statement for the year ended March 31, 2011

		As at March 31, 2011 Rs. in Thousands	As at March 31, 2010 Rs. in Thousands
A.	**Cash flow from operating activities:**		
	Loss Before Tax	**(381,818)**	(248,714)
	Adjustments for:		
	Depreciation / Amortisation	**10,543**	3,369
	Interest Expense	**388,474**	209,290
	Interest Income	**(81)**	(12)
	Provision no longer required written back	**(3,105)**	-
	Provision for Employee Retirement Benefits	**1,275**	2,048
	Bad Debts written off	**1,736**	7,000
	Unrealised Foreign Exchange (Gain)/ Loss	**279**	335
	Operating Loss Before Working Capital Changes	**17,303**	(26,684)
	Adjustments For Changes In Working Capital :		
	- (Increase) / Decrease in Sundry Debtors	**11,303**	104,900
	- (Increase) / Decrease in Loans and Advances	**35,902**	(2,426,800)
	- Increase / (Decrease) in Trade and Other Payables	**309**	(16,000)
	Cash Generated Used In Operations	**64,817**	(2,364,584)
	- Taxes Paid (Including Tax Deducted at Source)	**(6,270)**	(4,152)
	Net Cash Used In Operating Activities (A)	**58,547**	(2,368,736)
B.	**Cash Flow from Investing Activities:**		
	Purchase of Fixed Assets	**(42,198)**	(929)
	Interest Received	**81**	12
	Net Cash Used In Investing Activities (B)	**(42,117)**	(917)
C.	**Cash Fow From Financing Activities:**		
	Proceeds from fresh issue of Share Capital	**-**	1
	Proceeds from Long term borrowings	**1,878,900**	2,894,100
	Repayment of Long term borrowings	**(1,520,000)**	(832,500)
	Advance money received/ (refunded) against ESOP	**(98)**	165
	Proceeds/ (Repaid) from Secured loan	**(45,000)**	500,000
	Interest Paid	**(313,225)**	(185,178)
	Net Cash Generated From Financing Activities (C)	**577**	2,376,588
	Net Increase in Cash and Cash Equivalents (A) + (B) + (C)	**17,007**	6,935
	Opening Cash and Cash Equivalents	**21,161**	14,226
	Closing Cash and Cash Equivalents	**38,168**	21,161
	Cash and Cash Equivalents Comprise		
	Cash and Cheques on Hand	**9,103**	50
	Balance with Scheduled Banks (including fixed deposits)	**29,065**	21,111
		38,168	21,161

Notes :

1 The above Cash flow statement has been prepared under the indirect method set out in AS 3 issued by the Institute of Chartered Accountants of India.

2 Figures in brackets indicate cash outgo.

3 Previous years figures have been regrouped/reclassified wherever necessary

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number. F-55913

Place : Mumbai
Date : 30th May, 2011

Rohinton Screwvala
Director

Place : Mumbai
Date : 30th May, 2011

Sanjaya Kulkarni
Director

Schedules forming part of the Balance Sheet as at March 31, 2011

		As at March 31, 2011 Rs. in Thousands		As at March 31, 2010 Rs. in Thousands
1 SHARE CAPITAL				
Authorised				
3,000,000 (Previous Year 3,000,000) Equity shares of Rs 10 each		**30,000**		30,000
		30,000		30,000
Issued, Subscribed And Paid Up				
2,000,100 Equity shares at Rs 10 per share fully paid up		**20,001**		20,001
(Out of the above 1,700,000 (Previous Year 1,700,000) Equity shares of Rs 10 each are held by holding company UTV Software Communications Limited)				
Total		**20,001**		20,001
2 RESERVES AND SURPLUS				
Securities Premium				
As per last Balance sheet	**3,561,017**		3,561,017	
Add: Addition during the year	**-**		-	
	3,561,017		3,561,017	
		3,561,017		3,561,017
Total		**3,561,017**		3,561,017
3 SECURED LOANS				
Term Loan from SICOM Limited		**455,000**		500,000
(- Secured by corporate guarantee of UTV Software Communications Limited (Holding Company) and Personal guarantee of a director of the company) (-Charge on content library of its subsidiaries Genx Entertainment Limited and UTV Entertainment Television Limited) (-Amount repayable within one year is Rs 110,000 ('000))				
Total		**455,000**		500,000
4 UNSECURED LOANS - LONG TERM				
Loan from Holding Company		**3,000,000**		2,641,100
Total		**3,000,000**		2,641,100

Schedules forming part of the Balance Sheet as at March 31, 2011

Rs.in thousands

5. FIXED ASSETS (Refer Note 2(ii) Sch.18)

	COST				DEPRECIATION / AMORTISATION				NET BLOCK	
Particulars	**Opening As at April 1, 2010**	**Additions**	**Deductions**	**As at March 31, 2011 (A)**	**Opening As at April 1, 2010**	**For the Year March 31, 2011**	**Deductions**	**As at March 31, 2011**	**As at March 31, 2011 (B)**	**As at March 31,2010 (A-B)**
Tangible Assets										
Freehold Land	432	-	-	**432**	-	-	-	**-**	**432**	432
Plant & Machinery	2,268	2,241	-	**4,509**	156	196	-	**352**	**4,157**	2,112
Furniture & Fixtures	93	317	-	**410**	62	43	-	**105**	**305**	31
Computers	6,201	457	-	**6,658**	2,599	1,086	-	**3,685**	**2,973**	3,602
Office Equipments	7,492	597	-	**8,089**	3,569	277	-	**3,846**	**4,243**	3,923
Leasehold Improvements	-	9,105	-	**9,105**	-	2,416	-	**2,416**	**6,689**	-
Intangible Assets										
Computer Software	12,465	2,488	-	**14,953**	5,065	6,525	-	**11,590**	**3,363**	7,400
Total	28,951	15,205	-	**44,156**	11,451	10,543	-	**21,994**	**22,162**	17,500
Previous Year	28,021	930	-	**28,951**	8,082	3,369	-	**11,451**	**17,500**	

Schedules forming part of the Balance Sheet as at March 31, 2011

		As at March 31, 2011 Rs. in Thousands		As at March 31, 2010 Rs. in Thousands
6 INVESTMENTS (Refer Note 2(iii) and 4 of Sch.18)				
Long Term, Non -Trade at Cost				
In Subsidiary Companies				
In Equity Shares (unquoted)				
5,574,000 Equity shares of Rs 10 each fully paid in UTV Entertainment Television Limited (Prev. Year 5,574,000 Equity Shares of Rs 10 each fully paid)	**1,255,700**		1,255,700	
8,111,000 Equity shares of Rs 10 each fully paid in Genx Entertainment Limited (Prev. Year 8,111,000 Equity shares of Rs 10 each fully paid)	**887,942**		887,942	
		2,143,642		2,143,642
In Preference Shares (unquoted)				
890,000 1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs 10 each fully paid in UTV Entertainment Television Limited. (Prev. Year 890,000 1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs 10 each fully paid)	**2,047,000**		2,047,000	
2,050,000 1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs 10 each fully paid in Genx Entertainment Limited. (Prev. Year 2,050,000 1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs 10 each fully paid)	**1,496,500**		1,496,500	
		3,543,500		3,543,500
Total		**5,687,142**		5,687,142
7 SUNDRY DEBTORS				
(Unsecured and Considered Good unless otherwise stated)				
(Refer Note 8 (i) of Sch. 18)				
i. Over six months				
- considered good	**26,417**		84,826	
- considered doubtful	**-**		-	
	26,417		84,826	
Less : Provision for Doubtful Debts	**-**		-	
		26,417		84,826
ii. Other debts				
- considered good	**140,251**		95,244	
- considered doubtful	**-**		-	
		140,251		95,244
Total		**166,668**		180,070

Schedules forming part of the Balance Sheet as at March 31, 2011

			As at March 31, 2011 Rs. in Thousands		As at March 31, 2010 Rs. in Thousands
8	**CASH AND BANK BALANCES**				
	i. Cash on hand (Includes cheques on hand Rs 90.53 lakhs, Previous year Nil)		**9,103**		50
	ii. Balance with Scheduled Banks				
	- Current Account		**28,065**		21,111
	- Fixed Deposit		**1,000**		-
	Total		**38,168**		21,161
9	**LOANS AND ADVANCES** (Unsecured & Considered Good unless otherwise stated)				
	Advances recoverable in cash or in kind or for value to be received		**13,330**		19,705
	Advance to Suppliers		**9**		30,010
	Advances to Subsidiaries (Refer Note 8 (iii) of Sch. 18)		**490,900**		490,800
	Advance Income Tax (net of provision)		**63,746**		57,476
	Deposits with Government authorities		**25**		25
	Other deposits		**13,732**		13,359
	Total		**581,742**		611,375
10	**CURRENT LIABILITIES**				
	Sundry Creditors for Capital Goods, Materials & Expenses				
	- Micro and Small Enterprises (Refer Note 6 of Sch. 18)	**-**		-	
	- Payable to Holding Company	**71,485**		12,145	
	- Payable to Subsidiaries (Refer Note 8 (ii) of Sch. 18)	**21,339**		8,571	
	- Others	**43,976**	**136,800**	28,726	49,442
	Advances from customers		**5,651**		4,127
	Other liabilities		**33,905**		44,307
	Total		**176,356**		97,876
11	**PROVISIONS**				
	Provision for Employees' Retirement Benefits (Refer Note 12 and 2(iv) of Sch.18)		**2,166**		3,996
	Total		**2,166**		3,996

Schedules forming part of the Profit & Loss Account for the year ended March 31, 2011

		For the Year Ended March 31, 2011 Rs. in Thousands		For the Year Ended March 31, 2010 Rs. in Thousands
12 SALES AND SERVICES (NET)				
Sales and Service Revenues (Net) (Refer Note 2 (vi) of Sch.18)		**483,950**		307,252
Total		**483,950**		307,252
13 OTHER INCOME				
Rent Income		**3,462**		9,904
Provision no longer requ. W/back (Refer Note 12(iii) of Sche.18)		**3,105**		-
Miscellaneous Income		**-**		950
Total		**6,567**		10,854
14 DIRECT COST				
Licence Fees		**297,679**		197,843
Distributor Commission		**13,001**		7,923
Telecast and uplink fees		**5,590**		5,309
Total		**316,270**		211,075
15 STAFF COST				
Salaries, wages and bonus		**80,471**		51,411
Contribution to Gratuity,Provident and other funds		**3,194**		2,282
Staff Welfare		**1,406**		911
Total		**85,071**		54,604
16 OTHER EXPENSES				
Rent - Premises		**25,643**		30,502
Repairs and Maintenance				
Plant and Machinery	**-**		-	
Others	**11,241**	**11,241**	8,316	8,316
Insurance		**348**		311
Electricity Charges		**4,293**		5,145
Travelling & Conveyance Expenses		**2,891**		2,794
Communication & Postage Expenses		**1,388**		2,092
Advertisement and Business Promotion Expenses		**397**		259
Marketing Costs		**350**		2,222
Loss on Foreign Exchange Fluctuation (Net)		**974**		1,927
Bad Debts written off		**1,736**		7,000
Bank Charges		**110**		129
Service charges		**1,620**		5,224
Professional fees		**13,014**		18,672
Recruitment fees		**58**		-
Rates & Taxes		**477**		1,068
Miscellaneous expenses (Refer Note 9 of of Sch. 18)		**7,518**		2,833
Total		**72,058**		88,494
17 INTEREST (Net)				
Interest on Loan				
On Fixed Loans	**70,217**		52,637	
On Others	**311,929**	**382,146**	153,903	206,540
Other Finance Charges		**6,328**		2,750
		388,474		209,290
Less: Interest Income:				
Others		**81**		12
(TDS Deducted at Source Rs Nil, (Previous year- Rs Nil)				
Total		**388,393**		209,278

Schedules forming part of the financial statements for the year ended March 31, 2011

SCHEDULE 18 – NOTES TO THE FINANCIAL STATEMENTS

1) BACKGROUND OF THE COMPANY

UTV Global Broadcasting Limited ("UGBL/the Company") was incorporated in India as a Public Limited Company under the Companies Act, 1956 on June 6, 2007. The Company became a subsidiary of UTV Software Communications Limited ("UTV") with effect from August 8, 2008.The Company provides distribution services to television channels.

2) SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Accounting

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

ii. Fixed Assets and Depreciation

a) Fixed assets are stated at cost of acquisition less accumulated depreciation. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

b) Depreciation is provided based on management estimate of useful lives of the fixed assets, on the straight line method prorata to the period of use or at the rates prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher.

Fixed Assets individually costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

The rates for following asset are based on estimated useful life as under:

Asset	Estimated usefullife (in years)
Software	6-7

c) Impairment of assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iii. Investments

a) Long Term Investments are stated at cost, except where there is a diminution in value other than temporary, in which case requisite provision is made to write down the carrying value to recognise such decline.

b) Current investments are stated at cost or fair value, whichever is lower.

iv. Retirement benefits

Long Term Employee Benefits

In case of Defined Contribution plans, the Company's contributions to these plans are charged to Profit and Loss Account as incurred. Liability for Defined Benefit Plans is provided on basis of valuations, as at the Balance Sheet date, carried out by an Independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit Method. The obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. Company's contributions paid/payable during the year to Labour Welfare Fund are recognised in the Profit and Loss Account.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Profit and Loss Account in the year in which they arise.

v. Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Schedules forming part of the financial statements for the year ended March 31, 2011

vi. Revenue Recognition

Subscription income for the distribution of the channels are recognised when the services are provided in accordance with the terms of the agreement and for which there is reasonable certainty of ultimate collections.

vii. Foreign Currency Transactions

The transactions in foreign exchange are accounted at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Non-monetary foreign currency items are carried at cost. Gain and loss resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account. Premium or discount in respect of forward contract is accounted over the period of the contract.

viii. Taxes on Income

Current Taxation

Provision for Current tax (including Wealth Tax) has been made in accordance with the Income Tax and Wealth Tax laws prevailing for the year.

Deferred Taxation

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

ix. Operating Leases

Lease payments for operating leases are recognised as expense on a straight-line basis over the lease term. Initial direct costs are recognised immediately as an expense.

x. Employee Stock Option Schemes (ESOP)

The Company accounts for compensation expense under the Employee Stock Option Schemes using the Intrinsic value method as permitted by the Guidance Note on "Accounting for Employee Share- based Payments" issued by the Institute of Chartered Accountants of India. The difference between the market price/ fair price and the exercise price as at the date of the grant is treated as compensation expense and charged over the vesting period.

xi. Earnings Per Share

Basic earnings per share are computed by dividing the net loss after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net loss after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value, which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted at the beginning of the period, unless issued at a later date.

xii. Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual results and estimates are recognised in the periods in which the results are known/ materialise.

3) Going Concern

As at March 31, 2011 the Company has accumulated losses of Rs. 695,925 (in Thousands) (Previous year Rs 314,107 (in Thousands)), however the Net Worth of the company is Rs. 2,892,360 (in Thousands) (Previous year Rs 3,274,276 (in Thousands)). The Company is in the business of distribution of broadcasting channels and given the nature of the industry, there is a gestation period required for the operations to break even and the business to generate profits. The Company has necessary financial support from its holding company – UTV Software Communications Limited and given the long term corporate strategies and future profit projections, the Company has followed the fundamental accounting assumption of 'Going Concern' for preparation of financials for the year ended March 31, 2011 as the Company neither has the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

Schedules forming part of the financial statements for the year ended March 31, 2011

4) Investments

a) The Company's Investment consists of Investment in share capital of its wholly owned subsidiaries i.e UTV Entertainment Television Limited and Genx Entertainment Limited. Both the companies are in their startup phase and expected to be profitable in future and no provision is required for diminution in Value of investments.

b) In 2009-10, 2009 5,000,000 Zero Coupon Fully Convertible Preference shares of Rs.10 each were converted to 5,000,000 Equity shares of Rs.10 each in both the subsidiaries; Genx Entertainment Limited and UTV Entertainment Television Limited respectively.

c) Pursuant to the approval of Board of Directors of the Company on February 9, 2010 and the Board of Directors of the Genx Entertainment Limited on February 10,2010, Unsecured Loan amounting to Rs.2,307,530 (in Thousands) to Genx Entertainment Limited was converted to investments by way of subscription to:

i. 1,111,000 Equity Shares of Rs.10 each at a Premium of Rs.720 per share.

ii. 2,050,000 1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs. 10 each at a premium of Rs.720 per share.

d) Pursuant to the approval of Board of Directors of the Company on February 9, 2010 and Board of Directors of the UTV Entertainment Television Limited on February 10, 2010, Unsecured Loan amounting to Rs 3,252,200 (in Thousands) to UTV Entertainment Television Limited was converted to investments by way of subscription to:

i. 524,000 Equity Shares of Rs. 10 each at a Premium of Rs. 2290 per share.

ii. 890,000 1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs. 10 each at a premium of Rs.2290 per share.

