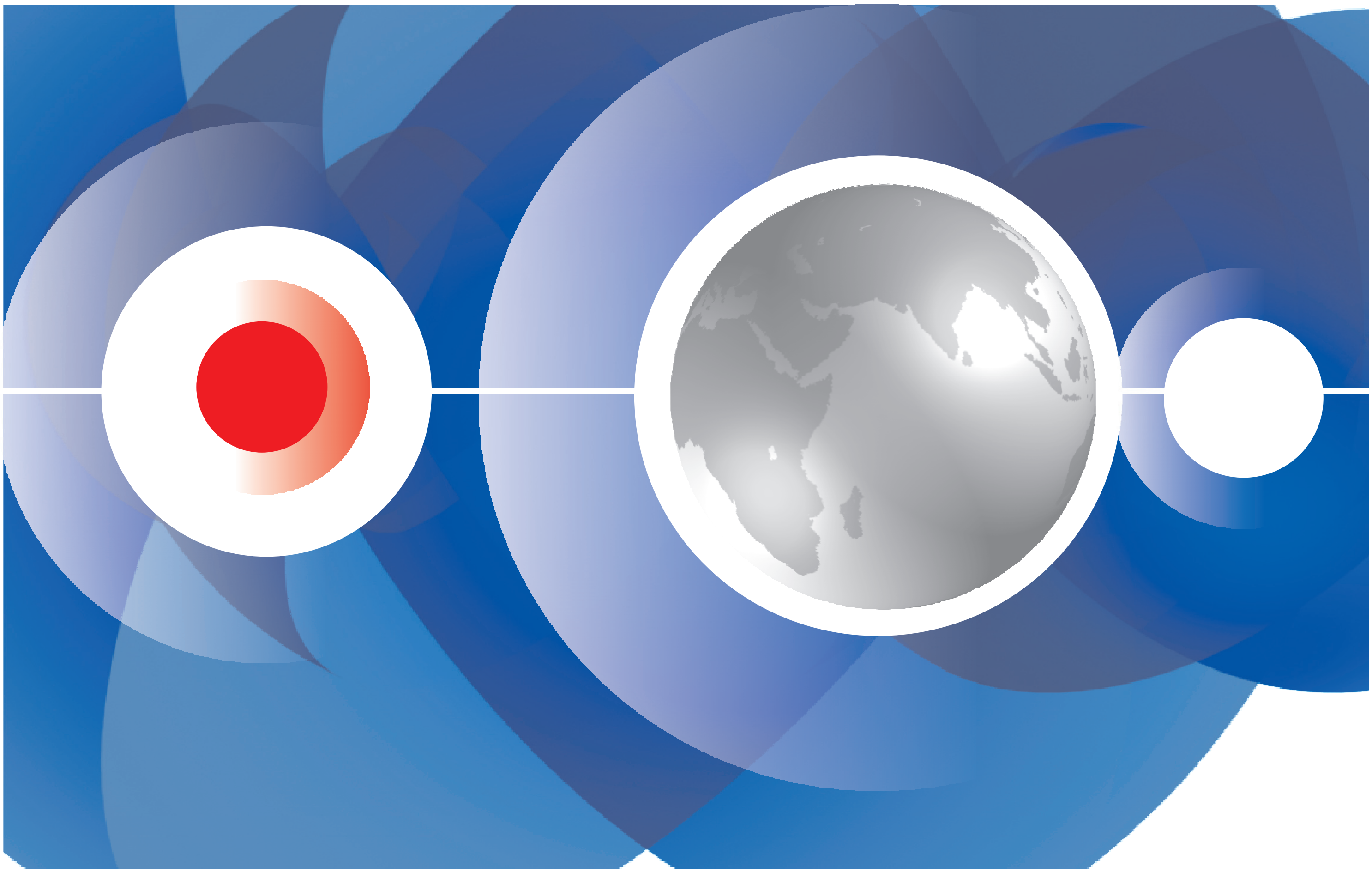
NDTV

Annual Report 2005-2006



Growth, Diversification & Innovation

Contents

Board of Directors

Dr. Prannoy Roy
Chairman and Wholetime Director

Mrs. Radhika Roy
Managing Director

Mr. KVL Narayan Rao
Wholetime Director

Mr. NR Narayana Murthy
Non Executive Independent Director,
Chairman, Infosys Technologies Ltd

Mr. Amal Ganguli
Non Executive Independent Director,
Former Managing Partner PWC

Mr. Tarun Das
Non Executive Independent Director,
Chief Mentor, CII

Mrs. Indrani Roy
Non Executive Independent Director

Mr. Vijaya Bhaskar Menon
Non Executive Independent Director

Audit Committee
Mr. Amal Ganguli - Chairman
Mr. Tarun Das
Mrs. Indrani Roy

Remuneration Committee
Mr. Tarun Das - Chairman
Mrs. Indrani Roy
Mr. Amal Ganguli

Shareholders' and Investors Grievance Committee
Mrs. Indrani Roy - Chairperson
Dr. Prannoy Roy
Mrs. Radhika Roy
Mr. KVL Narayan Rao

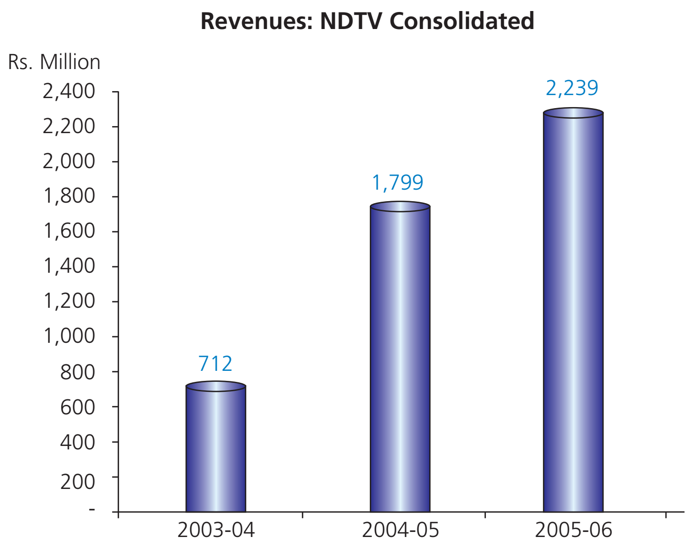
ESOP Committee
Mrs. Radhika Roy
Mr. Tarun Das
Mrs. Indrani Roy