5) 720,000 warrants of Rs 10 each fully paid have been issued by the company to The Walt Disney Company (Southeast Asia) Pte. Limited pursuant to a resolution passed by the Company's Board of Directors on February 16, 2008. The conversion of the warrants shall be subject to the terms and conditions set out in the SHA between the company and the warrant holder.

6) The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said Act have not been given.

7) Estimated amount of contract remaining to be executed on capital account and not provided for (net off advances) is Rs 90,000 (in Thousands).

8)

Particulars	Maximum Outstanding during the year (Rs in Thousands)	Maximum Outstanding during the previous year (Rs in Thousands)	As at March 31,2011 (Rs in Thousands)	As at March 31, 2010 (Rs in Thousands)
i) Debtors include due from subsidiaries:				
UTV Entertainment Television Limited	-	64,759	-	-
Genx Entertainment Limited	64,759	110,083	-	64,759
Total	**64,759**	**174,842**	**-**	**64,759**
ii) Creditors include payable to subsidiaries:				
UTV Entertainment Television Limited	78,557	58,745	12,673	7,222
Genx Entertainment Limited	23,878	10,661	8,666	1,349
Total	**102,435**	**69,406**	**21,339**	**8,571**
iii) Advances to Subsidiaries:				
UTV Entertainment Television Limited	271,300	3,255,000	8, 200	218,800
Genx Entertainment Limited	569,500	2,313,000	482,700	272,000
Total	**840,800**	**5,568,000**	**490,900**	**490,800**

Schedules forming part of the financial statements for the year ended March 31, 2011

9) Miscellaneous Expenses includes:

Auditors' remuneration in respect of

Particulars	March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
Audit Fees	**500**	400

10) (i) Value of Imports on CIF basis: NIL NIL

(ii) Expenditure in foreign currency on account of:

Particulars	March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
Travel Expenses	121	34
Repairs and Maintenance	646	1,189
Commission	8,889	5,879
Training and Development Expenses	83	-

11) Earnings in foreign currency on account of:

Particulars	March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
Subscription Income	**72,342**	74,623

12) Employee Benefits

The Company has classified the various benefits provided to employees as under:

I. Brief description of the Plans:

The Company provides long-term benefits in the nature of Provident fund and Gratuity to its employees. The Company's defined contribution plans are provident fund, Maharashtra state labour welfare plan and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity benefit to its employees.

II. Defined Contribution Plans

a) Provident Fund

b) Maharashtra State Labour Welfare Plan

The Company has recognised the following amounts in the Profit and Loss Account for the year:

Particulars	March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
Employers' Contribution to Provident Fund	**3,194**	2,282
Contribution to Maharashtra State Labour Welfare Plan	**0.25**	0.14

Included in Staff Cost (Refer Schedule 15)

III. Defined Benefit Plans

Particulars	March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
Contribution to Gratuity Fund (Non – Funded Scheme)	**2,166**	891
Leave Encashment (Non – Funded Scheme)*	**-**	3,105

*During the current financial year the Company has discontinued the leave encashment scheme prevailing in the Company. Pursuant to which the Company has reversed the leave encashment provision and credited provision no longer required amounting to Rs. 3,105 (Rs. in Thousands)

Schedules forming part of the financial statements for the year ended March 31, 2011

In accordance with the Accounting Standard - AS 15 (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

	Particulars	March 31, 2011	March 31, 2010
a)	Discount Rate (per annum)	8.25%	8%
b)	Rate of increase in Compensation Levels	5%	5%
c)	Expected Average remaining working lives of employees in number of years	20	20

	Particulars	March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
A	**Changes in the Present Value of Obligation**	**Gratuity (Non Funded plan)**	**Gratuity (Non Funded plan)**
(a)	Opening Defined Benefit Obligation	891	512
(b)	Interest Cost	121	66
(c)	Current Service Cost	626	319
(d)	Benefits Paid	-	-
(e)	Actuarial Loss/ (Gain)	528	(6)
(f)	Closing Defined Benefit Obligation	2,166	891
B	**Changes in the Fair value of Plan Assets**		
(a)	Opening Fair value of Plan Assets	-	-
(b)	Expected Return on Plan Assets	-	-
(c)	Contribution during the year by employer	-	-
(d)	Benefits Paid	-	-
(e)	Actuarial Loss	-	-
(f)	Closing Fair value of Plan Assets	-	-
C	**Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets**		
(a)	Present Value of Funded Obligation as at year end	2,166	891
(b)	Fair Value of Plan Assets as at year end	-	-
(c)	(Asset)/Liability recognised in the Balance Sheet (Included in Provisions – Schedule 11)	2,166	891
D	**Amount recognised in the Balance Sheet**		
(a)	Present Value of Obligation as at year end	2,166	891
(b)	Fair Value of Plan Assets as at year end	-	-
(c)	Asset / (Liability) recognised in the Balance Sheet as at year end	2,166	(891)
E	**Expenses recognised in the Profit and Loss Account**		
(a)	Current Service Cost	626	319
(b)	Interest Cost	121	66
(c)	Expected Return on Plan Assets	-	-
(d)	Actuarial (Gain)/ Loss	528	(6)
	Total Expenses recognised in the Profit and Loss Account (Included in Staff Cost – Schedule 15)	1,275	379

Schedules forming part of the financial statements for the year ended March 31, 2011

Particulars		March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
		Gratuity (Non Funded plan)	Gratuity (Non Funded plan)
F	**Actual return on Plan Assets**		
	Expected Return on Plan Assets	-	-
	Actuarial loss on Plan Assets	-	-
	Actual Return on Plan Assets	-	-
G	**Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31**	NA	NA
H	**Experience Adjustments**		
	On Plan Liabilities	609	(6)
	On Plan Assets	-	-
I	**Expected Employers contribution for the next year**	-	-
J	**The liability for leave encashment and compensated absences as at year end is**	-	3,105

13) Segment Information

(i) Business segments

The Company is primarily engaged in a single segment business of distribution of broadcasting services and is managed as one entity, for its activities which is governed by a similar set of risks and returns.

(ii) Geographical segments

In the view of the management, the Indian and export markets represent geographical segments.

(a) The following is the distribution of the Company's sale by geographical market:

Geographical segment	March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
India	**410,858**	232,629
Outside India	**73,092**	74,623
Total	**483,950**	307,252

(b) The following table shows the carrying amount of segments assets by geographical area in which the assets are located:

Particulars	India March 31, 2011 (Rs in Thousands)	Others*March 31, 2011 Rs in (Thousands)	India March 31, 2010 (Rs in) Thousands	Others*March 31, 2010 (Rs in Thousands)
Carrying amount of segment assets	6,505,162	22,074	6,503,506	20,246
Total	**6,505,162**	**22,074**	**6,503,506**	**20,246**

* Others represent receivables from debtors located outside India.

14) Related Party Disclosures as required by Accounting Standard -AS 18 - "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are given below:

(i)	**Holding Company**
	- UTV Software Communications Limited (w.e.f 8th Aug'08)
(ii)	**Shareholders**
	- The Walt Disney Company (Southeast Asia) Pte Ltd (w.e.f 8th Aug'08)
(iii)	**Subsidiaries**
	- Genx Entertainment Limited
	- UTV Entertainment Television Limited

Schedules forming part of the financial statements for the year ended March 31, 2011

(iv)	**Fellow Subsidiaries**
-	UTV New Media Limited
-	UTV Communications (USA) LLC
-	IG Interactive Entertainment Limited
-	Indiagames Limited
-	Ignition Entertainment Limited, UK.
-	Ignition London Limited (Formerly known as Digi Guys Limited)
-	Ignition Entertainment Limited, USA.
-	UTV Games Limited
-	True Games Interactive Inc.
-	UTV TV Content Limited
-	RB Entertainment Limited
-	First Future Agri. & Developers Limited
-	UTV Tele Talkies Limited
-	Screenshot Television Limited (Formerly known as Smriti Irani Television Limited)
(v)	**Other related parties where common control exists**
-	UTV News Limited
-	Unilazer Media Limited
-	Unilazer Holdings Limited
-	Television News and Entertainment (I) Limited
-	Vijay Broadcasting Private Limited
-	United Tele-Shopping & Marketing Company Limited

Transactions during the year:

Rs in Thousands

	Holding Company		Subsidiaries		Common Control Entities	
	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2011	Year Ended March 31, 2010
Services Charged By						
UTV Software Communication Limited	3,873	7,419				
Fixed Assets Purchased From						
UTV Software Communication Limited	2,730	-				
Share of subscription income to						
Genx Entertainment Limited			111,508	57,774		
UTV Entertainment Television Limited			176,264	129,491		
UTV News Limited					40,819	30,376
Share of subscription Bad Debts transferred to						
Genx Entertainment Limited			1,235	4,532		
UTV Entertainment Television Limited			1,277	5,719		
UTV News Limited					318	1,569
Finance						
Amount repaid to						
UTV Software Communication Limited	1,520,000	832,500				
Genx Entertainment Limited			518,700	879,530		
UTV Entertainment Television Limited			273,750	1,817,500		

Schedules forming part of the financial statements for the year ended March 31, 2011

	Holding Company		Subsidiaries		Common Control Entities	
	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2011	Year Ended March 31, 2010	Year Ended March 31, 2011	Year Ended March 31, 2010
Amount received from						
UTV Software Communication Limited	1,878,900	2,894,100				
Genx Entertainment Limited			308,000	10,000		
UTV Entertainment Television Limited			484,350	296,500		
Interest charged by						
UTV Software Communication Limited	283,263	153,903				
Investments in shares						
Genx Entertainment Limited			-	2,307,530		
UTV Entertainment Television Limited			-	3,252,200		
Outstanding Balances						
Payable						
UTV Software Communication Limited (Net)	3,071,485	2,653,245				
UTV News Limited					19,081	2,424
UTV Entertainment Television Limited			4,473	(211,577)		
Receivable						
Genx Entertainment Limited			474,034	335,410		

15) Operating Lease

The company have taken office premises under non-cancelable operating lease agreement ranging from a period of two to nine years. The Company has placed a refundable deposit of Rs. 13,588 (in Thousands) (Previous year Rs. 13,140 (in Thousands)) in respect of these leasing arrangements. The lease rentals charge during the year is Rs. 3,240 (in Thousands) (Previous Year Rs. 6,057 (in Thousands) and maximum obligation on long term non cancelable operating lease payable as per the rentals stated in respective agreement are as follows:

Obligation on long term non cancelable operating Leases	March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
Not Later than one year	**29,875**	27,708
Later than one year and not later than five years	**77,527**	121,117
Later than five years	**920**	52,449

Schedules forming part of the financial statements for the year ended March 31, 2011

16) Loss Per Share

Particulars	March 31, 2011	March 31, 2010
Loss after tax (Rs. in Thousands)	**381,818**	248,714
Weighted average number of Equity Shares for Basic EPS (nos.)	**2,000,100**	2,000,000
Weighted average number of Equity Shares for Diluted EPS (nos.)	**2,000,100**	2,000,000
Loss Per Share (Rs.)		
- Basic and Diluted	**191**	124
Face Value per Share (Rs.)	**10**	10

17) Taxation

a) Components of Deferred Tax Assets and Liabilities are:

Particulars	As at March 31, 2011 (Rs in Thousands)	As at March 31, 2010 (Rs in Thousands)
Deferred Tax Liability		
Timing difference between Book and Tax Depreciation	704	2,711
Lease Rent payable	650	3,793
Gross Deferred Tax Liability	1354	6,504
Deferred Tax Assets		
Business Loss and Unabsorbed Depreciation	1,354	6,504
Gross Deferred Tax Asset	1,354	6,504
Net Deferred Tax Asset / Liability	-	-

a) Deferred Tax Assets of Rs 1,354 (in Thousands) on carried forward Business Losses and Unabsorbed Depreciation are recognized only if there is virtual certainty of its realization, supported by convincing evidence to the extent of Deferred Tax Liabilities after considering the long term corporate strategies and future profitability.

b) No current tax provision has been made in the accounts in absence of taxable profit for the year.

18) Employee Stock Option Scheme: 2008

Pursuant to the resolution passed by the Board of directors on February 1, 2008 and shareholders of the Company at the Extra Ordinary General Meeting held on February 1, 2008, the Company had introduced Employee Stock Option Scheme ("the scheme") for permanent employees and directors of the Company and of its subsidiaries.

The scheme provides that the total number of options granted there under will be 100,000. Each option, on exercise, is convertible into one equity share of the company having face value of Rs.10.

The option have been granted at an exercise price which is higher than the value of the underlying share determined by an independent valuer as on the date of the grant. Accordingly, the Company has not recognised any expense on account of grant of stock options.

Stock options activity under the scheme is as follows:

Particulars	March 31, 2011 (in number)	March 31, 2010 (in number)
Option outstanding at the beginning of the year	**52,000**	43,500
Options granted during the year	**10,000**	20,000
Options exercised during the year	**-**	100
Options lapsed/surrendered during the year	**31,000**	11,400
Options Outstanding at the year end	**31,000**	**52,000**

19) The previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary.

Signature to Schedules 1 to 18 which form an integral part of the Financial Statements.

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

For and on behalf of Board of Directors

Partha Ghosh
Partner
Membership Number. F-55913

Rohinton Screwvala
Director

Sanjaya Kulkarni
Director

Place : Mumbai
Date : 30th May, 2011

Place : Mumbai
Date : 30th May, 2011

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No. U32300MH2007PLC171337 State Code 11

Balance Sheet Date 31 03 2011
Date Month Year

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

Public Issue	Bonus Issue
NIL	NIL
Rights Issue	**Private Placement**
NIL	NIL

3. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)

Total Liabilities	Total Assets
7044639	7044639

Sources of Funds

Paid-up Capital	Reserves & Surplus
27268	3561017
Secured Loans	**Unsecured Loans**
455000	3000000

Application of Funds

Net Fixed Assets	Investments Including capital work in progress
52162	5687142
Net Current Assets	**Misc. Expenditure**
608056	NIL
Accumulated Losses	**Deferred Tax**
695925	NIL

4. Performance of the Company (Amount in Rs. Thousands)

Turnover (Total income)	Total Expenditure
490517	8723335
+ - Profit/(Loss) Before Tax	+ - Profit/(Loss) After Tax
✓ 381818	✓ 381818

(Please tick Appropriate box + for profit, - for loss)

Loss per Share (Rs)	Dividend Rate % (on profit after taxes)
191	NIL

5. Generic Names of Three Principal Products / Services of Company
(as per monetary terms)

Item Code No. (ITC Code)	Product Description
NA	Channel Distribution
NA	
NA	

For and on behalf of Board of Directors

Rohinton Screwvala
Director

Sanjaya Kulkarni
Director

Place: Mumbai
Date: 30th May, 2011

Annual Report of Subsidiaries

ANNUAL REPORT

OF

GENX ENTERTAINMENT LIMITED

FOR

FINANCIAL YEAR 2010-11

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Fifth Annual Report along with audited Balance Sheet and Profit & Loss Account on the operations of your Company for the financial year ended March 31, 2011.

Your Company continues to be wholly owned subsidiary of UTV Global Broadcasting Limited.

1. FINANCIAL HIGHLIGHTS

(Amount in Rs'000')

Particulars	As at 31st March 2011	As at 31st March 2010
INCOME		
Sales and Services (Net)	1,061,894	359,441
Other Income	23,410	19,140
Total Income	**1,085,304**	**378,581**
EXPENDITURE		
Direct Cost	709,940	442,296
Staff Cost	144,040	90,298
Other Expenses	278,742	207,011
Total Expenditure	**1,132,722**	**739,605**
LOSS BEFORE INTEREST,DEPRECIATION AND TAX	**47,418**	**361,024**
Less : Interest & Finance Charges (Net)	5,496	-
LOSS BEFORE DEPRECIATION AND TAX	**52,914**	**361,024**
Less : Depreciation / Amortisation	7,599	7,194
LOSS BEFORE TAX AND BEFORE EXCEPTIONAL ITEM	**60,513**	**368,218**
Exceptional Item		
Inventory written off and expenses charged pursuant to	-	(550,000)
Scheme of Arrangement Transfer from Business Reorganisation Reserve account	-	550,000
LOSS BEFORE TAX	**60,513**	**368,218**
Less : Provision for Taxation	-	-
LOSS AFTER TAX	**60,513**	**368,218**

2. BUSINESS OVERVIEW

As you are aware, the Company owns and operates two channels namely "UTV Bindass" and "UTV Action".