Company Secretary and Compliance Officer
Mr. Rajiv Mathur

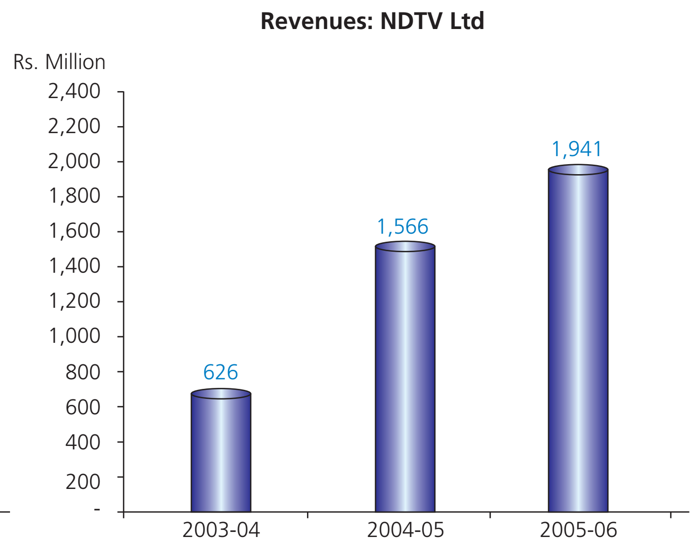
Auditors
Price Waterhouse
P-1, Aditya Vihar, Saidulajab
Opposite D-Block, Saket, Mehrauli-Badarpur Road, New Delhi 110 030
Phone +91 11 4125 0000 Fax +91 11 4125 0250

Registered Office
W-17, Greater Kailash 1, New Delhi 110 048
Phone +91 11 4157 7777, 2644 6666 Fax +91 11 29239746, 41735110

Revenues

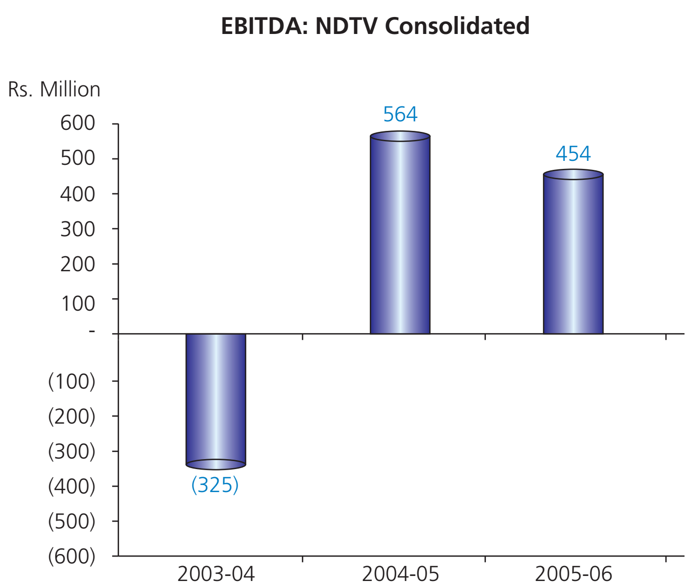


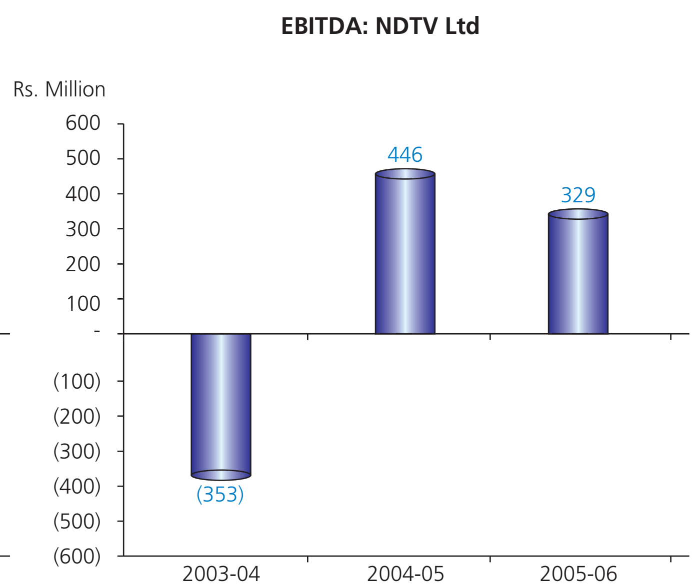
YoY Growth 25%



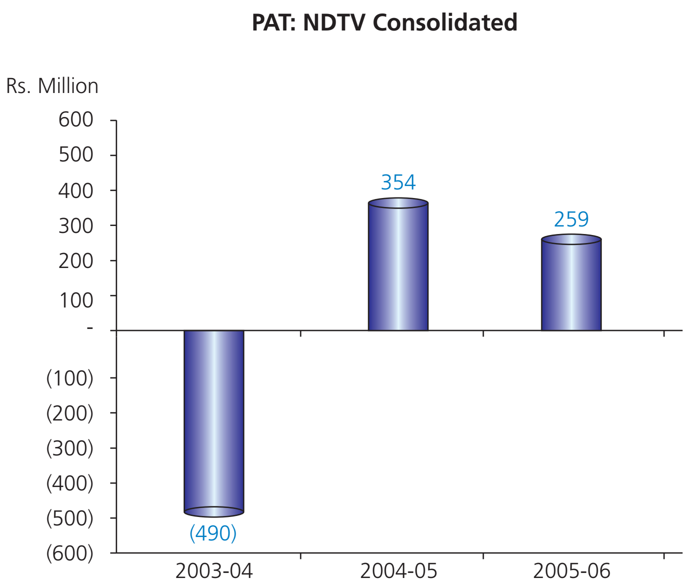
YoY Growth 24%

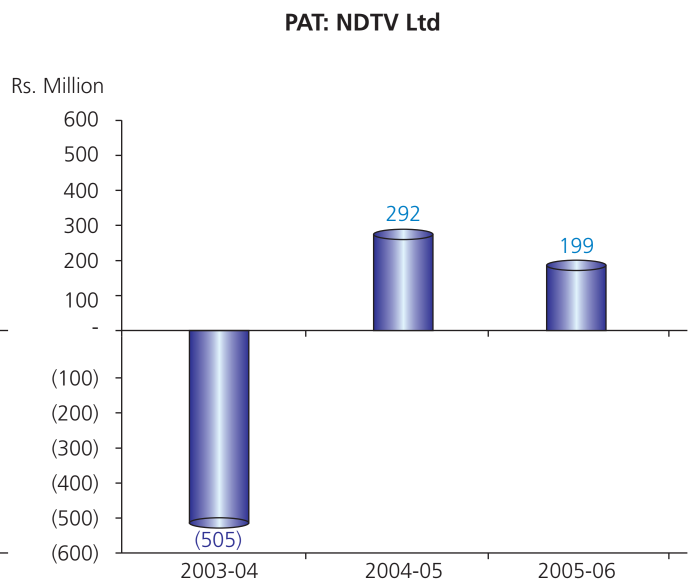
EBITDA





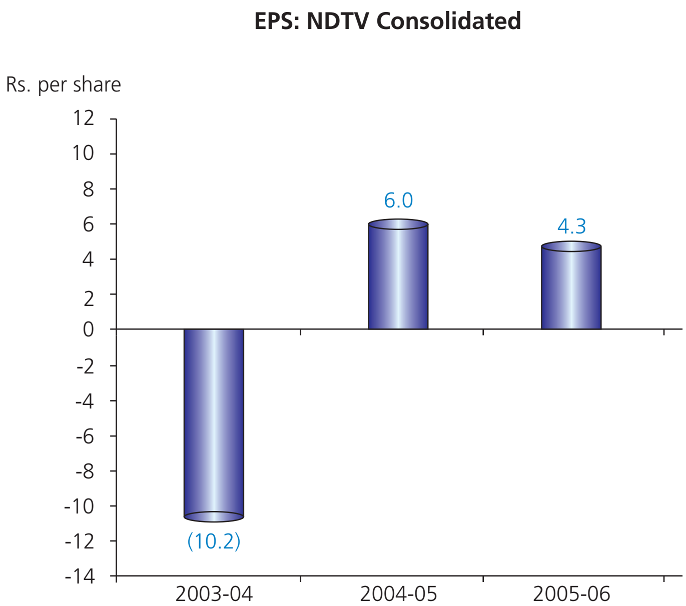
PAT[1]

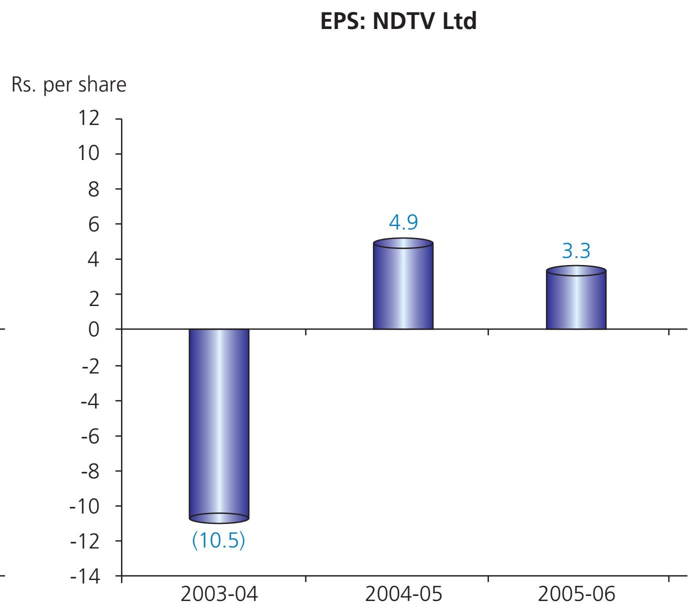




[1] PAT before charge of ESOP cost

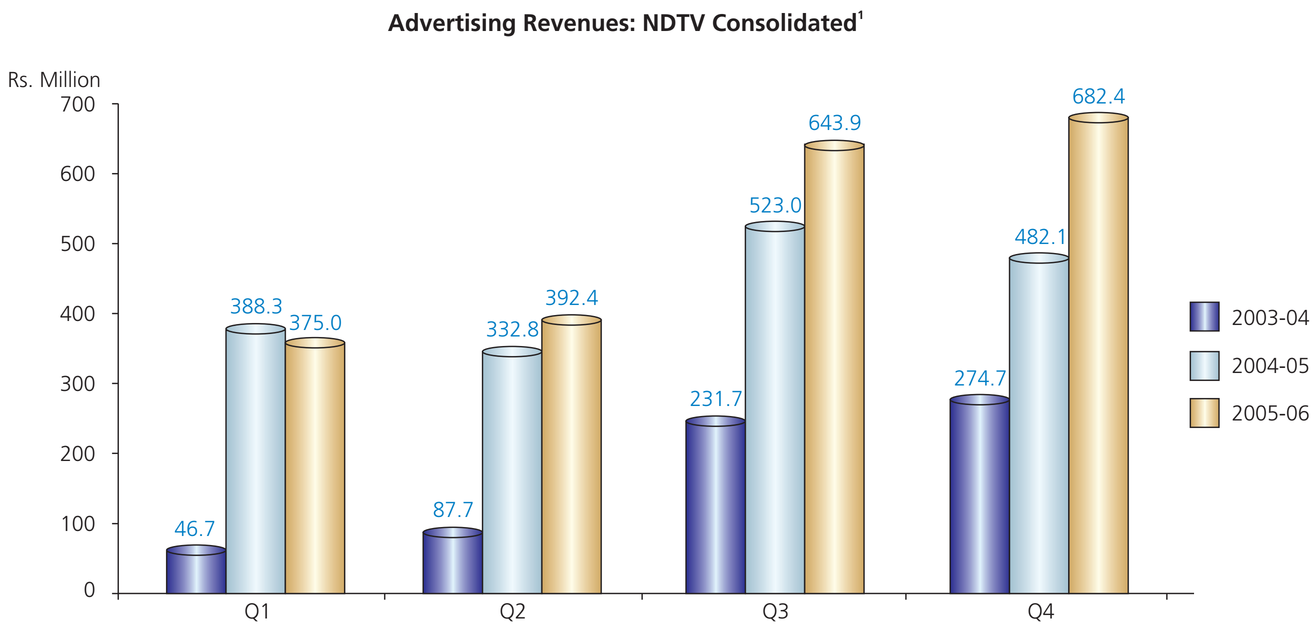
EPS[1]