Bindass, the youth entertainment channel caters to 15-34 yrs Males and Females in SEC A and B in 1mn+ towns. The channel has made its way and has beaten the old timers through various innovative show concepts and brand led activations. The brand saw a growth in GRPs from 15 to 40 in this year.

During the year UTV Bindass launched Bindass Street Dance, Dadagiri 3, Emotional Atyachaar 2, The Chair, Big Switch 2, Date Trap, Love Lock Up, Dadagiri 4- Revenge of the sexes and the fiction show- Meri Toh Lag Gayi Naukari with innovative ideas like Flash mobs for Bindass Street dance outside CST, Augmented reality for The Chair, EA Ambulanze (relief van for EA2), Launch of Emotional Atyachaar Music CD with T-series, Mithai distribution / Free Xerox activations for MTLGN.

In the current year UTV Bindass marched ahead than competition and was a clear leader in the youth genre for approx 6 months.

UTV Bindass launched a CSR initiative on facebook during the end of the year wherein for every 10 million likes on bindass facebook, UTV bindass would donate certain predefined amount to CRY-Child Relief and You. The facebook LIVE feeds were integrated on the channel via a ticker where the comments of the viewer were showcased directly on the ticker. The facebook fans of bindass increased from 50,000 to 3.5 lacs currently.

On its first anniversary, UTV Action beat news channels to be the most preferred channel by men for a year (Week 1-51). This achievement was conveyed through the 'Men have been loyal' campaign.

In addition, the channel ushered in its first anniversary with the BIG BANG property where one could experience action a notch higher than the usual with the films of the legendary superheroes like Spiderman, Superman, Batman, Blade trinity and Hancock. The channel hijacked the 1st Issue of the Impact magazine which highlighted the point 'A hero in

each one of us'. The city was plastered with huge outdoor cut outs of the super heroes. Also as a part of the Big Bang property the channel grips on to an innovative below the line activity where in the five superheroes Spiderman, Batman, Superman, Hancock and Blade trinity would get on the streets for some social cause. The cause that the superheroes would adopt is of road safety and city cleanliness.

3. DIVIDEND

As the Company has incurred loss during the year, your Directors do not recommend any dividend for the financial year 2010-11.

4. FIXED DEPOSIT

Your company has neither accepted nor renewed any fixed deposit during the year under review.

5. DIRECTORS

During the year under review Mrs.Zarina Mehta was re-appointed as the Managing Director and CEO of the Company for a period of 3 years commencing from 1st April, 2010.The re-appointment of Mrs.Zarina Mehta was approved by the shareholders at the extraordinary general meeting held on 6th September,2010.

Mr. Deven Khote, director of the company, retires by rotation in the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

6. AUDIT COMMITTEE

The Audit Committee was constituted on 28th April,2010 in line with the requirements of Section 292A of the Companies Act,1956.The Committee comprises of Mr.Rohinton Screwvala as Chairman and Mr.Deven Khote and Mrs.Zarina Mehta as other members of the Committee.

The Audit Committee primarily oversee the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, specifically reviewing the half yearly/annual financial statements before submission to the Board.

7. AUDITORS

M/s. Price Waterhouse & Co., Chartered Accountants, the present statutory auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them as the statutory auditors of the Company until the conclusion of the next Annual General Meeting. M/s. Price Waterhouse & Co., have under section 224(1B) of the Companies Act, 1956 furnished the certificate of their eligibility for re-appointment.

8. AUDITORS REPORT

The Auditors Report to the shareholders does not contain any qualification.

9. SECRETARIAL COMPLIANCE REPORT

In accordance with the provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Company has obtained "Secretarial Compliance Certificate" from a Practicing Company Secretary "M/s. Sanjay Parab & Co", Mumbai and same forms part of this Directors' Report. The Secretarial Compliance Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956.

10. PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the **Annexure A** to the Directors' Report.

11. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of 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, the Directors furnish herein below the required additional information:

- **Conservation of Energy:**

  Although the operations of the Company are not energy intensive operations, it continues to adopt energy conservation measures at all operational levels and the company has taken adequate measures to reduce the energy consumption by using energy efficient hardware and other equipment. Air conditioners are used only when required. Further the company has spread awareness among the employees on the need to conserve energy which is well adopted by the employees.

- **Research & Development (R&D):**

  The Company is a broadcasting Company in the Media and Entertainment Industry and carries out research and innovation in creating content in various segments of entertainment as part of its regular on going business.

- **Technology Absorption, Adaptation and Innovation**
  Your Company keeps innovating, takes all measures necessary to absorb and adapt latest technology.

- **Foreign Exchange Earnings and Outgo:**

(Rs. in thousands)

Particulars	2010-2011	2009-10
Earnings in foreign Currency	**176**	-
Expenditure in foreign Currency:		
License Fees on content acquisition	**43,068**	40,651
Professional fees	**68**	24
Others	**1,838**	1,061

12. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

(a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) That the Directors have selected appropriate accounting policies and applied consistently and made judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the loss of the Company for the year ended 31st March, 2011.

(c) That 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;

(d) That the Directors have prepared the annual accounts on a going concern basis.

13. ACKNOWLEDGEMENT

Your Board takes this opportunity to thank all the stakeholders for their support and co-operation rendered to the Company during the year under review.

By order of the Board of Directors
For **Genx Entertainment Limited**

Place: Mumbai **Zarina Mehta**
Date: 30th May, 2011 Director

"Annexure A"

Particulars of the employee as required under the provisions of section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 and forming part of the Directors Report for the year ended 31st March 2011

Sr. No.	Name	Age	Designation	Qualification	Date of Birth	Date of Joining	Experience In the Company (yrs)	Experience (Years)	Remuneration Received (Rs.)	% of Equity shares held by the employee
1	Nikhil Gandhi	34	Network Head(Sales) & Business Head(Bindass)	B.com,M.com, PGDAM	23-Aug-77	15-Jun-07	3.9	18	8,500,000	Nil
2	Zarina Mehta	49	CEO - Genx Entertainment Ltd.	BA	6-Nov-61	19-Feb-07	4.1	17	7,900,000	Nil
3	Keith Alphonso	39	Business Head	BA and MMS (Marketing)	25-Sep-71	14-Mar-11	0.2	16	6,000,000	Nil

iNotes

(1) Remuneration comprises salary, allowances, bonus, employer contribution to provident fund and superannuation Fund wherever applicable and the perquisites, gratuity and the expenditure incurred on valued in accordance with the Income Tax Rules, 1962. The Company has contributed to the Gratuity, an appropriate amount based on acturial valuation. As no separate figures are available for individual employees, this amount has not been included in the remuneration.

(2) Conditions of employment of all employees are non-contractual and as per the terms and conditions of the company.

(3) Zarina Mehta is holding 1 share as a nominee of UTV Global Broadcasting Limited

FOR **GENX ENTERTAINMENT LIMITED**

ZARINA MEHTA

DIRECTOR

COMPLIANCE CERTIFICATE

CIN: U92142MH2007PLC167974 (11-167974)

Authorised Capital	:	Rs. 250,000,000/-
Paid up Capital	:	Rs. 101,610,000/-
Equity Share Capital	:	Rs. 81,110,000/-
Preference Share Capital	:	Rs. 20,500,000/-

To,

The Members of

GENX ENTERTAINMENT LIMITED

7th Floor, Bldg No. 11, Solitaire Corporate Park,
Guru Hargovindji Marg, Chakala, Andheri (East), Mumbai - 400 093.

We have examined the necessary registers, records, books and papers of **M/s. GENX ENTERTAINMENT LIMITED** ('the Company') required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of Act and the rules made there under and entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Maharashtra or such other authorities as required under the Act and the rules made there under.
3. The company being public limited company, hence no comments are required.
4. The Board of Directors duly met 12 (Twelve) times on:

   28.04.2010, 07.05.2010, 26.05.2010, 24.06.2010, 30.09.2010, 06.09.2010, 13.10.2010, 29.10.2010, 30.12.2010, 25.01.2011, 11.02.2011 and 11.03.2011 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

   Further the meeting of Audit Committee of Board was held on 16.06.2010, 13.10.2010 and 25.01.2011 in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose
5. The company, being unlisted public limited company was not statutorily required to close its Register of members, during the period under review. Accordingly the company has not closed its Register of members, during the period under review.
6. The annual general meeting for the financial year ended on 31st March, 2010 was held on 10th August, 2010 after giving due notice to the Members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. During the financial year under review, two extra-ordinary general meetings were held on 06.09.2010 and 14.02.2011 respectively in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minute's book maintained for the purpose.
8. The company has not advanced any loan to its director and or persons or firms or companies referred in the Section 295 of the Act, save otherwise than exemptions specified by the Act.
9. During the financial year under review, there were no instances attracting provisions of section 297 of the Act.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. During the financial year under review, there were no instances occurred falling within the purview of Section 314 of the Act, and hence the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The company has not issued any duplicate certificates during the financial year under review.
13. The Company :
    (i) wherever applicable, has delivered all certificates on lodgment thereof for transfer of shares during the period under review, in accordance with provisions of the Act, however there was no instances of allotment /transmission of security has effected during the period under review;
    (ii) has not declared any dividend during the financial year.
    (iii) was not required to post warrants for dividends as no dividend was declared.

(iv) was not been required to transfer any amounts to the Investor Education & Protection Fund.

(v) has complied with the requirements of section 217 of the Act.

14. The Board of Directors of the company is duly constituted in accordance with the provisions of the Companies Act, 1956. There were no instances of appointment of any additional director or alternate director occurred during the period under review.
15. The appointment of Mrs. Zarina Mehta, Managing Director has been made in compliance with the provisions of section 269 read with Schedule XIII to the Act. Further, an approval of the Central Government has been obtained vide letter dated 15.11.2010, in respect of her appointment as Managing Director and payment of managerial remuneration. There was no appointment of any Whole-time Director and/ or Manager during the financial year under review.
16. The company has not appointed any sole-selling agents during the financial year under review.
17. During the financial year under review, the company had made an application to Central Government for approval in respect of Mrs. Zarina Mehta's reappointment as Managing Director and payment of Managerial Remuneration. Accordingly, the respective approval(s) have been granted by the authorities. Except aforesaid no other approvals were required to be obtained from statutory authorities.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not made any allotment of shares or other security, during the period under review.
20. The company has not bought back any shares during the financial year ending 31st March, 2011.
21. During the financial year under review, there was no redemption of preference shares/debentures.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited/ accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A, 58AA read with companies (Acceptance of Deposit) Rules, 1975 during the financial year under review.
24. The amount borrowed by the company during the financial period ended 31st March, 2011 are well within the borrowing limits of the company and the company has passed necessary resolution in terms of the provisions of Section 293 (1)(d) of the Act, to facilitate the same.
25. During the financial year under review, wherever applicable, the Company has complied with the provisions of section 372A of the Companies Act, 1956.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under review.
28. The company has not altered the provisions of the memorandum with respect to name of the company during the financial under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company, during the financial year under scrutiny.
30. During the financial year under review, the company has not altered the provisions of its Articles of Association of Association.
31. There were no instances of prosecution initiated against or show cause notices received by the company for alleged offenses under the Act and no fines and penalties or any other punishment was imposed on the company during the financial year.
32. The company has not received any money as security from its employees during the financial year under review.
33. The company has deposited both employee's and employer's contribution to provident fund with prescribed authorities.

Place : Mumbai

Date : 30th May, 2011

SANJAY PARAB & Co.
Company Secretaries
ACS No. 16718 C.P.No.: 7093

Annexure: A

Sr. No.	Registers maintained by the Company	Under Section
01.	Register of Members (In the Form of Index)	150
02.	Minutes Books of Proceedings of: A. General Meetings: B. Meetings of Board of Directors:	193
	C. Meeting of Audit Committee:	
03.	Register of Contracts, Companies and firms in which Directors are interested.	301(3)
04.	Register of Directors	303
05.	Register of Directors' Shareholding	307
06	Register of Charges	143
07	Register and Returns	163
08	Register of Transfer	Voluntary
09	Register of Share Application & Allotment	Voluntary

Place : Mumbai
Date : 30th May, 2011

SANJAY PARAB & Co.
Company Secretaries
ACS No. 16718 C.P.No.: 7093

Annexure: B

Sr.	E- form No.	Purpose	SRN No.	When filed	In time / Late Filed (Y/N)
01	Form 61	Filing of Compounding Application	A83921965	28/04/2010	Y
02	Form 61	Filing of Compounding Application	A83920090	28/04/2010	Y
03	Form 32	Appointment of Company Secretary	A85295681	18/05/2010	Y
04	Form 22B	Declaration of beneficial interest in shares under section 187C	A85732352	24/05/2010	Y
05	Form 18	Shifting of Registered office with in local limits.	A85730943	24/05/2010	Y
06	Form 21	Filing of Order passed by High Court u/s 102(1)	A87232575	16/06/2010	Y
07	Form 21	Filing of Order passed by High Court u/s 391(2)	A87232799	16/06/2010	Y
08	Form 23AC/ 23ACA	Annual Accounts for F.Y 2009-10	P51667517	01 /09/2010	Y
09	Form 20B	Annual Return as on date of AGM (FY 2009-2010) as on 12/08/2010	P51804003	03/09/2010	Y
10	Form 23	Appointment of Mrs. Zarina Mehta as a Managing Director and CEO of the Company	A94878295	27/09/2010	Y
11	Form 23	Filing of resolution passed u/s 293(1)(d) and 293(1)(e)	B07236771	08/03/2011	Y
12	Form 8	Registration of Charges	B07361322	09/03/2011	Y
13	Form 25A	Application to the Central Government for approval of appointment and remuneration to managing director.	A94046570	15/09/2010	Y

Place : Mumbai
Date : 30th May, 2011

SANJAY PARAB & Co.
Company Secretaries
ACS No. 16718 C.P.No.: 7093

Auditors' Report to the Members of Genx Entertainment Limited

1. We have audited the attached Balance Sheet of Genx Entertainment Limited (the "Company") as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the 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, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
   (a) Without qualifying our report, we draw attention to Note 4 of Schedule 17 regarding preparation of accounts on a going concern basis. Although the net worth of the Company is fully eroded at the year end, these accounts have been prepared on a going concern basis taking into account future projections received from the management and assurance of necessary financial support by the Parent Company, as and when required. Accordingly, adjustment is not required to be made to write down the assets.
   (b) 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;
   (c) 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;
   (d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
   (e) 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 Act;
   (f) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is 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 Act;
   (g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
      (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011;
      (ii) in the case of the Profit and Loss Account, of the loss for the year ended on that date; and
      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For **Price Waterhouse & Co**
Firm Registration Number: 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number F-55913

Place: Mumbai
Date : May 30, 2011

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Genx Entertainment Limited on the financial statements for the year ended March 31, 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

   (c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.

2. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

   (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales-tax, wealth-tax, service-tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

   The particulars of dues of income-tax as at March 31, 2011 which have not been deposited on account of a dispute, are as follows:

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Genx Entertainment Limited on the financial statements for the year ended March 31, 2011

Name of the statute	Nature of dues	Amount (Rs. in thousands) *	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act , 1961	Tax Deducted at Source	121,372	AY 2008-09 and AY 2009-10	Comm. of Income tax (Appeal)

* Net of amount deposited under protest

10. As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable for the year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case

For **Price Waterhouse & Co**
Firm Registration Number: 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number F-55913

Place: Mumbai
Date : May 30, 2011

Balance Sheet as at March 31, 2011

	Schedule No.	As at March 31, 2011 Rs. in Thousands		As at March 31, 2010 Rs. in Thousands	
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1		101,610		101,610
Reserves and Surplus	2		1,725,920		1,725,920
Loan Funds					
Unsecured Loans	3		626,700		272,000
Total			2,454,230		2,099,530
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		71,162		67,862	
Less : Accumulated Depreciation		(32,448)		(24,880)	
Net Block		38,714		42,982	
Capital Work In Progress		-	38,714	-	42,982
Current Assets, Loans and Advances					
Inventories	5	162,798		-	
Sundry Debtors	6	258,238		126,793	
Cash and Bank Balances	7	954		11,579	
Loans and Advances	8	290,360		287,036	
		712,350		425,408	
Less : Current Liabilities and Provisions					
Current Liabilities	9	485,450		495,742	
Provisions	10	31,297		32,518	
		516,747		528,260	
Net Current Assets			195,603		(102,852)
Profit and Loss Account - Debit Balance			2,219,913		2,159,400
Total			2,454,230		2,099,530
NOTES TO THE FINANCIAL STATEMENTS	17				

Schedules referred to above and notes attached thereto form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration Number : 304026E
Chartered Accountants

Zarina Mehta
Director

Rohinton Screwvala
Director

Partha Ghosh
Partner
Membership Number : F - 55913

Kavita Pandya
Company Secretary

Place : Mumbai
Date: 30/05/2011

Place : Mumbai
Date: 30/05/2011

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

	Schedule No.	Year Ended March 31, 2011 Rs. in Thousands		Year Ended March 31, 2010 Rs. in Thousands	
INCOME					
Sales and Services (Net)	11	**1,061,894**		359,441	
Other Income	12	**23,410**		19,140	
			1,085,304		378,581
EXPENDITURE					
Direct Cost	13	**709,940**		442,296	
Staff Cost	14	**144,040**		90,298	
Other Expenses	15	**278,742**		207,011	
			1,132,722		739,605
LOSS BEFORE INTEREST, DEPRECIATION AND TAX			**47,418**		361,024
Less : Interest and Finance Charges (Net)	16		**5,496**		-
LOSS BEFORE DEPRECIATION AND TAX			**52,914**		361,024
Less : Depreciation / Amortisation	4		**7,599**		7,194
LOSS BEFORE TAX AND BEFORE EXCEPTIONAL ITEM			**60,513**		368,218
Exceptional Item					
Inventory written off and expenses charged pursuant to Scheme of Arrangment		**-**		(550,000)	
Transfer from Business Reorganisation Reserve account		**-**		550,000	
LOSS BEFORE TAX			**60,513**		368,218
Less : Provision for Taxation					
LOSS AFTER TAX			**60,513**		368,218
Balance Loss brought forward			**2,159,400**		1,791,182
BALANCE CARRIED TO BALANCE SHEET			**2,219,913**		**2,159,400**
Loss Per Share of Rs.10 each (Refer Note 15 of Sch. 17)					
Basic			**7.46**		**108.00**
Diluted			**7.46**		**108.00**
NOTES TO THE FINANCIAL STATEMENTS	**17**				

Schedules referred to above and notes attached thereto form an integral part of the Profit and Loss Account.

This is the Profit & Loss Account referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration Number : 304026E
Chartered Accountants

Zarina Mehta
Director

Rohinton Screwvala
Director

Partha Ghosh
Partner
Membership Number : F - 55913

Kavita Pandya
Company Secretary

Place : Mumbai
Date: 30/05/2011

Place : Mumbai
Date: 30/05/2011

Cash Flow Statement for the year ended March 31, 2011

		As at March 31, 2011 Rs. in Thousands	As at March 31, 2010 Rs. in Thousands
A.	**Cash flow from operating activities:**		
	Net Loss Before Tax	**(60,513)**	(368,218)
	Adjustments For:		
	Depreciation	**7,599**	7,194
	Amortised cost of Program	**268,429**	-
	Loss on Sale of Fixed Assets (Net)	**10**	-
	Unrealised Foreign Exchange (Gain) / Loss	**262**	867
	Interest Expense	**5,496**	-
	Provision for Employee Retirement Benefits	**1,917**	2,108
	Provision for Bad and Doubtful Debts	**2,388**	1,085
	Bad Debts written off	**4,168**	4,109
	Provision no longer required written back	**(22,172)**	(18,638)
	Expenses of Scheme of Arrangement w/off against Business Reorganisation Reserve	**-**	175
	Operating Loss Before Working Capital Changes	**207,584**	**(371,318)**
	Adjustments For Changes In Working Capital :		
	(Increase)/Decrease in Inventories	**(431,227)**	(481,562)
	(Increase)/Decrease in Sundry Debtors	**(138,001)**	(49,388)
	(Increase)/Decrease in Loans and Advances	**16,104**	(74,554)
	Increase/(Decrease) in Trade and Other Payables	**1,222**	122,875
	Cash Generated From Operations	**(344,318)**	(853,947)
	- Taxes (Paid) Including Tax Deducted at Source	**(16,287)**	(9,714)
	Net Cash Used In Operating Activities (A)	**(360,605)**	**(863,661)**
B.	**Cash Flow From Investing Ativities:**		
	Purchase of Fixed Assets	**(537)**	(5,018)
	Proceeds From Sale of Fixed Assets	**81**	-
	Net Cash Used In Investing Activities (B)	**(456)**	(5,018)
C.	**Cash Flow From Financing Activities:**		
	Proceeds from long term borrowings	**662,900**	879,530
	Repayment of long term borrowings	**(308,200)**	(10,000)
	Interest Paid	**(4,264)**	-
	Net Cash used in Financing Activities (C)	**350,436**	869,530
	Net Increase/(Decrease) In Cash and Cash Equivalents (A) + (B) + (C)	**(10,625)**	851
	Opening Cash and Cash Equivalents	**11,579**	10,728
	Closing Cash and Cash Equivalents	**954**	11,579
	Cash and Cash Equivalents Comprise		
	Cash, Cheques & Drafts (in hand) and Remittances in transit	**150**	150
	Balance with Scheduled Banks	**804**	11,429
		954	**11,579**

Notes :
1 The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
2 Figures in brackets indicate cash outgo.
3 Previous year figures have been regrouped wherever neccesary

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration Number : 304026E
Chartered Accountants

Zarina Mehta
Director

Rohinton Screwvala
Director

Partha Ghosh
Partner
Membership Number : F - 55913

Kavita Pandya
Company Secretary

Place : Mumbai
Date: 30/05/2011

Place : Mumbai
Date: 30/05/2011

Schedules forming part of the Balance Sheet as at March 31, 2011

	As at March 31, 2011 Rs. in Thousands	As at March 31, 2010 Rs. in Thousands
1 SHARE CAPITAL		
AUTHORISED		
22,500,000 Equity Shares of Rs. 10 each	**225,000**	225,000
2,500,000 Preference Shares of Rs. 10 each	**25,000**	25,000
	250,000	250,000
ISSUED, SUBSCRIBED AND PAID UP (REFER NOTE NO. 1 OF SCH.17)		
8,111,000 Equity Shares of Rs. 10 each fully paid up held by UTV Global Broadcasting Limited and its nominees.	**81,110**	81,110
2,050,000 1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs.10 each fully paid up held by UTV Global Broadcasting Limited.	**20,500**	20,500
TOTAL	**101,610**	101,610

***Note:**

i. On December 30, 2009, 5,000,000 Authorised Preference Shares of Rs.10 each were reclassified to 5,000,000 Authorised Equity Shares of Rs.10 each.

ii. On December 30, 2009, 5,000,000 Equity Shares of Rs.10 each were issued to UTV Global Broadcasting Limited on conversion of 5,000,000 Zero coupon Convertible Preference Shares of Rs.10 each.

iii. On February 10, 2010, 2,500,000 Authorised Equity Shares of Rs. 10 each were reclassified to 2,500,000 Authorised Preference Shares of Rs. 10 each.

iv. On February 10, 2010, 1,111,000 Equity Shares of Rs 10 each were issued at a premium of Rs.720 per Equity Share and 2,050,000,1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs.10 each were issued at a premium of Rs.720 per Preference Share to UTV Global Broadcasting Limited in lieu of conversion of part of Unsecured Loan.

v. The Preference Shares were issued on February 10, 2010 to UTV Global Broadcasting Limited and are convertible and/or redeemable at later date and such terms and conditions as may be mutually agreed by Board of Directors of the Company and UTV Global Broadcasting Limited. The term will not exceed a period of 20 years from the date of allotment of said Preference Shares.

2 RESERVES AND SURPLUS			
i. Securities Premium			
- As per last Balance Sheet	**1,725,920**	-	
- Premium on shares issued during the year	**-**	2,275,920	
- Amount transferred to Business Reorganisation Reserve account pursuant to Scheme of Arrangement	**-**	(550,000)	
		1,725,920	1,725,920
ii. Business Reorganisation Reserve			
Amount transferred from Securities Premium account pursuant to Scheme of Arrangement	**-**	550,000	-
Less : Transferred to Profit and Loss account	**-**	(550,000)	-
TOTAL		**1,725,920**	**1,725,920**

3 UNSECURED LOANS		
Loan from Holding Company (Long Term)	**482,700**	272,000
Loan from Fellow Subsidiary (Long Term)	**144,000**	-
TOTAL	**626,400**	**272,000**

Schedules forming part of the Balance Sheet as at March 31, 2011

Rs. in Thousands

Schedule 4 FIXED ASSETS (Refer Note 2(ii) of Sch. 17)

	COST				DEPRECIATION / AMORTISATION				NET BLOCK	
Particulars	**Opening As at April 1, 2010**	**Additions**	**Deductions**	**Closing As at March 31, 2011 (A)**	**Opening As at April 1, 2010**	**For the Year March 31, 2011**	**Deductions**	**Closing As at March 31, 2011 (B)**	**As at March 31, 2011 (A-B)**	**As at March 31, 2010**
Tangible Assets										
Plant and Machinery	17,954	-	-	**17,954**	10,785	380	-	**11,165**	**6,789**	7,169
Furniture and Fixtures	11,200	21	-	**11,221**	1,612	710	-	**2,322**	**8,899**	9,588
Computers	7,386	589	96	**7,879**	2,176	1,287	29	**3,434**	**4,445**	5,210
Office Equipements	923	246	25	**1,144**	193	43	2	**234**	**910**	730
Leasehold Improvements	26,420	-	-	**26,420**	9,209	4,427	-	**13,636**	**12,784**	17,211
Intangible Assets										
Computer Software	3,979	2,565	-	**6,544**	905	752	-	**1,657**	**4,887**	3,074
Total	**67,862**	**3,421**	**121**	**71,162**	**24,880**	**7,599**	**31**	**32,448**	**38,714**	**42,982**
Previous Year	**62,844**	**5,018**	**-**	**67,862**	**17,686**	**7,194**	**-**	**24,880**	**42,982**	**-**

Schedules forming part of the Balance Sheet as at March 31, 2011

		As at March 31, 2011 Rs. in Thousands		As at March 31, 2010 Rs. in Thousands	
5	**INVENTORIES (Refer Note 2(iii) of Sch. 17)** (As certified by the Management at lower of cost or net realisable value)				
	- Unamortised cost of Fiction Programmes		**71,806**		-
	- Unamortised cost of Licence Content		**90,992**		-
	TOTAL		**162,798**		-
6	**SUNDRY DEBTORS** (Unsecured, considered good, unless otherwise stated)				
	i. Over six months				
	- considered good	**272**		4,956	
	- considered doubtful	**3,608**		1,220	
		3,880		6,176	
	Less : Provision for Doubtful Debts	**3,608**	**272**	1,220	4,956
	ii. Other debts				
	- considered good	**257,966**		121,837	
	- considered doubtful	**-**	**257,966**	-	121,837
	TOTAL		**258,238**		**126,793**
7	**CASH AND BANK BALANCES**				
	i. Cash on hand		**150**		150
	ii. Balance with Scheduled Banks				
	- Current Account		**804**		11,429
	TOTAL		**954**		11,579
8	**LOANS AND ADVANCES** (Unsecured & Considered Good unless otherwise stated)				
	Advances recoverable in cash or in kind or for value to be received		**204,209**		224,323
	Advance to Suppliers		**16,244**		8,272
	Advance Income Tax (net of provision)		**35,537**		19,250
	Deposits with Government authorities		**17,067**		17,067
	Other deposits		**17,303**		18,124
	TOTAL		**290,360**		**287,036**
9	**CURRENT LIABILITIES**				
	Acceptances		**200,000**		-
	Sundry Creditors for Capital Goods , Materials & Expenses				
	- Micro, Small and Medium Enterprises (Refer Note. 8 of Sch.17)	**-**		-	
	- Others	**233,752**	**233,752**	452,937	452,937
	Advances / Deposits from customers		**11,053**		3,727
	Advance Billing		**3,945**		7,990
	Other liabilities		**36,700**		31,088
	TOTAL		**485,450**		495,742
10	**PROVISIONS** (Refer Note 2(iv) and 2(v) of Sch.17)				
	Provision for Employees' Retirement Benefits (Refer Note 11 of Sch. 17)		**6,297**		7,518
	Provision for Contingencies (Refer Note 6 (ii) of Sch. 17)		**25,000**		25,000
	TOTAL		**31,297**		**32,518**

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2011

	For the year ended March 31, 2011 Rs. in Thousands	For the year ended March 31, 2010 Rs. in Thousands
11 SALES AND SERVICES (NET)		
Sales and Service Revenues (Net) (Refer Note 2(vi) Sch. 17)	**1,061,894**	359,441
TOTAL	**1,061,894**	359,441
12 OTHER INCOME		
Interest received on Income Tax Refund	**901**	111
Provision no longer required written back	**22,172**	18,638
Miscellaneous Income	**337**	391
TOTAL	**23,410**	**19,140**
13 DIRECT COST		
Cast and technicians' fees and commission	**8,807**	1,718
Amortisation of Programmes & Licence Contents	**238,222**	12,269
Consumption of Rawstock of video tapes and films	**887**	941
Post production charges	**17,232**	10,766
Telecast and uplink fees	**29,518**	31,001
Carriage Fees	**411,993**	384,946
Travelling expenses	**1,218**	96
Miscellaneous expenses	**2,063**	559
TOTAL	**709,940**	**442,296**
14 STAFF COST		
Salaries, wages and bonus	**137,107**	85,399
Contribution to Gratuity, Provident and other funds	**4,865**	2,774
Staff Welfare	**2,068**	2,125
TOTAL	**144,040**	**90,298**

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2011

		For the year ended March 31, 2011 Rs. in Thousands		For the year ended March 31, 2010 Rs. in Thousands
15 OTHER EXPENSES				
Rent - Premises		**831**		19,301
Repairs and Maintenance				
Plant and Machinery			-	
Others	1,959	**1,959**	3,786	3,786
Tape Storage Charges		**505**		418
Insurance		**934**		679
Electricity Charges		**246**		4,219
Travelling and Conveyance Expenses		**6,278**		3,868
Communication and Postage Expenses		**1,092**		1,270
Selling and Marketing Expenses		**237,884**		146,191
Loss on Foreign Exchange Fluctuation (Net)		**176**		1
Bank Charges		**84**		87
Service charges		**8,893**		14,472
Professional Fees		**3,308**		2,485
Rates and Taxes		**1,920**		2,988
Provision for Doubtful Debts		**2,388**		1,085
Bad Debts written off		**4,168**		4,109
Loss on Sale of Fixed Assets (Net)		**10**		-
Commission		**5,028**		-
Miscellaneous expenses (Refer Note 9 of Sch. 17)		**3,038**		2,052
TOTAL		**278,742**		207,011
16 INTEREST AND FINANCE CHARGES (NET)				
Interest on Loan				
On Fixed Loans	**-**	**-**	-	
On Others	**4,282**	**4,282**	-	-
Other Finance Charges		**1,214**	-	
TOTAL		**5,496**		-

Schedules forming part of the financial statement for the year ended March 31, 2011

SCHEDULE 17 – NOTES TO THE FINANCIAL STATEMENTS

1) BACKGROUND OF THE COMPANY

Genx Entertainment Limited ("GENX/the Company") was incorporated in India as a Public Limited Company under the Companies Act, 1956 on February 19, 2007. The Company is a 100% subsidiary of UTV Global Broadcasting Limited ("UGBL") which in turn is subsidiary of UTV Software Communications Limited ("USCL"). The Company owns and operates two channels namely 'Bindass' and 'UTV Action'.

2) SIGNIFICANT ACCOUNTING POLICIES:

i) Basis of Accounting

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

ii) Fixed Assets and Depreciation

a) Fixed assets are stated at cost of acquisition less accumulated depreciation. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

b) Depreciation is provided based on management estimate of useful lives of the fixed assets, on the straight line method prorata to the period of use or at the rates prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher.

Fixed Assets individually costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

Leasehold improvements are amortised over the period of lease.

The rates for following assets are based on estimated useful life as under:

Assets	Estimated useful life (in years)
Software	6-7
Plant and Machinery – IRD Boxes and Smart Cards	1

c) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iii) Inventories

Inventories comprise of Commissioned programs and Acquired/Licensed programs. The cost of inventories comprises cost of purchase and other significant costs incurred in bringing the inventories to a state of being telecast. Inventories are stated at the lower of cost (cost less accumulated amortization/impairment) or realisable value.

Company amortises the cost of commissioned programs over three years based on management estimates of the revenue potential over the period. The cost of licensed/acquired programs is amortised over the license period from the date of commencement of license period/acquisition.