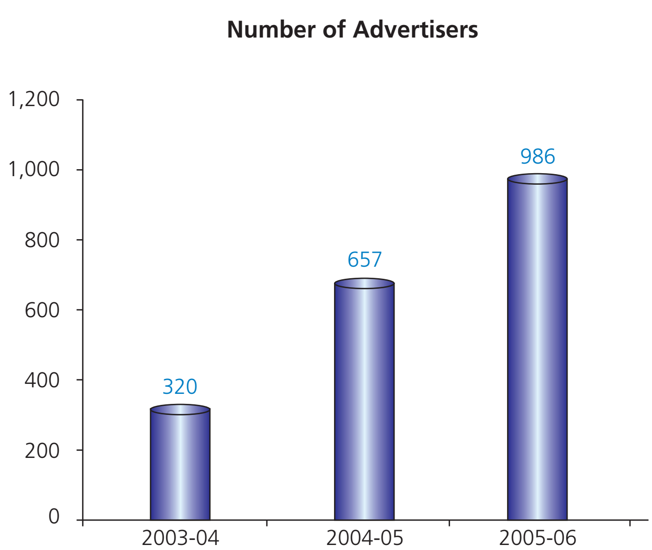
[1] EPS before charge of ESOP cost

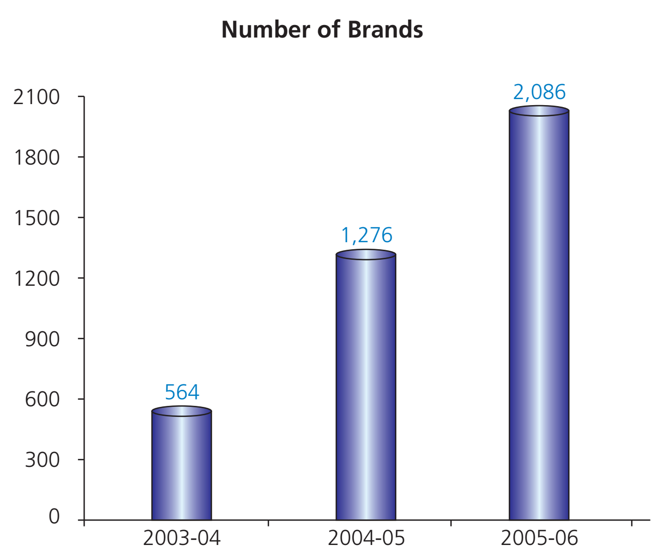
Advertising Revenues



[1] Includes Barter Revenues Rs. 85.7 million in 2003-04, Rs. 143.4 million in 2004-05 and Rs. 132.9 million in 2005-06

Advertising Base





Awards during the last year

Commonwealth Broadcasting Association
“Award for Innovative Engineering 2006”
For use of Web software “Macromedia Flash” to create and deliver realtime graphics for television

Indian Telly Awards
Best News Anchor
Dibang

Best English News Channel
NDTV 24x7

Hero Honda ITA Awards
Best Television "Event"
Jai Jawan

Best Anchor Talk Show
Big Fight - Vikram Chandra

Best Anchor Current Affairs
We The People - Barkha Dutt

Asian Television Award
Best News Programme
Waves of Destruction

Best Cable & Satellite Channel of the Year
NDTV 24x7

"Runner Up"
Best Single News Story - Bihar Floods
Best Live Event Coverage - Blast In Srinagar Transport Office
Best News/Current Affairs Special-Inside PoK
Best News Presenter/Anchor - Barkha Dutt - Nation Tonight
Best News Presenter/Anchor - Nidhi Razdan - X Factor

Dear Shareholder

We are very pleased to report an extremely successful year both in terms of NDTV's financial results as well as national and international recognition for our organisation.

This year NDTV was awarded the *"Best Television Channel in Asia"* amongst all cable and satellite channels broadcast over Asia, at the prestigious Asian Television Awards in Singapore. NDTV was selected by a jury against competition from over 100 channels, including some of the best known international channels out of Europe and America that are received in Asia.

The second recognition was more recent. NDTV has been voted among *India's top 25 'most respected companies'*, the only television company to be in the Businessworld magazine's list of top 25 Indian companies.

NDTV became the first organisation to win a 3rd (in the span of 4 years) award for excellence in technology innovation by the Commonwealth Broadcasting Association, once again in the face of competition from some of the world's leading television companies in the UK, Australia and South Africa, among other countries.

These are outstanding achievements and we would like to congratulate and thank the entire team that works tirelessly to ensure NDTV maintains the highest global standards of quality and ethics as well as our pro-active Board of Directors for their constant guidance and encouragement.

We view ethics and high quality as the core of NDTV's existence as well as the essential building blocks for a solid and profitable company in the future.

For this year, we are happy to announce another successful year's financial performance and a 20 per cent dividend for all shareholders.

The year has also shown NDTV's ability to think laterally and move into new growth areas which places it ahead of the rest of India's television industry.

In a major new initiative NDTV is creating what is perhaps the world's first MPO - Media Process Outsourcing - enterprise NDTV plans a Joint Venture with Genpact, India's finest and largest BPO - business process outsourcing - company to develop a major new stream of income for the company and for the industry as a whole. The MPO concept has not only received worldwide media interest, being widely reported in the mainstream newspapers around the world, it has also already generated enquiries and possible major leads from international media organisations. It is our belief that the time has come for Media Process Outsourcing with 70 per cent of all media today turning digital and up to 70 per cent of this digital content could possibly be outsourced. NDTV foresees the association with Genpact generating a substantial flow of income over the years to come.

In another first for India's television industry, NDTV launched India's first news and information channel in another country. NDTV tied up with Asia's largest media company, Astro (a Malaysian company) to launch, at first two and later several more, 24 hour news channels in South East Asian countries. We are pleased to announce that recently, the NDTV-Astro partnership successfully launched the first such channel in Indonesia and the next channel is scheduled for Malaysia. NDTV expects these channels to generate both subscription income through the DTH platform as well as advertisement income over the years ahead.

Our three channels are doing very well: NDTV 24X7 is a clear market leader, NDTV Profit has broken most broadcasting records by quickly establishing itself as the leader in business news in India with a higher viewership than the competition for almost the entire year, and NDTV India remains what is widely considered to be the most respected Hindi news channel that has not 'dumbed down' with sensational reporting – and as a result advertisers prefer being associated with our Hindi channel making revenues buoyant and strong.

And finally, NDTV has now 'come of age' as a broadcaster. We have marketed, distributed and produced content for our own channels for three years now and we are ready to expand into new broadcast areas.

We thank all our shareholders for their constant support and look forward to another year of growth, diversification and innovation, based on strong ethics and core-values that has always been an essential part of NDTV.

Prannoy Roy
Chairman

New Delhi
June 12, 2006

Radhika Roy
Managing Director

New Delhi Television Limited

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the Eighteenth Annual Report and Audited Accounts of the Company for the Financial Year ended March 31, 2006.

Financial Results

The summarized Financial Results for the year ended March 31, 2006 are as follows :

	Year ended March 31, 2006 (Rs. in Million)	Year ended March 31, 2005 (Rs. in Million)
Business Income	1912.94	1528.70
Miscellaneous Income	28.54	37.24
Total Income	1941.48	1565.94
Profit/(Loss) before Tax	179.46	313.78
Employee Stock Compensation Expense	261.61	NIL
Provision for Tax / Others	(19.66)*	21.91*
Net Profit/(Loss) after Tax	(62.49)	291.87
Balance brought forward from Previous Year	418.85	235.14
Appropriation:		
Transfer to General Reserve	NIL	52.70
Proposed Dividend on Equity Shares	48.64	48.64
Tax on Dividend	6.82	6.82
Profit carried to Balance Sheet	300.90	418.85

* Includes provision for deferred tax.

The Year Under Review

During the year under review, the Company achieved turnover of Rs. 1912.94 Million and PBDIT of Rs. 328.93 Million. The Company's profit before tax and ESOP cost was Rs. 179.46 Million, Loss after tax Rs. 62.49 Million and Earning per share Rs. (1.03.)

The details of the Company's operations have been provided in the Management Discussion and Analysis Report, which forms a part of this report.

Audited Consolidated Financial Statements for the year ended 31st March, 2006 also form a part of this Report.

Dividend

In view of inadequate profits on account of a charge relating to employee compensation cost (ESOPs granted) during the year, the Board of Directors of your Company has decided to recommend payment of dividend from the past profits represented in the Profit and Loss Account of the Company in terms of Section 205 of the Companies Act, 1956 of Re. 0.80 per share amounting to Rs. 48.64 Million.

Deposits

The Company has not accepted/renewed any deposits from the public during the year.

Corporate Governance

The Company's Corporate Governance Report is attached and forms a part of this Report.

Employee Stock Option Plan (ESOP-2004)

Based on the approvals received from the shareholders of the Company at the Annual General Meetings held on September 22, 2004 and September 19, 2005 following the resolution passed by the Board, your Company granted stock options to the eligible employees under the Scheme effective July 01, 2005. As required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, the detailed disclosure is annexed and forms part of this Report.

Advance against Equity to NDTV News

Your Company has during the year advanced a sum of Rs. 10 Crores to its wholly owned subsidiary NDTV News Limited against issue of shares for the purpose discussed below.

In its endeavour to look at new markets and fresh business opportunities, NDTV News Limited entered into a JV Agreement with associate companies of Value Labs and Astro All Asia Networks Plc. through their existing Indian Joint Ventures for the acquisition of Radio Today (Mumbai) Broadcasting Limited, Radio Today (Delhi) Broadcasting Limited, Radio Today (Calcutta) Broadcasting Limited from the Living Media Group. The three radio companies hold licences for FM Radio broadcasting in Mumbai, Delhi and Kolkata respectively, under the brand name of RED FM.

Value Labs is a Hyderabad based global IT service provider, with existing experience in telecom and multimedia application development.

ASTRO is a leading media player in Malaysia and South East Asia.

Under the JV Agreement NDTV News Limited has made investments to the extent of Rs. 10 Crores in certain special purpose companies which acquired the Radio Broadcasting Companies. Your Company's total funds commitment has been restricted to Rs. 10 Crores.

Agreements/MOUs

During the year your Company has entered into following Joint Ventures / MOUs / Agreements to strengthen its existing business, increase its revenues and explore opportunities in new areas.

ASTRO JV

Your Company and Astro Broadcast Corporation Ltd. have established a joint venture company to undertake the business of setting up and broadcasting 24-hour channels in South East Asia. The Joint Venture company will conduct its business operations initially in Indonesia and Malaysia. Your Company is a minority partner in the joint venture and will have a stake of up to 20%.

The Astro Broadcast Corporation Ltd. is a 100% subsidiary of Astro All Asia Networks Plc. headquartered in Kuala Lumpur, Malaysia, which is one of the largest media organizations in Asia with a market capitalization of approximately USD 3 Billion.

SKY TV – UK

Your Company's English news channel, NDTV 24x7 is now available to viewers in the United Kingdom through a distribution partnership with UK's largest digital television service provider SKY TV. NDTV 24x7 which features up-to-the-minute news on regional and national developments from the sub-continent will be available as part of SKY TV's News & Events basic programming lineup to about 8 million SKY subscribers.

DIRECTV - US

NDTV 24x7 is now available to viewers in the United States through an affiliate distribution partnership with America's largest DTH service provider, DIRECTV from 29th November 2005.

NDTV- GENPACT

Your Company and Genpact (formerly GE Capital International Services) have formed an alliance to offer media outsourcing services to enterprises worldwide. Under the Agreement between NDTV and Genpact, the alliance will focus on providing cost effective, high quality media services to global and regional media and entertainment companies in areas like editing, digitization and closed captioning.

Directors

In accordance with the provisions of the Articles of Association of the Company, Mr. Tarun Das and Mrs. Indrani Roy retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Directors' Responsibility Statement

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

1. that in the preparation of the annual accounts for the financial year ended March 31, 2006 the applicable accounting standards have been followed along with proper explanation relating to material departures;

2. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;
3. 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;
4. that the Directors have prepared the accounts for the financial year ended March 31, 2006 on a 'going concern' basis.

Auditors

The Auditors of the Company, M/s. Price Waterhouse, Chartered Accountants, hold office till the conclusion of the ensuing Annual General Meeting of the Company and are eligible for re-appointment. They have confirmed that their re-appointment as Auditors of the Company, if made, would be in accordance with the limits specified under Section 224 (1B) of the Companies Act, 1956.

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

Pursuant to Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, the following information is provided:

A. Conservation of Energy

Your Company is not an energy intensive unit, however regular efforts are made to conserve energy.

B. Research and Development

The Company continuously makes efforts towards research and developmental activities whereby it can improve the quality and productivity of its programmes.

C. Foreign Exchange Earnings and Outgo

During the year the Company had Foreign Exchange earnings of Rs. 40 Million (Previous Year Rs. 23.05 Million). The Foreign Exchange outgo on Subscription, Uplinking and News Service charges, Travelling, Consultancy and Professional Fees and other expenses amounted to Rs. 96.83 Million (Previous Year Rs. 68.26 Million). Outgo on account of capital goods and others was Rs.146.11 Million (Previous Year Rs. 65.92 Million).

Personnel

As required by 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 forming part of this report.

The Directors' Report is being sent to all the shareholders excluding this annexure. Any shareholder interested in obtaining the copy of this annexure may write to the Company Secretary at the registered office of the Company.

Acknowledgement

Your Directors thank the investors, shareholders, business associates and the bankers for the continued support in your Company's growth. Your Directors place on record their deep appreciation of the high motivation and dedication of employees at all levels in contributing to the improved performance of your Company during the year.