The carrying value of inventories are continually reviewed by Management and revised at each period-end or when warranted by changing conditions. In the event that management estimates that program(s) may not be exploited for entire License Period or in the event of lower revenue forecasts, an additional amount is provided on such inventory based on realizable value.

iv) Retirement Benefits

Long Term Employee Benefits

In case of Defined Contribution plans, the Company's contributions to these plans are charged to Profit and Loss Account as incurred. Liability for Defined Benefit Plans is provided on basis of valuations, as at the Balance Sheet

Schedules forming part of the financial statement for the year ended March 31, 2011

date, carried out by an Independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit Method. The obligations are measured as the present value of estimated future cash flows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. Company's contributions paid/payable during the year to Labour Welfare Fund are recognised in the Profit and Loss Account.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Profit and Loss Account in the year in which they arise.

v) Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

vi) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a) Advertisement sales revenue (net of agency commission) is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

b) Subscription income for the distribution of the channels is recognised when the services are provided in accordance with the terms of the agreement and for which there is reasonable certainty of ultimate collections.

c) Income from exploitation of interactive rights is recognised in accordance with the terms of the agreement with the service providers and/or intermediary.

vii) Foreign Currency Transactions

The transactions in foreign exchange are accounted at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Non-monetary foreign currency items are carried at cost. Gain and loss resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account. Premium or discount in respect of forward contract is accounted over the period of the contract.

viii) Taxes on Income

Current Taxation

Provision for Current tax (including Wealth Tax) has been made in accordance with the Income Tax and Wealth Tax laws prevailing for the year.

Deferred Taxation

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversing in one or more subsequent periods. Deferred tax asset are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

ix) Operating Leases

Lease payments for operating leases are recognised as expense on a straight-line basis over the lease term. Initial direct costs are recognised immediately as an expense.

x) Earning Per Share

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value, which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted at the beginning of the period, unless issued at a later date.

Schedules forming part of the financial statement for the year ended March 31, 2011

xi) Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual results and estimates are recognised in the periods in which the results are known/ materialise.

3) In the year 2009/2010, pursuant to the approval of Board of Directors and shareholders of the Company, on February 10, 2010, part of Unsecured Loan from the Holding Company was converted to share capital and securities premium as follows:

i. 1,111,000 Equity Shares of Rs. 10 each at a Premium of Rs.720 per share.

ii. 2,050,000 Preference Shares of Rs. 10 each at a Premium of Rs. 720 per share.

4) As at March 31, 2011, the Company has accumulated losses of Rs. 2,219,913 (in Thousands) (Previous Year Rs. 2,159,400 (in Thousands)) which has resulted in full erosion of net worth. The Company is in the business of broadcasting channels and given the nature of the industry, there is a gestation period required for the operations to break even and the business to generate profits. The Company has necessary financial support from its ultimate parent company – UTV Software Communications Limited and given the long term corporate strategies and future profit projections, the Company has followed the fundamental accounting assumption of 'Going Concern' for preparation of financials for the year ended March 31, 2011 as the Company neither has the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

5) Estimated amount of contract remaining to be executed on capital account and not provided for (net off advances) is Rs. 690 (in Thousands). (Previous Year Rs. 42 (in Thousands))

6) Contingent Liabilities and Provision for Contingencies

i. Contingent Liabilities not provided for

	Nature	Description	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
(a)	Disputed Income Tax	Demand by TDS department of Income Tax	1,21,372 -	

ii. The Company in earlier year had made a provision for probable liability arising out of pending dispute with Custom Authorities on applicability of duty on license fees. The timing of the outflow with regard to the said matter depends on the exhaustion of remedies available to the Company under the law and hence the Company is not able to ascertain the timing of outflow.

Disclosure of movement in provision as required by AS 29 - "Provisions, Contingent Liabilities and Contingent Assets" issued by the Institute of Chartered Accountants of India is as given below:

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Carrying amount at the beginning of the year	25,000	25,000
Additional provisions made during the year	-	-
Amounts used	-	-
Unused amounts reversed during the year	-	-
Carrying amount at the end of the year	25,000	25,000

7) Managerial Remuneration

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Salaries	7,890	6,900
Perquisites	55	43
Reimbursements	124	94

Note: The above figures exclude provision for gratuity, since the same is provided on an actuarial basis for the Company as a whole.

Schedules forming part of the financial statement for the year ended March 31, 2011

Managerial remuneration of Rs. 8,069 (in Thousands) including reimbursements, paid to Director for the year ended March 31, 2011 was in excess of the limits laid under Schedule XIII to the Companies Act, 1956. The Company has received approval of the Central Government on November 15, 2010 approving the excess managerial remuneration paid over and above the prescribed limits.

For the previous year ended March 31, 2010, managerial remuneration of Rs. 7,037 (in Thousands) including reimbursements, paid to Director for the year ended March 31, 2010 was in excess of the limits laid under Schedule XIII to the Companies Act, 1956. The Company has received approval of the Central Government on May 4, 2010 approving the excess managerial remuneration paid over and above the prescribed limits.

8) The Company has not received any information from the "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said Act have not been given.

9) Miscellaneous Expenses includes:

Auditors' remuneration in respect of

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Audit Fees	500	400
Tax Audit	-	-
Others	8	-

10) i) Expenditure in foreign currency on account of:

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
License Fees on content acquisition	43,068	40,651
Professional Fees	68	24
Others	1,838	1,061

ii) Earnings in foreign currency on account of:

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Syndication of content	176	-

iii) Value of Imports on CIF basis:

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
-	-	-

11) Employee Benefits

The Company has classified the various benefits provided to employees as under:

I. Brief description of the Plans:

The Company provides long-term benefits in the nature of Provident fund and Gratuity to its employees. The Company's defined contribution plans are Provident Fund, Maharashtra State Labour Welfare Plan and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity benefit to its employees.

II. Defined Contribution Plans

a) Provident Fund

b) Maharashtra State Labour Welfare Plan

The Company has recognised the following amounts in the Profit and Loss Account for the year:

Schedules forming part of the financial statement for the year ended March 31, 2011

	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Employers' Contribution to Provident Fund	4,865	2,773
Contribution to Maharashtra State Labour Welfare Plan	1	1
Included in Staff Cost (Refer Schedule 14)		

III. Defined Benefit Plans

	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Contribution to Gratuity Fund (Non – Funded Scheme)	6,297	4,380
Leave Encashment (Non – Funded Scheme)	-	3,138

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
a) Discount Rate (per annum)	8.25%	8%
b) Rate of increase in Compensation Levels	5%	5%
c) Expected Average remaining working lives of employees in number of years	22	21

Schedules forming part of the financial statement for the year ended March 31, 2011

		March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
		Gratuity (Non Funded plan)	
A	**Changes in the Defined Benefit Obligation**		
(a)	Opening Defined Benefit Obligation	4,380	3,799
(b)	Interest Cost	405	343
(c)	Current Service Cost	677	478
(d)	Benefits Paid	-	-
(e)	Actuarial (Gain) / Loss	835	(240)
(f)	Closing Defined Benefit Obligation	6,297	4,380
B	**Changes in the Fair value of Plan Assets**		
(a)	Opening Fair value of Plan Assets	-	-
(b)	Expected Return on Plan Assets	-	-
(c)	Contribution during the year by employer	-	-
(d)	Benefits Paid	-	-
(e)	Actuarial Loss	-	-
(f)	Closing Fair value of Plan Assets	-	-
C	**Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets**		
(a)	Present Value of Funded Obligation as at year end	6,297	4,380
(b)	Fair Value of Plan Assets as at year end	-	-
(c)	Net (Asset)/Liability recognised in the Balance Sheet (Included in Provisions – Schedule 10)	6,297	4,380
D	**Amount recognized in the Balance Sheet**		
(a)	Present Value of Obligation as at year end	6,297	4,380
(b)	Fair Value of Plan Assets as at year end	-	-
(c)	Net Asset / (Liability) recognised in the Balance Sheet as at year end	6,297	4,380
E	**Expenses recognised in the Profit and Loss Account**		
(a)	Current Service Cost	677	478
(b)	Interest Cost	405	343
(c)	Expected Return on Plan Assets	-	-
(d)	Actuarial (Gain) / Loss	835	(240)
	Total Expenses recognised in the Profit and Loss Account (Included in Staff Cost – Schedule 14)	1,917	581
F	**Actual return on Plan Assets**		
	Expected Return on Plan Assets	-	-
	Actuarial loss on Plan Assets	-	-
	Actual Return on Plan Assets	-	-
G	**Percentage of each Category of Plan Assets to total Fair Value of Plan Assets as at March 31**	NA	NA
H	**Experience Adjustments**		
	On Plan Liabilities	1,003	(240)
	On Plan Assets	-	
I	**Expected Employers contribution for the next year**	**-**	**-**
J	**The liability for leave encashment* and compensate d absences as at year end is**	-	3,138

Schedules forming part of the financial statement for the year ended March 31, 2011

*During the current financial year the Company has discontinued the leave encashment scheme prevailing in the Company. Pursuant to which the Company has reversed the leave encashment provision and credited provision no longer required amounting to Rs. 3,138 (Rs. in Thousands))

12) The Company is mainly engaged in broadcasting business which is considered the only reportable business segment as per Accounting Standard – AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Since the entire business of the Company is conducted within India, with similar economic environment and is subject to similar risks and returns, there are no geographical segments.

13) a) Related Party Disclosures as required by AS 18 - "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are given below:

(i)	**Ultimate Holding Company**
	- UTV Software Communications Limited
(ii)	**Holding Company**
	- UTV Global Broadcasting Limited
(iii)	**Fellow Subsidiaries**
	- UTV Entertainment Television Limited
	- UTV New Media Limited
	- UTV Communications (USA) LLC
	- IG Interactive Entertainment Limited
	- Indiagames Limited
	- Ignition Entertainment Limited, UK.
	- Ignition London Limited (Formerly known as Digi Guys Limited)
	- Ignition Entertainment Limited, USA.
	- UTV Games Limited
	- True Games Interactive Inc.
	- UTV TV Content Limited
	- RB Entertainment Limited
	- First Future Agri. & Developers Limited
	- UTV Tele Talkies Limited
	- Screenshot Television Limited (Formerly known as Smriti Irani Television Limited)
	- Vikatan UTV Content Limited
(iv)	**Other related parties where common control exists**
	- UTV News Limited
	- Unilazer Media Limited
	- Unilazer Holdings Limited
	- Television News and Entertainment (I) Limited
	- Vijay Broadcasting Private Limited
	- United Tele-Shopping & Marketing Company Limited
(v)	**Key Management Personnel**
	- Zarina Mehta - Executive Director

Schedules forming part of the financial statement for the year ended March 31, 2011

b) i) : Disclosure in respect of transactions with parties referred to in item (a) (i), (ii), (iii) and (iv) above:

(Rs. in Thousands)

	Ultimate Holding Company		Holding Company		Fellow Subsidiaries	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Services charged By						
UTV Software Communication Limited	143,890	54,053				
UTV New Media Limited						86
India Games Limited					1103	
Purchase of Assets from						
UTV Software Communication Limited	2,730					
Purchase of License From						
UTV Software Communication Limited		70,068				
UTV Entertainment Television Limited						156,000
Share of subscription income from						
UTV Global Broadcasting Limited			111,508	57,774		
Share of Common Expenses						
UTV Software Communication Limited	964					
Share of Bad Debts on Subscription Income						
UTV Global Broadcasting Limited			1,236	4,532		
Expenses made on behalf of the Company						
UTV Software Communication Limited		9,360				
Share of new media income						
UTV New Media Limited					(205)	250
Sale of Advertisement Spots to						
UTV Software Communication Limited	3,386					
India Games Limited	-					
Finance						
UTV Global Broadcasting Limited – Equity Capital (incl. Premium)				811,030		
UTV Global Broadcasting Limited – Preference Shares (incl. Premium)				1,496,500		
UTV Global Broadcasting Limited – Unsecured Loan – Taken			518,700	879,530		
UTV Global Broadcasting Limited – Unsecured Loan – Repaid			308,000	10,000		
UTV Global Broadcasting Limited – Interest			-	-		
UTV Entertainment Television Limited - Unsecured Loan – Taken					144,200	
UTV Entertainment Television Limited - Unsecured Loan – Repaid					200	
UTV Entertainment Television Limited – Interest					926	
Outstanding Balances						
Payable						
UTV Global Broadcasting Limited (Net)			474,034	335,410		
UTV Software Communication Limited (Net)	28,088	8,529				
UTV Entertainment Television Limited					144,833	145,400
Receivable						
UTV New Media Limited						137

Schedules forming part of the financial statement for the year ended March 31, 2011

ii) Disclosure in respect of transaction with person referred to in item (a) (v) above:

Remuneration	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Zarina Mehta	**8,069**	7,037

14) Operating Lease

The company has taken office premises under non-cancelable operating lease agreement ranging from a period of two to six years. The Company has placed a refundable deposit of Rs. 13,650 (in Thousands) (Previous year Rs. 14,050 (in Thousands)) in respect of these leasing arrangements. The lease rentals charge during the year is Rs. 2,890 (in Thousands) (Previous Year Rs. 19,301 (in Thousands)).

Obligation on long term non cancelable operating leases	March 31, 2011 (Rs in Thousands)	March 31, 2010 (Rs in Thousands)
Not Later than one year	**-**	15,727
Later than one year and not later than five years	**-**	57,720
Later than five years	**-**	-

15) Loss Per Share

	March 31, 2011	March 31, 2010
Loss after tax (Rs. in Thousands)	**60,513**	368,218
Weighted average number of Equity Shares for Basic EPS (nos.)	**8,111,000**	3,412,466
Weighted average number of Equity Shares for Diluted EPS (nos.)	**8,111,000**	3,412,466
Loss Per Share (Rs.)		
- Basic and Diluted	**7**	108
Face Value per Share (Rs.)	**10**	10

16) Taxation

a) No current tax provision has been made in the accounts in absence of taxable profit for the year.

b) Based on the consideration of prudence virtual certainty and convincing evidence of its realization, the management has not recognised any deferred tax assets on carry forward losses as per the provisions of Accounting Standard 22 - "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India.

17) The previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary.

Signature to Schedules 1 to 17 which form an integral part of the Financial Statements.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration Number: 304026E
Chartered Accountants

Zarina Mehta
Director

Rohinton Screwvala
Director

Partha Ghosh
Partner
Membership Number: F 55913

Kavita Pandya
Company Secretary

Place: Mumbai
Date: 30/05/2011

Place: Mumbai
Date: 30/05/2011

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No. U92142MH2007PLC167974 State Code 11

Balance Sheet Date 31 03 2011 (Date Month Year)

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

Public Issue	Bonus Issue
NIL	NIL
Rights Issue	**Private Placement**
NIL	NIL

3. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)

Total Liabilities	Total Assets
2454230	2454230

Sources of Funds

Paid-up Capital	Reserves & Surplus
1016110	1725920
Secured Loans	**Unsecured Loans**
NIL	626700

Application of Funds

Net Fixed Assets	Investments Including capital work in progress
38714	NIL
Net Current Assets	**Misc. Expenditure**
195603	NIL
Accumulated Losses	**Deferred Tax**
2219933	NIL

Performance of the Company (Amount in Rs. Thousands)

Turnover (Total income)	Total Expenditure
1085304	1145817
+ - Profit/(Loss) Before Tax	+ - Profit/(Loss) After Tax
✓ 60513	✓ 60513

(Please tick Appropriate box + for profit, - for loss)

Loss per Share (Rs)	Dividend Rate % (on profit after taxes)
7	NIL

4. Generic Names of Three Principal Products / Services of Company

(as per monetary terms)

Item Code No. (ITC Code)	Product Description
NA	Television Broadcasting
NA	
NA	

For and on behalf of Board of Directors

Zarina Mehta
Director

Rohinton Screwvala
Director

Kavita Pandya
Company Secretary

Place: Mumbai
Date: 30/05/2011

ANNUAL REPORT
OF
UTV ENTERTAINMENT
TELEVISION LIMITED

FOR
FINANCIAL YEAR 2010-11

DIRECTORS' REPORT

Dear Members,

Your Directors take pleasure in presenting the Fourth Annual Report along with audited Balance Sheet and Profit & Loss Account on the operations of your Company for the financial year ended March 31, 2011.

Your Company continues to be wholly owned subsidiary of UTV Global Broadcasting Limited.

1. FINANCIAL HIGHLIGHTS

(Amount in Rs'000')

Particulars	As at 31st March 2011	As at 31st March 2010
INCOME		
Sales and Services (Net)	1,031,681	11,64,105
Other Income	34,361	16,368
Total Income	**1,066,042**	**1,180,473**
EXPENDITURE		
Direct Cost	562,018	688,166
Staff Cost	67,613	48,838
Other Expenses	133,783	66,730
Total Expenditure	**763,414**	**803,684**
PROFIT/ (LOSS) BEFORE INTEREST, DEPRECIATION AND TAX	**302,628**	**376,789**
Less : Interest and Finance Charges (Net)	1,811	16,367
PROFIT/ (LOSS) BEFORE DEPRECIATION AND TAX	**300,817**	**360,422**
Less : Depreciation / Amortisation	5,679	5,330
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM	**295,138**	**355,092**
Exceptional Item		
Inventory written off and expenses charged Pursuant to Scheme of Arrangement	—	(950,000)
Transfer from Business Reorganisation Reserve account	—	950,000
PROFIT/ (LOSS) BEFORE TAX	**295,138**	**355,092**
Less : Provision for Taxation		
- Current	(60,190)	58,453
- Deferred	555	-
- Mat Credit entitlement	60,190	(58,453)
- Fringe benefit tax	-	-
PROFIT/ (LOSS) AFTER TAX	**294,583**	**355,092**

BUSINESS OVERVIEW

As you are aware, the Company owns and operates two channels namely 'UTV Movies' and 'World Movies'.

UTV Movies caters to one of the biggest entertainment genres on Indian Television - Hindi movies. While it has access to an enviable slate of movies from the UTV library which includes the biggest blockbusters, it has also acquired movies from multiple companies across India. Despite being the youngest in the genre, the channel continues to enjoy patronage both from audiences and advertisers. The GRPs have grown from 30 to 40 during the year. The GRPs reached a peak of 52 during the year. The channel intends to further strengthen its library during the coming financial year.

World Movies is the first channel of its kind which brings International cinema to Indian television for the first time. World Movies has acquired International blockbusters in varied languages like Italian, French, German, Spanish, Polish, Japanese, Korean, Chinese and many more. Today the channel is a brand that covers four major verticals – Television, Theatrical, DVD and Print with a magazine that goes out to audiences interested in World Cinema.

2. DIVIDEND

In order to conserve the resources to augment future growth, your directors do not recommend any dividend for the financial year 2010-11.

3. FIXED DEPOSIT

Your company has neither accepted nor renewed any fixed deposit during the year under review.

4. DIRECTORS

Mr. Deven Khote, director of the company, retires by rotation in the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Mrs. Zarina Mehta has been appointed as a whole time Director of the Company for a period of 3 years w.e.f. 28th April 2010.

5. AUDIT COMMITTEE

The Audit Committee was constituted on 28th April,2010 in line with the requirements of Section 292A of the Companies Act,1956.The Committee comprises of Mr.Rohinton Screwvala as Chairman and Mr.Deven Khote and Mrs.Zarina Mehta as other members of the Committee.

The Audit Committee primarily oversee the company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible, specifically reviewing the half yearly/annual financial statements before submission to the Board.

6. AUDITORS

M/s. Price Waterhouse & Co., Chartered Accountants, the present statutory auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them as the statutory auditors of the Company until the conclusion of the next Annual General Meeting. M/s. Price Waterhouse & Co., have under section 224(1B) of the Companies Act, 1956 furnished the certificate of their eligibility for re-appointment.

7. AUDITORS REPORT

The Auditors Report to the shareholders does not contain any qualification.

8. SECRETARIAL COMPLIANCE REPORT

In accordance with the provisions of section 383A of the Companies Act, 1956 read with the Companies (Compliance Certificate) Rules, 2001, the Company has obtained "Secretarial Compliance Certificate" from a Practicing Company Secretary "M/s. Sanjay Parab & Co", Mumbai and same forms part of this Directors' Report. The Secretarial Compliance Report confirms that the Company has complied with all the applicable provisions of the Companies Act, 1956.

9. PARTICULARS OF EMPLOYEES

There are no employees whose particulars needs to be furnished under section 217 (2A) of the Companies Act, 1956 read along with the rules made there under.

10. CONSERVATION OF ENERGY, RESEARCH AND DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

In terms of 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, the Directors furnish herein below the required additional information:

- **Conservation of Energy:**

  Although the operations of the Company are not energy intensive operations, it continues to adopt energy conservation measures at all operational levels and the company has taken adequate measures to reduce the energy consumption by using energy efficient hardware and other equipment. Air conditioners are used only when required. Further the company has spread awareness among the employees on the need to conserve energy which is well adopted by the employees.

- **Research & Development (R&D):**

  The Company is a broadcasting Company in the Media and Entertainment Industry and carries out research and innovation in creating content in various segments of entertainment as part of its regular on going business.

- **Technology Absorption, Adaptation and Innovation**

Your Company keeps innovating, takes all measures necessary to absorb and adapt latest technology.

- **Foreign Exchange Earnings and Outgo:**

(Rs. in thousands)

Particulars	2010-2011	2009-2010
Earnings in foreign Exchange	Nil	Nil
Expenditure in foreign Currency:		
Value of Import on CIF basis		
IRD Boxes and Smart Card	5,924	-
Content acquisition-License Fees	14,742	138,119
Professional Fees	12,954	526
Others	721	229

11. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to Sub-section (2AA) of Section 217 of the Companies Act, 1956, the Board of Directors of the Company hereby state and confirm that:

(a) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) That the Directors have selected appropriate accounting policies and applied consistently and made judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and of the profit of the Company for the year ended 31st March, 2011.

(c) That 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;

(d) That the Directors have prepared the annual accounts on a going concern basis.

12. ACKNOWLEDGEMENT

Your Board takes this opportunity to thank all employees of the Company, its clients, vendors, shareholders and bankers for their support to the Company. Your Board also wishes to thank the co-operation given by Government Departments, the Customs and Excise Departments, Software Technology Park-Mumbai and other government agencies for their continued support.

By order of the Board of Directors
For **UTV Entertainment Television Limited**

Place: Mumbai
Date: 30th May, 2011

Zarina Mehta
Director

COMPLIANCE CERTIFICATE

CIN: U64200MH2007PLC170405 (11 – 170405)

Authorised Capital : Rs. 1,10,50,0000/-

Paid up Capital : Rs. 6,46,40,000/-

Equity Shares : Rs. 5,57,40,000/-

Preference Shares : Rs. 89,00,000/-

To,

The Members of

UTV Entertainment Television Limited
7th Floor, Bldg No. 11, Solitaire Corporate Park,
Guru Hargovindji Marg, Chakala, Andheri (East),
Mumbai - 400 093

We have examined the necessary registers, records, books and papers of M/s. UTV Entertainment Television Limited ('the Company') required to be maintained under the Companies Act, 1956, and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for financial year beginning from 1st April, 2010 and ended 31st March, 2011. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished to us by the Company, its officers and agents, we certify that in respect of the aforesaid financial year.

1. The company has kept and maintained all registers as stated in Annexure "A" to this certificate, as per the provisions of Act and the rules made there under and entries therein have been duly recorded.
2. The company has filed the forms and returns as stated in Annexure "B" to this certificate, with the Registrar of Companies, Maharashtra or such other authorities as required under the Act and the rules made there under.
3. The company being public limited company, hence no comments are required.
4. The Board of Directors duly met 12 (Twelve) times on:

   28.04.2010 (10.30 A.M), 28.04.2010 (01.30 P.M), 07.05.2010, 26.05.2010, 24.06.2010, 20.08.2010, 03.09.2010, 13.10.2010, 30.12.2010, 25.01.2011, 11.02.2011 and 10.03.2011 respectively, in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

   Further the meeting of Audit Committee was held on 16.06.2010, 13.10.2010 and 25.01.2011 in respect of which meeting, proper notice was given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose
5. The company, being unlisted public limited company was not statutorily required to close its Register of members, during the period under review. Accordingly the company has not closed its Register of members, during the period under review.
6. The Annual General Meeting, of the members for the financial year ended 31st March, 2010 was held on 10th August, 2010 , after giving due notice to the Members of the company and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. During the financial year under review, two extra ordinary general meetings were held on 28.04.2010 and 14.02.2011 respectively in respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the minute's book maintained for the purpose.
8. The company has not advanced any loan to its directors and or persons or firms or companies referred in the Section 295 of the Act, save otherwise than exemptions specified by the Act.
9. During the financial year under review, there were no instances attracting provisions of section 297 of the Act.
10. The company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the Act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The company has not issued any duplicate certificates during the financial year under review.

13. The Company :
    (i) wherever applicable, has delivered all certificates on lodgment thereof for transfer of shares during the period under review, in accordance with provisions of the Act, however no transmission of security has effected during the period under review;
    (ii) has not declared any dividend during the financial year.
    (iii) was not required to post warrants for dividends as no dividend was declared.
    (iv) was not been required to transfer any amounts to the Investor Education & Protection Fund.
    (v) has complied with the requirements of section 217 of the Act, .
14. The Board of Directors of the company is duly constituted and the appointment of director has been duly made in accordance with the provisions of the Companies Act, 1956.
15. The appointment of Whole-time Director has been made in compliance with the provisions of section 269. There was no appointment of Managing Director and/ or Manager during the financial year under review.
16. The company has not appointed any sole-selling agents during the financial year under review.
17. The company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as may be prescribed under the various provisions of the Act during the financial year under review.
18. The directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.
19. The Company has not made any allotment of shares or other security, during the period under review.
20. The company has not bought back any shares during the financial year ending 31st March, 2011.
21. During the financial year under review, there was no redemption of preference shares/debentures.
22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
23. The company has not invited / accepted any deposits including any unsecured loans falling within the purview of the provisions of Sections 58A and 58AA read with companies (Acceptance of Deposit) Rules, 1975 during the financial year under review.
24. The amount borrowed by the company during the financial period ended 31st March, 2011 are well within the borrowing limits of the company and the company has passed necessary resolution in terms of the provisions of Section 293 (1)(d) of the Act, to facilitate the same.
25. During the financial year under review, wherever applicable, the Company has complied with the provisions of section 372A of the Companies Act, 1956.
26. The company has not altered the provisions of the memorandum with respect to situation of the company's registered office from one state to another during the financial year under review.
27. The company has not altered the provisions of the memorandum with respect to the objects of the company during the financial year under review.
28. The company has not altered the provisions of the memorandum with respect to name of the company, during the financial year under review.
29. The Company has not altered the provisions of the memorandum with respect to share capital of the company, during the financial year under scrutiny.
30. During the financial year under review, the company has not altered the provisions of its Articles of Association of Association.
31. There was no prosecution initiated against or show cause notices received by the company for alleged offenses under the Act and no fines and penalties or any other punishment was imposed on the company during the financial year.
32. The company has not received any money as security from its employees during the financial year under review.
33. The company has deposited both employee's and employer's contribution to provident fund with prescribed authorities.

Place : Mumbai

Date: 30th May, 2011

SANJAY PARAB & Co.
Company Secretaries
ACS No. 16718 C.P.No.: 7093

Annexure: A

Sr. No.	Registers maintained by the Company	Under Section
01	Register of Charges	143
02.	Register of Members (In the From of Index)	150 / 151
03.	Minutes Books of Proceedings of: A. General Meetings: B. Meetings of Board of Directors:	193
04.	Register of Contracts, Companies and firms in which Directors are interested.	301(3)
05.	Register of Directors	303
06.	Register of Directors' Shareholding	307
07.	Register Allotment/ Application	Voluntary
08.	Register of Transfer	Voluntary
09.	Register and Returns	163

Place : Mumbai

Date: 30th May, 2011

SANJAY PARAB & Co.
Company Secretaries
ACS No. 16718 C.P.No.: 7093

Annexure: B

Sr.	E- form No.	Purpose	SRN No.	When filed	When filed In time / (Y/N)
1	Form 61	Filing of Compounding Application (for Section 383A)	A83921908	28/04/2010	Y
2	Form 61	Filing of Compounding Application (for section 269)	A83922070	28/04/2010	Y
3	Form 61	Filing of Compounding Application u/s 292A	A83922161	28/04/2010	Y
4	Form 32	Appointment of Company Secretary	A84957745	12 /05/2010	Y
5	Form 22B	Declaration of beneficial interest in shares under section 187C	A85732725	24/05/2010	Y
6	Form 18	Shifting of Registered office within local limits.	A85730737	24/05/2010	Y
7	Form 32	Appointment of Whole Time Director	A85818698	25 /05/2010	Y
8	Form 23	Appointment of Whole Time Director	A85958163	27/05/2010	Y
9	Form 23	Filing of resolution passed u/s 293(1)(d)	A87128328	15 /06/2010	N
10	Form 25C	Return of appointment of whole time director	A88305776	02 /07/2010	Y
11	Form 23AC/ ACA	Annual Accounts for F.Y 2009-10	P51667749	01/09/2010	Y
12	Form 20B	Annual Return as on date of AGM (FY 2009-2010)	P51804326	03/09/2010	Y
13	Form 23	Filing of resolution passed u/s 293(1)(a)	B07236912	08/03/2011	Y
14	Form 8	Registration of Charges	B07361751	09/03/2011	Y

Place : Mumbai
Date: 30th May, 2011

SANJAY PARAB & Co.
Company Secretaries
ACS No. 16718 C.P.No.: 7093

Auditors' Report to the Members of UTV Entertainment Television Limited

1. We have audited the attached Balance Sheet of UTV Entertainment Television Limited (the "Company") as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. 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 the 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, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

   (a) Without qualifying our report, we draw attention to Note 5 of Schedule 17 regarding preparation of accounts on a going concern basis. Although the net worth of the Company is substantially eroded at the year end, these accounts have been prepared on a going concern basis taking into account future projections received from the management and assurance of necessary financial support by the Parent Company, as and when required. Accordingly, adjustment is not required to be made to write down the assets.

   (b) 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;

   (c) 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;

   (d) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;

   (e) 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 Act;

   (f) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is 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 Act;

   (g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:

      (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011;

      (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and

      (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse & Co
Firm Registration Number: 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number F-55913

Place: Mumbai
Date : May 30, 2011

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of UTV Entertainment Television Limited on the financial statements for the year ended March 31, 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

   (b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed. In our opinion, the frequency of verification is reasonable.

   (c) In our opinion, the Company has disposed of a substantial part of fixed assets during the year. On the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, in our opinion, the disposal of the said part of fixed assets has not affected the going concern status of the Company.

2. (a) The inventory has been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.

   (b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

   (c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.

   (b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.

4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.

   (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.

7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.

8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.

9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

   (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on accont of any despute.

   The particulars of dues of income tax as at March 31, 2011 which have not been deposited on account of a dispute are as follow:

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of UTV Entertainment Television Limited on the financial statements for the year ended March 31, 2011

Name of the statute	Nature of dues	Amount (Rs. in thousands) *	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act , 1961	Tax Deducted at Source	45,815	AY 2008-09 to AY 2011-12	Comm. of Income tax (Appeal)

* Net of amount deposited under protest

10. As the Company is registered for a period less than five years, clause (x) of paragraph 4 of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, is not applicable for the year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures.
20. The Company has not raised any money by public issues during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse & Co
Firm Registration Number: 304026E
Chartered Accountants

Partha Ghosh
Partner
Membership Number F-55913

Place: Mumbai
Date : May 30, 2011

Balance Sheet as at March 31, 2011

	Schedule No.		As at March 31, 2011 Rs. in Thousands		As at March 31, 2010 Rs. in Thousands
SOURCES OF FUNDS					
Shareholders' Funds					
Share Capital	1		**64,640**		64,640
Reserves and Surplus	2		**2,288,060**		2,288,060
Loan Funds					
Unsecured Loans	3		**8,200**		218,800
TOTAL			**2,360,900**		**2,571,500**
APPLICATION OF FUNDS					
Fixed Assets	4				
Gross Block		34,009		57,461	
Less : Accumulated Depreciation		(13,780)		(20,554)	
Net Block		20,229		36,907	
Capital Work In Progress (Includng Capital Advances)		5,924	**26,153**	-	36,907
Deferred Tax Asset (Refer Note 13(a) of Sch.17)			**379,445**		380,000
Current Assets, Loans and Advances					
Inventories	5	375,645		178,593	
Sundry Debtors	6	229,139		552,661	
Cash and Bank Balances	7	1,495		15,909	
Loans and Advances	8	411,891		208,309	
		1,018,170		955,472	
Less : Current Liabilities and Provisions					
Current Liabilities	9	331,828		362,732	
Provisions	10	934		2,624	
		332,762		365,356	
Net Current Assets			**685,408**		590,116
Profit and Loss Account - Debit Balance			**1,269,894**		1,564,477
TOTAL			**2,360,900**		**2,571,500**
NOTES TO THE FINANCIAL STATEMENTS	17				

Schedules referred to above and notes attached thereto form an integral part of the Balance Sheet.