For and on behalf of the Board

Place: New Delhi
Date: April 17, 2006

Dr. Prannoy Roy
Chairman

EMPLOYEE STOCK OPTION PLAN (NDTV ESOP-2004)

The Company at its Annual General Meeting held on September 22, 2004 had approved the grant of 25,57,000 Stock Options to the eligible employees of the Company under the Employee Stock Option Plan- 2004 in compliance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999.

Based on the recommendations of the ESOP Committee and the Board of Directors, the Shareholders of the Company had further approved the grant of 15,00,000 Options under the said scheme at the Annual General Meeting of the Company held on September 19, 2005. Accordingly 40,57,000 Stock Options were available for grant. The details of which are as under:

	Particulars	Details
1.	Options Granted	35,00,000
2.	The Pricing Formula	Rs.4/- per share
3.	Options Vested	NIL
4.	Options Exercised	NIL
5.	Total number of shares arising as a result of exercise of Options	NOT APPLICABLE
6.	Options lapsed	NOT APPLICABLE
7.	Variation of terms of options	NOT APPLICABLE
8.	Money realized by exercise of Options	NOT APPLICABLE
9.	Total No. of options in force	34,17,500
10.	Employee wise details of Options Granted to	
	(a) Senior Management Personnel :	8,25,000 options (Any shareholder interested in obtaining employee wise details may write to the Company Secretary at the registered office of the Company).
	(b) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Options granted during that year.	No employee is in receipt of the grant in any one year of Option amounting to 5% or more of Options granted during the year.
	(c) Identified employees who were granted Options, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	There is no employee who has been granted during one year, equal to or exceeding 1% of the issued capital.
11.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'	NOT APPLICABLE

12.	Where the Company has calculated the employee compensation cost using the intrinsic value of Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of Options. The impact of this difference on profits and on EPS of the Company.	The Company has used intrinsic value method for calculating the employee compensation cost with respect to the Stock Options. If the employee compensation cost for the ESOP had been determined in a manner consistent with the Fair Value approach the Stock Option compensation expenses would have been higher by Rs. 1.10 Million. Consequently the loss would have been Rs. 63.59 Million instead of the current loss of Rs. 62.49 Million and the EPS of the Company would have been (Rs. 1.05) instead of (Rs. 1.03).		
		1st Grant	2nd Grant	3rd Grant
		June 30, 2005	September 19, 2005	December 01, 2005
13.	a) Weighted average exercise prices	Rs. 4/-	Rs. 4/-	Rs. 4/-
	b) Weighted average fair value of Options	Rs. 209.66	Rs. 232.13	Rs. 176.42
14.	Description of the method and significant assumptions used during the year to estimate the fair value of Options, including the following weighted average information	Black-Scholes model		
	Risk free interest rate (%)	6.33 to 6.60	6.39 to 6.79	6.32 to 6.81
	Expected life	7 years	7 years	7 years
	Expected volatility (%)	50.20 to 64.49	50.12 to 63.15	49.05 to 60.13
	Expected dividends (%)	NIL	NIL	NIL
	The Price of underlying share in the market at the time of grant of options	212.75	235.20	179.50

Corporate Governance

Auditors' Certificate regarding compliance of conditions of Corporate Governance

To the Members of
New Delhi Television Limited

We have examined the compliance of conditions of Corporate Governance by New Delhi Television Limited, for the year ended March 31, 2006, as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange(s) in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement(s).

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

Kaushik Dutta
Partner
Membership Number: F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: New Delhi
Dated: April 17,2006

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

The concept of Corporate Governance has slowly and gradually entered a phase of global recognition and acceptability. The principal driver to this has been an ongoing recognition on the part of the Corporates today coupled with regulation driven initiatives which have made fairness, accountability, transparency and ethical conduct hallmarks of maximizing stakeholder value. It is being greatly felt more than ever that the Corporates stand to gain more by adopting these policies and systems. The Company's philosophy on Corporate Governance is based on its commitment to values and ethical business conduct than to solely rest upon the adherence to a regulatory framework.

At NDTV, Corporate Governance includes its corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of informations, harmonizing the objectives of the stakeholders and translate the efforts to corporate growth thereby maximizing the value of stakeholders.

At the Company there is full support and endorsement of corporate governance practices as per the listing agreement, applicable laws and regulations in its letter and spirit. The Board of Directors fully endorse and support the practices followed by the Company.

Company's Corporate Governance philosophy is based on the following principles:

- Simple and transparent corporate structure.
- Optimum disclosures.
- Management as trustees of stakeholders.
- Sound system of risk management and internal control.
- Compliance with all rules and regulations.

Board of Directors

The Board consists of an optimal blend of the Company's Executives and Independent Professionals who have in depth knowledge of the business, in addition to expertise in their areas of specialization. The policy of the Company is to have a clear mix of Executive and Independent Directors to maintain the independence of the Board and to separate the Board functions of governance and management. The Company is managed by the Chairman and the Managing Director.

The Board has a total of 8 Directors, and its composition is as under:

Name of the Director	Position	Directorship held as on March 31, 2006*	Committee membership in all companies	Chairmanship in committees where they are members
Dr. Prannoy Roy	Chairman and Whole-time Director** (Promoter)	7	1	0
Mrs. Radhika Roy	Managing Director** (Promoter)	4	1	0
Mr. K V L Narayan Rao	Whole-time Director	8	1	0
Mr. Amal Ganguli	Non-Executive Independent Director	11	8	2
Mr. Tarun Das	Non-Executive Independent Director	5	2	1
Mr. N R Narayana Murthy	Non-Executive Independent Director	5	0	0
Mrs. Indrani Roy	Non-Executive Independent Director	3	3	1
Mr. Vijaya Bhaskar Menon	Non-Executive Independent Director	3	0	0

* Includes all directorships

** Mrs. Radhika Roy, Managing Director of the Company is the wife of Dr. Prannoy Roy, Chairman of the Company.

(In computation of the number of committees, the committees other than the Audit Committee and the Shareholders' and Investors Grievance Committee have not been taken into account.)

Meetings & Attendance

The Board met 4 times during the financial year under review on April 27, 2005, July 18, 2005, October 17, 2005 and January 16, 2006.

The presence of Directors at the Board meetings and last AGM was as follows:

Name of the Director	Board Meetings held during the year	Board meetings attended	Whether attended last AGM
Dr. Prannoy Roy	4	4	Yes
Mrs. Radhika Roy	4	4	Yes
Mr. K V L Narayan Rao	4	4	Yes
Mr. Amal Ganguli	4	4	Yes
Mr. Tarun Das	4	4	Yes
Mr. N R Narayana Murthy	4	4	Yes
Mrs. Indrani Roy	4	3	Yes
Mr. Vijaya Bhaskar Menon	4	3	No

None of the Directors is a member of more than 10 committees or acts as a Chairman of more than five Committees in all Companies in which they are Directors.