This is the Balance Sheet referred to in our report of even date

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Zarina Mehta
Director

Rohinton Screwvala
Director

Partha Ghosh
Partner
Membership Number. F-55913

Puneet Juneja
Company Secretary

Place : Mumbai
Date : May 30, 2011

Place : Mumbai
Date : May 30, 2011

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

	Schedule No.		Year ended March 31, 2011 Rs. in Thousands		Year ended March 31, 2010 Rs. in Thousands
INCOME					
Sales and Services (Net)	**11**	1,031,681		1,164,105	
Other Income	**12**	34,361		16,368	
			1,066,042		1,180,473
EXPENDITURE					
Direct Cost	**13**	562,018		688,116	
Staff Cost	**14**	67,613		48,838	
Other Expenses	**15**	133,783		66,730	
			763,414		803,684
PROFIT BEFORE INTEREST, DEPRECIATION AND TAX			**302,628**		376,789
Less : Interest and Finance Charges (Net)	**16**		**1,811**		16,367
PROFIT BEFORE DEPRECIATION AND TAX			**300,817**		360,422
Less : Depreciation / Amortisation	**4**		**5,679**		5,330
PROFIT BEFORE TAX AND EXCEPTIONAL ITEM			**295,138**		355,092
Exceptional Item					
Inventory written off and expenses charged Pursuant to Scheme of Arrangement		-		950,000	
Transfer from Business Reorganisation Reserve account		-	**-**	950,000	-
PROFIT/(LOSS) BEFORE TAX			**295,138**		355,092
Less : Provision for Taxation					
- Current		(60,190)		(58,453)	
- Deferred		555		-	
- Mat Credit entitlement		60,190	**555**	58,453	
PROFIT/(LOSS) AFTER TAX			**294,583**		355,092
Balance Loss brought forward			**(1,564,477)**		(1,919,569)
BALANCE CARRIED TO BALANCE SHEET			**(1,269,894)**		**(1,564,477)**
Earnings/(Loss) Per Share of Rs.10 each (Refer Note 12 of Sch. 17)					
Basic			**53**		**257**
Diluted			**53**		**257**
NOTES TO THE FINANCIAL STATEMENTS	**17**				

Schedules referred to above and notes attached thereto form an integral part of the Profit and Loss Account.

This is the Profit and Loss Account referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Zarina Mehta
Director

Rohinton Screwvala
Director

Partha Ghosh
Partner
Membership Number. F-55913

Puneet Juneja
Company Secretary

Place : Mumbai
Date : May 30, 2011

Place : Mumbai
Date : May 30, 2011

Cash Flow Statement for the year ended March 31, 2011

		As at March 31, 2011 Rs. in Thousands	As at March 31, 2010 Rs. in Thousands
A.	**Cash flow from operating activities:**		
	Profit Before Tax	295,138	355,092
	Adjustments for:		
	Depreciation/Amortisation	5,679	5,330
	Interest Expense	2,743	16,371
	Interest Income	(932)	(4)
	Amortisation of Movie Rights	101,590	186,696
	Unrealised Foreign Exchange (Gain) / Loss	43	31,482
	Bad Debts written off	1,158	5,185
	Loss on sale of fixed assets	25,312	
	Provision for Doubtful debts	1,610	3,013
	Provision no longer required written back	(30,695)	(15,161)
	Sundry Creditors written back	(3,192)	-
	Provision for Employee Retirement Benefits	681	100
	Expenses of Scheme of Arrangement w/off against Business Reorganisation Reserve	-	25
	Operating Profit Before Working Capital Changes	**399,135**	**588,129**
	Adjustments for changes in working capital :		
	(Increase)/Decrease in Inventories	(298,642)	(1,150,486)
	(Increase)/Decrease in Sundry Debtors	320,683	(284,453)
	(Increase)/Decrease in Loans and Advances	(123,379)	(336,947)
	Increase/(Decrease) in Trade and Other Payables	(13,595)	229,961
	Cash generated used in operations	**284,202**	**(953,796)**
	Taxes Paid (Including Tax Deducted at source)	(79,272)	(46,546)
	Net cash used in operating activities (A)	**204,930**	**(1,000,342)**
B.	**Cash flow from Investing activities:**		
	Purchase of Fixed Assets	(7,724)	(551)
	Proceeds from sale of Fixed Assets	104	-
	Net cash used in investing activities (B)	**(7,620)**	**(551)**
C.	**Cash flow from financing activities:**		
	Proceeds from Long term borrowings	-	1,817,500
	Repayment of Long term borrowings	(210,600)	(296,500)
	Repayment of Short term borrowings	-	(499,305)
	Interest Paid	(1,124)	(15,311)
	Net cash generated from financing activities (C)	**(211,724)**	**1,006,384**
	Net Increase/(Decrease) in Cash and Cash Equivalents (A) + (B) + (C)	**(14,414)**	**5,491**
	Opening Cash and Cash Equivalents	**15,909**	10,418
	Closing Cash and Cash Equivalents	**1,495**	**15,909**
	Cash and Cash Equivalents Comprise		
	Cash on Hand	50	50
	Balance with Scheduled Banks	1,445	15,859
		1,495	**15,909**

Notes :

1 The above Cash flow statement has been prepared under the indirect method setout in Accounting Standard -3 issued by the Institute of Chartered Accountants of India.

2 Figures in brackets indicate cash outgo.

3 Previous year figures have been regrouped and reclassified where ever necessary.

This is the Cash Flow Statement referred to in our report of even date.

For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Zarina Mehta
Director

Rohinton Screwvala
Director

Partha Ghosh
Partner
Membership Number. F-55913

Puneet Juneja
Company Secretary

Place : Mumbai
Date : May 30, 2011

Place : Mumbai
Date : May 30, 2011

Schedules forming part of the Balance Sheet as at March 31, 2011

	As at March 31, 2011 Rs. in Thousands	As at March 31, 2010 Rs. in Thousand
1 SHARE CAPITAL		
Authorised		
9,550,000 (Previous Year 9,550,000) Equity shares of Rs. 10 each	95,500	95,500
15,00,000 (Previous Year 1,500,000) Preference shares of Rs. 10 each	15,000	15,000
	110,500	**110,500**
Issued, Subscribed and Paid Up		
5,574,000 (Previous Year 5,574,000) Equity Shares of Rs. 10 each fully paid up held by UTV Global Broadcasting Limited and its nominees	55,740	55,740
8,90,000 (Previous Year 890,000),1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs. 10 each fully paid up held by UTV Global Broadcasting Limited	8,900	8,900
Total	**64,640**	**64,640**

Notes:

i. On December 30,2009, The Company has increased its Authorised Equity Share Capital from Rs.10,000,000 to Rs.11,050,000 and further reclassified 6,000,000 Preference Shares into 6,000,000 Equity Shares of Rs.10 each.

ii. On December 30,2009, 5,000,000 Equity Shares of Rs.10 each were issued to UTV Global Broadcasting Limited on conversion of 5,000,000 Zero coupon Convertible Preference Shares of Rs. 10 each.

iii. On February 10,2010, 1,500,000 Authorised Equity Shares of Rs. 10 each were reclassified to 1,500,000 Authorised Preference Shares of Rs.10 each.

iv. On February 10, 2010, 524,000 equity shares of Rs 10 each at a premium of Rs.2,290 per Equity share and 890,000,1% Non Cumulative, Convertible and/or Redeemable Preference Shares of Rs.10 each were issued to UTV Global Broadcasting Limited in lieu of conversion of part Unsecured Loan.

v. The Preference Shares were issued on 10th February 2010 to UTV Global Broadcasting Limited and are convertible and/or redeemable at later date and such terms and conditions as may be mutually agreed by the Board of Directors of the Company and UTV Global Broadcasting Limited. The term will not exceed a period of 20 years from the date of allotment of said Preference Shares.

2 RESERVES AND SURPLUS				
i. Securities Premium				
- As per last Balance Sheet	2,288,060			-
- Premium on shares issued during the year	-		3,238,060	
- Amount transferred to Business Reorganisation Reserve account pursuant to Scheme of Arrangement	-		(950,000)	
		2,288,060		2,288,060
ii. Business Reorganisation Reserve				
- Amount transferred from Securities Premium account pursuant to Scheme of Arrangement			950,000	
Less: Transferred to Profit and Loss account			(950,000)	
		-		**-**
Total		**2,288,060**		**2,288,060**

Schedules forming part of the Balance Sheet as at March 31, 2011

	As at March 31, 2011 Rs. in Thousands	As at March 31, 2010 Rs. in Thousand
3 UNSECURED LOANS		
Loan from Holding Company (Long term)	8,200	218,800
	8,200	218,800

Schedules forming part of the Balance Sheet as at March 31, 2011

4. Fixed Assets (Refer Note 2 (ii) Schedule 17)

Rs.in thousands

	COST				DEPRECIATION / AMORTISATION				NET BLOCK	
Particulars	**Opening As at April 1- 2010**	**Additions**	**Deductions**	**As at March 31, 2011 (A)**	**Opening As at April 1, 2010**	**For the Year March 31, 2011**	**Deduction**	**As at March 31, 2011 (B)**	**As at March 31, 2011 (A-B)**	**As at March 31, 2010**
Tangible Assets										
Tangible Assets										
Plant and Machinery	11,532	1,411	785	**12,158**	9,193	151	122	**9,222**	**2,936**	2,339
Furniture and Fixtures	4,232	-	4,232	**-**	584	246	830	**-**	**-**	3,648
Computers	6,381	373	-	**6,754**	2,284	1,147	-	**3,431**	**3,323**	4,097
Office Equipments	1,922	16	-	**1,938**	216	91	-	**307**	**1,631**	1,706
Leasehold Improvements	32,852	-	32,852	**-**	8,056	3,445	11,501	**-**	**-**	24,796
Intangible Assets										
Computer Software	542	12,617	-	**13,159**	221	599	-	**820**	**12,339**	321
Total	**57,461**	**14,417**	**37,869**	**34,009**	**20,554**	**5,679**	**12,453**	**13,780**	**20,229**	**36,907**
Previous Year	**56,910**	**551**	**-**	**57,461**	**15,224**	**5,330**	**-**	**20,554**	**36,907**	**41,686**

Schedules forming part of the Balance Sheet as at March 31, 2011

				As at March 31, 2011 Rs. in Thousands		As At March 31, 2010 Rs. in Thousand
5	**INVENTORIES (Refer Note 2(iii) of Sch. 17)**					
	(As certified by management at lower of cost or net realisable value)					
	- Unamortised cost of Movie Rights		375,645			178,593
	Total		**375,645**			**178,593**
	(The above inventory has been charged for secured loan taken by its holding company)					
6	**SUNDRY DEBTORS**					
	(Unsecured, considered good,unless otherwise stated)					
	i. Over six months					
	- considered good	335		99		
	- considered doubtful	2,092		3,783		
		2,427		3,882		
	Less: Provision for doubtful debts	2,092	335	3,783		99
	ii. Other debts					
	- considered good	228,804		552,562		
	- considered doubtful	-	228,804	-		552,562
	Total		**229,139**			**552,661**
7	**CASH AND BANK BALANCES**					
	i. Cash on hand		50			50
	ii. Balance with Scheduled Banks					
	- In Current Account		1,395			15,809
	- In Deposit Account		50			50
	Total		**1,495**			**15,909**
8	**LOANS AND ADVANCES**					
	(Unsecured, considered good,unless otherwise stated)					
	Advances recoverable in cash or in kind or for value to be received		41,747			95,657
	Loan given to Associates		144,000			-
	Advance to Suppliers		51,243			18,129
	Advance Income Tax (Net of Provision)		51,108			32,026
	Mat Credit Entitlement		118,643			58,453
	Other deposits		5,136			4,034
	Interest receivable		14			10
	Total		**411,891**			**208,309**
9	**CURRENT LIABILITIES**					
	Acceptances		113,404			-
	Sundry Creditors for Capital Goods, Materials and Expenses					
	- Micro and Small Enterprises (Refer Note 6 of Sch. 17)	-		-		
	- Others	184,453	184,453	312,076		312,076
	Advances / Deposits from customers		7,722			8,225
	Advance Billing		1,386			13,262
	Other liabilities		24,863			29,169
	Total		**331,828**			**362,732**
10	**PROVISIONS**					
	Provision for Employees' retirement benefits (Refer Note 2(iv) and 9 of Sch. 17)		934			2,624
	Total		**934**			**2,624**

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2011

				For the year ended March 31, 2011 Rs. in Thousands		For the year ended March 31, 2010 Rs. in Thousands
11	**SALES AND SERVICES (NET)**					
	Sales and Service Revenues (Net) (Refer Note 2(vi) of Sch.17)			1,031,681		1,164,105
	Total			**1,031,681**		**1,164,105**
12	**OTHER INCOME**					
	Provision no longer required written back			30,695		15,161
	Gain on Foreign Exchange Fluctuation (Net)			23		-
	Miscellaneous Income			3,643		1,207
	Total			**34,361**		**16,368**
13	**DIRECT COST**					
	Cast and technicians' fees and commission			2,192		2,766
	Amortisation of Licensed content			101,590		186,696
	Consumption of Rawstock of video tapes and films			303		253
	Post production charges			24,384		11,818
	Telecast and uplink fees			47,188		34,258
	Carriage Fees			384,716		452,287
	Miscellaneous expenses			1,645		38
	Total			**562,018**		**688,116**
14	**STAFF COST**					
	Salaries, wages and bonus			62,579		46,093
	Contribution to Gratuity,Provident and other funds			2,506		2,058
	Staff Welfare			2,528		687
	Total			**67,613**		**48,838**
15	**OTHER EXPENSES**					
	Rent - Premises			-		274
	Repairs and Maintenance					
	Plant and Machinery	-			5	
	Others	4,144		4,144	71	76
	Tape Storage Charges			232		125
	Insurance			671		333
	Travelling and Conveyance Expenses			2,340		1,184
	Communication and Postage Expenses			657		448
	Advertisement and Business Promotion Expenses			1,102		168
	Selling and Marketing Expenses			89,414		40,733
	Loss on Foreign Exchange Fluctuation (Net)			-		60
	Service charges			-		8,435
	Bank Charges			122		126
	Professional Charges			3,235		1,533
	Rates and Taxes			482		3,834
	Bad Debts written off			1,158		5,185
	Provision for doubtful debts			1,610		3,013
	Loss on Sale of Fixed Assets (Net)			25,312		-
	Miscellaneous expenses (Refer Note No 7 of Sch 17)			3,304		1,203
	Total			**133,783**		**66,730**

Schedules forming part of the Profit and Loss Account for the year ended March 31, 2011

		For the year ended March 31, 2011 Rs. in Thousands		For the year ended March 31, 2010 Rs. in Thousands
16 INTEREST AND FINANCE CHARGES (NET)				
Interest on Loan				
On Fixed Loans	1,167		15,311	
On Others	452	1,619	1,060	16,371
Other Finance Charges		1,124		-
		2,743		**16,371**
Less : Interest Income :				
On Deposits with Banks		4		4
On Others		928		-
(Tax Deducted at Source Rs.Nil , (Previous Year - Nil))				
Total		**1,811**		**16,367**

Schedules forming part of the financial statements for the year ended on March 31, 2011

SCHEDULE 17 – NOTES TO THE FINANCIAL STATEMENTS

1) Background Of The Company

UTV Entertainment Television Limited ("UETL/The Company") was incorporated in India as a Public Limited Company under the Companies Act, 1956 on April 28, 2007. The Company is a subsidiary of UTV Global Broadcasting Limited ("UGBL") which in turn is the subsidiary of UTV Software Communications Limited ("USCL"). The Company owns and operates two channels namely 'UTV Movies' and 'UTV World Movies'.

2) SIGNIFICANT ACCOUNTING POLICIES

i) Basis of Accounting

The Financial Statements are prepared to comply in all material aspects with all the applicable accounting principles in India, the applicable accounting standards notified u/s 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956.

ii) Fixed Assets and Depreciation

a) Fixed assets are stated at cost of acquisition less accumulated depreciation. The Company capitalises all costs relating to the acquisition and installation of fixed assets.

b) Depreciation is provided based on management estimate of useful lives of the fixed assets, on the straight line method prorata to the period of use or at the rates prescribed in Schedule XIV of the Companies Act, 1956, whichever is higher.

Fixed Assets individually costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

Leasehold improvements are amortised over the period of lease.