Audit Committee

The primary objective of the Audit Committee is to review the accounting systems, financial reporting and internal controls of the Company. It also monitors and provides effective supervision of the Management's financial reporting process with a view to ensure accurate, timely and proper disclosures. The broad terms of reference of the Committee are:

- Oversight of the Company's financial reporting process.
- Recommending to the Board, the appointment, re-appointment or removal of the Statutory Auditor and the fixation of audit fees.
- Reviewing, with the management, the annual financial statements before submission to the Board for approval.
- Changes, if any, in accounting policies and practices and reasons for the same.
- Compliance with listing and other legal requirements relating to financial statements. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department.
- Reviewing the findings of any internal investigations by the Internal Auditors.
- Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

The terms of reference stipulated by the Board to the Audit Committee are as per Clause 49 of the Listing Agreement and Section 292A of the Companies Act, 1956.

The Audit Committee of the Company consists of 3 members. The Chairman of the Committee is an Independent Director. The Composition of the Audit Committee is as follows:

Name of the Director	Category	Position
Mr. Amal Ganguli	Non- Executive Independent Director	Chairman
Mr. Tarun Das	Non- Executive Independent Director	Member
Mrs. Indrani Roy	Non- Executive Independent Director	Member

Mr. Rajiv Mathur, Company Secretary is the Secretary to the Committee.

4 meetings of the Audit Committee were held during the year on April 27, 2005, July 18, 2005, October 17, 2005 and January 16, 2006.

The attendance of committee members at the Audit Committee meetings were as follows:

Name of the Director	No. of Committee meetings held	No. of committee meetings attended
Mr. Amal Ganguli	4	4
Mr. Tarun Das	4	4
Mrs. Indrani Roy	4	3

CEO/CFO Certification

The Company is fully cognizant of, and committed to, adhering to the statutory requirements for internal controls as set out by the Securities and Exchange Board of India. Accordingly, the Chairman and the Chief Financial Officer have duly verified and certified to the Board for Company's procedure and internal controls of the reporting as fully compliant with SEBI guidelines.

The Chairman and the CFO have certified to the Board by placing a certificate thereof on the Financials of the Company that:

(a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
   - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

(c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

(d) They have indicated to the Auditors and the Audit Committee
   - (i) significant changes in internal control over financial reporting during the year;
   - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
   - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Remuneration Committee

The Remuneration Committee of the Company reviews, recommends and approves the matters connected with fixation and periodic revision of the remuneration package relating to the Managing Director and Whole time Directors including compensation and payments.

The Composition of the Remuneration Committee is as follows:

Name of the Director	Category	Position
Mr. Tarun Das	Non- Executive Independent Director	Chairman
Mr. Amal Ganguli	Non- Executive Independent Director	Member
Mrs. Indrani Roy	Non- Executive Independent Director	Member

Mr. Rajiv Mathur, Company Secretary acts as Secretary to the Committee.

During the year, two meetings of the Remuneration Committee were held as on April 27, 2005 and July 18, 2005.

The attendance of committee members at the Remuneration Committee meetings were as follows:

Name of the Director	No. of Committee meetings held	No. of Committee meetings attended
Mr. Amal Ganguli	2	2
Mr. Tarun Das	2	2
Mrs. Indrani Roy	2	2

Remuneration Policy

The Remuneration Policy of the Company is aimed at rewarding performance, based on review of achievements on a regular basis and is in consonance with the existing industry practice.

The remuneration paid to Executive Directors during the year is as follows: **(Amount in Rs.)**

Name of the Director	Salary	Perquisites	Total
Dr. Prannoy Roy	3,690,192	2,449,457	6,139,649
Mrs. Radhika Roy	3,690,192	2,449,457	6,139,649
Mr. K V L Narayan Rao	11,690,192*	3,265,538	14,955,730

*Salary to Mr. K V L Narayan Rao includes one time incentive of Rs. 80 lacs.

Salary includes allowances, perquisites and contribution towards provident fund.

Non-Executive Directors are paid sitting fee for attending meetings of the Board and any Committee thereof. In the previous Financial Year the Company paid commission of Rs. 15 lacs to the Non- Executive Directors from the profits for the year.

Stock Options to Mr. K V L Narayan Rao

During the year the Company granted 75,000 Stock Options with graded vesting over four years to Mr. K V L Narayan Rao, Whole time Director of the Company.

Shareholders' and Investors Grievance Committee

In compliance with the provisions of Clause 49 of the Listing Agreement, the Board of Directors of the Company has constituted a Shareholders' and Investors Grievance Committee:

Name of the Director	Category	Position
Mrs. Indrani Roy	Non-Executive Independent Director	Chairperson
Dr. Prannoy Roy	Whole time Director	Member
Mrs. Radhika Roy	Managing Director	Member
Mr. K V L Narayan Rao	Whole time Director	Member

Mr. Rajiv Mathur, Company Secretary is the Compliance Officer of the Company.

The Company attaches extreme importance to investor services and ensures that all investor queries are addressed within the minimum possible time. The Shareholders' and Investors Grievance Committee approves, oversees and reviews all matters connected with share transfers, rematerialisation, transposition of securities, redresses shareholders' grievances like transfer of shares, non- receipt of Balance Sheet etc. The Committee oversees the performance of Registrar and Share Transfer Agent and recommends measures for overall improvement in the quality of investors' service.

During the year 24 meetings of the Shareholders' and Investors Grievance Committee were held.

The number of shareholders complaints received during the year were 46 and all the complaints were resolved. There were no pending complaints as on March 31, 2006.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Company has formulated a Code of Conduct for prevention of Insider Trading. The Code lays down guidelines, which advises on procedures to be followed and disclosures to be made while dealing with shares of the Company and cautions on consequences of non-compliances.

The Company has also laid down a Code of Conduct for Board Members and Senior Management Personnel of the Company. The Company is committed to conducting its business in accordance with applicable laws, rules and regulations, and the highest standards of business ethics, and to full and accurate disclosure in compliance with applicable laws, rules and regulations. The purpose of this code is to deter wrongdoing and promote ethical conduct. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the current year.

General Body Meetings

The Company advocates and follows a very transparent system of management and encourages the shareholders' participation in the shareholders' meeting. The Company ensures that the Notice of the AGM, alongwith the Annual Report of the Company is dispatched to the shareholders well in advance to enable them to participate in the meeting and frame and raise relevant issues pertaining to the functioning and future prospects of the Company.