The rates for following assets are based on estimated useful life as under:

Assets	Estimated useful life (in years)
Software	6-7
Plant and Machinery - IRD Boxes and Smart Cards	1

c) Impairment of Assets

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Profit and Loss Account. If at the Balance Sheet date, there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

iii) Inventories

Inventories comprise of Acquired/Licensed programs. The cost of inventories comprises cost of purchase and other significant costs incurred in bringing the inventories to a state of being telecast. Inventories are stated at the lower of cost (cost less accumulated amortization/impairment) or realisable value.

The cost of licensed/acquired programs is amortised over the license period form the date of commencement of license period/acquisition.

The carrying value of inventories are continually reviewed by Management and revised at each period-end or when warranted by changing conditions. In the event that management estimates that program(s) may not be

exploited for entire License Period or in the event of lower revenue forecasts, an additional amount is provided on such inventory based on realizable value.

iv) Retirement Benefits

Long Term Employee Benefits

In case of Defined Contribution plans, the Company's contributions to these plans are charged to Profit and Loss Account as incurred. Liability for Defined Benefit Plans is provided on basis of valuations, as at the Balance Sheet date, carried out by an Independent actuary. The actuarial valuation method used for measuring the liability is the Projected Unit Credit Method. The obligations are measured as the present value of estimated

Schedules forming part of the financial statements for the year ended on March 31, 2011

future cash flows discounted at rates reflecting the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated terms of obligations. The estimate of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors. Company's contributions paid/payable during the year to Labour Welfare Fund are recognised in the Profit and Loss Account.

Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised in the Profit and Loss Account in the year in which they arise.

v) Provisions and Contingent Liabilities

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. 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. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

vi) Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a) Advertisement sales revenue (net of agency commission) is recognised when the related advertisement or commercial appears before the public i.e. on telecast.

b) Subscription income for the distribution of the channels is recognised when the services are provided in accordance with the terms of the agreement and for which there is reasonable certainty of ultimate collections.

c) Revenue from syndication of movies is recognised on delivery of the movies to the Licensee.

d) Income from exploitation of interactive rights is recognised in accordance with the terms of the agreement with the service providers and/or intermediary.

vii) Foreign Currency Transactions

The transactions in foreign exchange are accounted at the exchange rates prevailing on the date of transaction. Monetary assets and liabilities as at the Balance Sheet date are translated at the rates of exchange prevailing at the date of the Balance Sheet. Non-monetary foreign currency items are carried at cost. Gain and loss resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account. Premium or discount in respect of forward contract is accounted over the period of the contract.

viii) Taxes on Income

Current Taxation

Provision for Current tax (including Wealth Tax) has been made in accordance with the Income Tax and Wealth Tax laws prevailing for the year.

Deferred Taxation

Deferred Tax is recognised, subject to the consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax asset are not recognised on unabsorbed depreciation and carry forward of losses unless there is virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

ix) Operating Leases

Lease payments for operating leases are recognised as expense on a straight-line basis over the lease term. Initial direct costs are recognised immediately as an expense.

x) Earnings Per Share

Basic earnings per share are computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by dividing the net profit / (loss) after tax by the weighted average number of equity shares considered for deriving basic

Schedules forming part of the financial statements for the year ended on March 31, 2011

earnings per share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value, which is the average market value of the outstanding shares. Dilutive potential equity shares are deemed converted at the beginning of the period, unless issued at a later date.

xi) Use of Estimates

The preparation of financial statements is in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Differences between actual results and estimates are recognised in the periods in which the results are known/ materialise.

3) In previous financial year pursuant to the approval of Board of Directors and shareholders of the Company, on February 10, 2010, part of Unsecured Loan from the Holding Company was converted to share capital and securities premium as follows :

i. 524,000 Equity Share of Rs. 10/- each at a Premium of Rs.2,290/-

ii. 890,000 Preference Share of Rs. 10/- each at a Premium of Rs. 2,290/-.

4) Contingent liabilities not provided for:

	Nature	Description	March 31, 2011 (Rs. In Thousand)	March 31, 2010 (Rs. In Thousand)
(a)	Appeal filed in respect of disputed income tax demands	Income tax appeal before Commissioner of Income Tax for Assessment Years 2008-09/2009-10/2010-11/2011-12	45,815	-

5) As at March 31, 2011 the Company has accumulated losses of Rs. 1,269,894 (In Thousands) (Previous year Rs. 1,564,477 (In Thousand)), however the Net Worth of the company is Rs. 1,082,806 (In Thousands) (Previous year Rs. 788,223 (In Thousand)),. The Company is in the business of broadcasting channels and given the nature of the industry, there is a gestation period required for the operations to break even and the business to generate profits. The Company has necessary financial support from its ultimate parent company – UTV Software Communications Limited and given the long term corporate strategies and future profit projections, the Company has followed the fundamental accounting assumption of 'Going Concern' for preparation of financials for the year ended March 31, 2011 as the Company neither has the intention nor the necessity of liquidation or of curtailing materially the scale of the operations.

6) The Company has not received any information from the "suppliers" regarding their status under the

Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said Act have not been given.

7) Miscellaneous Expenses includes:

Auditors' remuneration in respect of

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Audit Fees	500	500
Others	8	-

8) (i) Value of Imports on CIF basis:

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
IRD Boxes and Smart Card	5,924	-

Schedules forming part of the financial statements for the year ended on March 31, 2011

(ii) Expenditure in foreign currency on account of:

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
License Fees on content acquisition	14,742	138,119
Professional and Technical Fees	12,954	526
Others	721	229

9) Employee Benefits

The Company has classified the various benefits provided to employees as under:

I. Brief description of the Plans:

The Company provides long-term benefits in the nature of Provident fund and Gratuity to its employees. The Company's defined contribution plans are Provident Fund, Maharashtra State Labour Welfare Plan and Employees' Pension Scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952) since the Company has no further obligation beyond making the contributions. The Company's defined benefit plans include gratuity benefit to its employees.

II. Defined Contribution Plans

a) Provident Fund

b) Maharashtra State Labour Welfare Plan

The Company has recognised the following amounts in the Profit and Loss Account for the year:

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Employers' Contribution to Provident Fund	2,506	2,058
Contribution to Maharashtra State Labour Welfare Plan	1	-

Included in Staff Cost (Refer Schedule 14)

III. Defined Benefit Plans

Particulars	March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands)
Contribution to Gratuity Fund (Non – Funded Scheme)	681	254
Leave Encashment (Non – Funded Scheme)*	-	2,370

During the current financial year the Company has discontinued the leave encashment scheme prevailing in the Company. Pursuant to which the Company has reversed the leave encashment provision and credited provision no longer required amounting to Rs. 2,370 (Rs. In Thousands)

In accordance with the Accounting Standard (AS 15) (Revised 2005), actuarial valuation was performed in respect of the aforesaid defined benefit plans based on the following assumptions:

		March 31, 2011	March 31, 2010
a)	Discount Rate (per annum)	8.25%	8%
b)	Rate of increase in Compensation Levels	5%	5%
c)	Expected Average remaining working lives of employees in number of years	22	22

Schedules forming part of the financial statements for the year ended on March 31, 2011

		March 31, 2011 (Rs. in Thousands)	March 31, 2010 (Rs. in Thousands) Gratuity (Non Funded plan)
A	**Changes in the Present Value of Obligation**		
	(a) Opening Defined Benefit Obligation	254	643
	(b) Interest Cost	42	83
	(c) Current Service Cost	276	395
	(d) Benefits Paid	-	-
	(e) Actuarial Loss/(Gain)	363	(867)
	(f) Closing Defined Benefit Obligation	934	254
B	**Changes in the Fair value of Plan Assets**		
	(a) Opening Fair value of Plan Assets	-	-
	(b) Expected Return on Plan Assets	-	-
	(c) Contribution during the year by employer	-	-
	(d) Benefits Paid	-	-
	(e) Actuarial Loss/(Gain)	-	-
	(f) Closing Fair value of Plan Assets	-	-
C	**Reconciliation of the Present Value of Defined Benefit Obligation and the Fair Value of Assets**		
	(a) Present Value of Funded Obligation as at year end	934	254
	(b) Fair Value of Plan Assets as at year end	-	-
	(c) (Asset)/Liability recognised in the Balance Sheet (Included in Provisions – Schedule 10)	934	254
D	**Amount recognised in the Balance Sheet**		
	(a) Present Value of Obligation as at year end	934	254
	(b) Fair Value of Plan Assets as at year end	-	-
	(c) Net Asset/(Liability) recognised in the Balance Sheet as at year end	934	254
E	**Expenses recognised in the Profit and Loss Account**		
	(a) Current Service Cost	276	395
	(b) Interest Cost	42	83
	(c) Expected Return on Plan Assets	-	-
	(d) Net actuarial Loss/(Gain)	363	(867)
	Total Expenses recognised in the Profit and Loss Account (Included in Staff Cost – Schedule 14)	681	(389)

Schedules forming part of the financial statements for the year ended on March 31, 2011

F	**Actual return on Plan Assets**		
	Expected Return on Plan Assets	-	-
	Actuarial loss on Plan Assets	-	-
	Actual Return on Plan Assets	-	-
G	**Percentage of each Category of Plan Assets to**	NA	NA
	total Fair Value of Plan Assets as at Year end		
H	**Experience Adjustments**		
	On Plan Liabilities	(572)	(867)
	On Plan Assets	-	-
I	**Expected Employers contribution for the next year**	-	-
J	**The liability for leave encashment and compensated absences as at Year end is**	NIL	2,370

10) The Company is mainly engaged in broadcasting business which is considered the only reportable business segment as per Accounting Standard – AS 17 "Segment Reporting" issued by the Institute of Chartered Accountants of India. Since the entire business of the Company is conducted within India, with similar economic environment and is subject to similar risks and returns, there are no geographical segments.

11) a) Related Party Disclosures as required by Accounting Standard – AS 18 "Related Party Disclosures" issued by The Institute of Chartered Accountants of India are given below:

(i)	**Ultimate Holding Company**	
	-	UTV Software Communications Limited
(ii)	**Holding Company**	
	-	UTV Global Broadcasting Limited
(iii)	**Fellow Subsidiaries**	
	-	Genx Entertainment Limited
	-	UTV New Media Limited
	-	UTV Communications (USA) LLC
	-	IG Interactive Entertainment Limited
	-	Indiagames Limited
	-	Ignition Entertainment Limited, UK.
	-	Ignition London Limited (Formerly known as Digi Guys Limited)
	-	Ignition Entertainment Limited, USA.
	-	UTV Games Limited
	-	True Games Interactive

Schedules forming part of the financial statements for the year ended on March 31, 2011

-	UTV TV Content Limited
-	RB Entertainment Limited
-	First Future Agri. & Developers Limited
-	UTV Tele Talkies Limited
-	Screenshot Television Limited (Formerly known as Smriti Irani Television Limited)
(iv)	**Other related parties where common control exists**
-	UTV News Limited
-	Unilazer Media Limited
-	Unilazer Holdings Limited
-	Television News and Entertainment (I) Limited
-	Vijay Broadcasting Private Limited
-	United Tele-Shopping & Marketing Company Limited

b) i) : Disclosure in respect of transactions with parties referred to in item (a) (i), (ii), (iii) and (iv) above:

(Rs. in Thousands)

Purchase of goods / Content acquisition	**Ultimate Holding Company**		**Holding Company**		**Fellow Subsidiaries**	
	March 31, 2011	**March 31, 2010**	**March 31, 2011**	**March 31, 2010**	**March 31, 2011**	**March 31, 2010**
UTV Software Communication Limited	-	3,147				
Purchase of Fixed Assets						
UTV Software Communication Limited	13,649	-				
Sale of Goods/ Content						
Genx Entertainment Limited					-	156,000
Services /Expenses charged by						
UTV Software Communication Limited	7,729	10,811				
UTV Global Broadcasting Limited				-		
UTV New Media Limited					-	86
Share of subscription income from						
UTV Global Broadcasting Limited			176,264	129,491		
Interest Charged by						
UTV Software Communication Limited	451	-				
Share of subscription bad debts from						
UTV Global Broadcasting Limited			1,277	5,719		
Share of New Media income from						
UTV New Media Limited					7	421
Finance						
UTV Global Broadcasting Limited (Equity Shares Including Premium)			-	1,205,200		
UTV Global Broadcasting Limited (Preference Shares Including Premium)			-	2,047,000		

Schedules forming part of the financial statements for the year ended on March 31, 2011

	Ultimate Holding Company		Holding Company		Fellow Subsidiaries	
	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010	March 31, 2011	March 31, 2010
Amount Received from						
UTV Global Broadcasting Limited			273,750	1,817,500		
Advance Given to						
Genx Entertainment Limited					144,200	-
Amount Repaid to						
UTV Global Broadcasting Limited			484,350	296,500		
Advances Repaid by						
Genx Entertainment Limited					200	-
Interest Charged To						
Genx Entertainment Limited					926	-
Outstanding Balance						
· Payable to						
UTV Global Broadcasting Limited (Net)			-	211,577		
UTV Software Communication Limited	19,422	2,574				
· Receivable from						
UTV Global Broadcasting Limited (Net)			4,473	-		
UTV New Media Limited					-	233
Genx Entertainment Limited(Net)					144,833	145,400

12) Earning Per Share

Particulars	March 31, 2011	March 31, 2010
Profit/ (Loss) after tax (Rs. In thousands)	294,583	355,092
Weighted average number of equity shares (nos.) for		
- Basic EPS	5,574,000	1,382,055
- Diluted EPS	5,574,000	1,503,973
Profit/(Loss) Per share (Rs.)		
- Basic EPS	53	257
- Diluted EPS	53	257
Face Value of Share (Rs.)	10	10

Schedules forming part of the financial statements for the year ended on March 31, 2011

13) Taxation

a) Component of Deferred Tax Assets are:

Particulars	As At March 31,2011 (Rs. in Thousands)	As At March 31,2010 (Rs. in Thousands)
Deferred Tax Assets		
- Provision for Doubtful Debts	679	1257
- Provision for Gratuity	303	84
- Provision for Leave encashment	-	787
- Business Losses and Unabsorbed Depreciation	379,018	377,872
Deferred Tax Liabilities		
- Depreciation	555	-
Total Deferred Tax Assets	**379,445**	**380,000**

b) Provision of Current Tax of Rs.60,190 (In Thousand) (Previous year Rs.58,453(In Thousand)) represents tax computed according to provision of section 115JB of the Income Tax Act, 1961. MAT Credit recognised is expected to be set-off against the tax liability, other than MAT in future years. Accordingly, an amount of Rs.60,190 (In Thousands) (Previous year Rs.58,453 (In Thousand)) for the current year is included as MAT Credit Entitlement in Schedule 8 - Loans and Advances.

14) The previous year's figures have been regrouped, rearranged and reclassified wherever considered necessary..

Signature to Schedules 1 to 17 which form an integral part of the Financial Statements

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For and on behalf of Board of Directors

For Price Waterhouse & Co.
Firm Registration No. 304026E
Chartered Accountants

Zarina Mehta
Director

Rohinton Screwvala
Director

Partha Ghosh
Partner
Membership Number. F-55913

Puneet Juneja
Company Secretary

Place : Mumbai
Date : May 30, 2011

Place : Mumbai
Date : May 30, 2011

Balance Sheet Abstract and Company's General Business Profile

1. Registration Details

Registration No. U64200MH2007PTC170405 State Code 11

Balance Sheet Date 31 03 2011
Date Month Year

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

Public Issue	Bonus Issue
NIL	NIL
Rights Issue	**Private Placement**
NIL	NIL

3. Position of Mobilisation and Deployment of Funds (Amounts in Rs. Thousands)

Total Liabilities	Total Assets
2360900	2360900

Sources of Funds

Paid-up Capital	Reserves & Surplus
64640	NIL
Secured Loans	**Unsecured Loans**
NIL	8200

Application of Funds

Net Fixed Assets	Investments Including capital work in progress
20229	5924
Net Current Assets	**Misc. Expenditure**
685408	NIL
Accumulated Losses	**Deferred Tax**
1269894	3794445

4. Performance of the Company (Amount in Rs. Thousands)

Turnover (Total income)	Total Expenditure
1066042	7634144

+	-	Profit/(Loss) Before Tax	+	-	Profit/(Loss) After Tax
✓		295138	✓		294583

(Please tick Appropriate box + for profit, - for loss)

Profit per Share (Rs) (on profit after taxes)	Dividend Rate %
53	NIL

5. Generic Names of Three Principal Products / Services of Company

(as per monetary terms)

Item Code No. (ITC Code)	Product Description
NA	Television Broadcasting
NA	
NA	

For and on behalf of Board of Directors

Zarina Mehta
Director

Rohinton Screwvala
Director

Puneet Juneja
Company Secretary

Place : Mumbai
Date : May 30, 2011