The last three Annual General Meetings of the Company were held as per the details given below:

Year	Date	Time	Venue
2002-03	September 26, 2003	5.00 P.M.	B-50A, Archana Complex, Greater Kailash-I, New Delhi-110048
2003-04	September 22, 2004	4.00 P.M.	Siri Fort Auditorium, August Kranti Marg, New Delhi-110049
2004-05	September 19, 2005	11.30 A.M	Air Force Auditorium, Subroto Park, New Delhi

10 Special Resolutions were passed at last 3 Annual General Meetings.

No Special Resolution was put through postal ballot at the last AGM.

Disclosures

(a) Related Party Transactions

The Company has not entered into any transaction of a material nature with the Promoters, Directors or the Management, their subsidiaries or relatives etc. which may have any potential conflict with the interests of the Company.

(b) Compliances by the Company

The Company is in compliance with the various requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the year 2005-06.

Means of Communication

(a) The quarterly results of the Company are published in Financial Express/Business Standard (English daily) and in Jansatta/ Hindustan (Hindi daily) and are also available on the Company's website www.ndtv.com.

(b) As per the requirements of Clause 51 of the Listing Agreement, all the data relating to quarterly financial results, shareholding patterns etc. are being electronically filed on the EDIFAR website within the time frame prescribed in this regard.

General Shareholder Information

Annual General Meeting (AGM)

The 18th Annual General Meeting of the Company will be held on -

Date : July 18, 2006

Time : 3.30 PM

Venue : Air Force Auditorium, Subroto Park, New Delhi

Financial Calendar

The next financial year of the Company is April 1, 2006 to March 31, 2007.

The Quarterly Results will be adopted by the Board of Directors as per the following schedule:

For the Quarter ending	Time period
June 30, 2006	3rd week of July 2006
September 30, 2006 (results for the quarter as well as half year)	3rd week of October 2006
December 31, 2006	3rd week of January 2007
March 31, 2007 (year ending)	3rd week of April 2007

Book Closure

The book closure period is from July 15, 2006 to July 18, 2006 (both days inclusive).

Dividend Payment Date

On or about August 10, 2006.

Listing on Stock Exchanges and the Stock Code allotted

The Equity Shares of the Company are listed on the following stock exchanges:

(a) The Bombay Stock Exchange Limited (BSE)
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai-400001

(b) National Stock Exchange of India Limited (NSE)
Exchange Plaza
Bandra Kurla Complex, Bandra (E)
Mumbai-400051

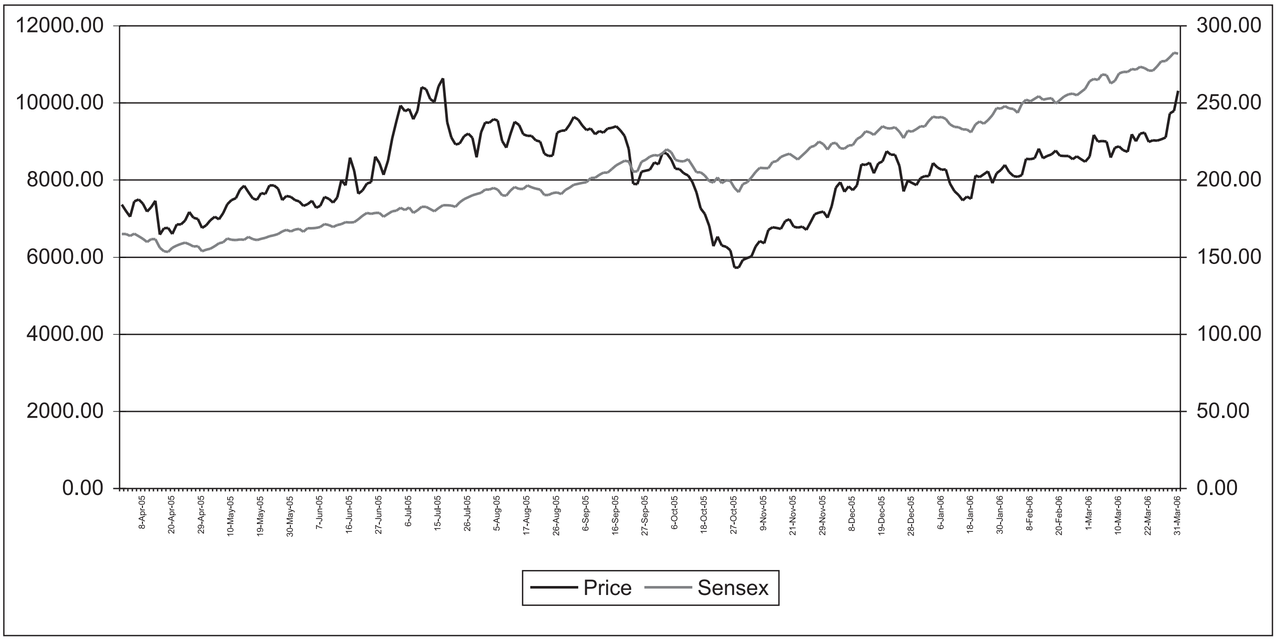
The Stock Codes allotted by these Stock Exchanges are as follows:

Name	Code
The Stock Exchange, Mumbai	532529
National Stock Exchange of India	NDTV EQ
Demat ISIN Numbers in NSDL and CDSL	INE155GO 1029

Market Price Data (Share of Rs. 4/- paid up value):

Month	Bombay Stock Exchange Limited (In Rs. Per share)		National Stock Exchange of India Limited (In Rs. Per share)	
	High	Low	High	Low
April 2005	195.00	159.00	194.40	151.10
May 2005	202.90	167.50	202.40	168.00
June 2005	222.50	170.50	237.80	181.10
July 2005	267.90	218.00	269.95	210.00
August 2005	244.25	205.10	244.30	210.00
September 2005	249.75	181.00	249.90	182.00
October 2005	221.90	138.00	221.70	137.60
November 2005	184.90	145.20	184.60	146.10
December 2005	224.60	175.00	224.50	174.05
January 2006	216.00	184.00	214.00	183.00
February 2006	227.00	200.00	225.45	200.00
March 2006	261.00	209.10	261.80	208.00

Performance in comparison to BSE Sensex.



Shareholding pattern:

The Shareholding pattern of the Company as on March 31, 2006 is as under:

Shareholding Pattern as on March 31, 2006

As per Clause 35 of the Listing Agreement			
		No. of Shares held	**Percentage (%)**
A	**Promoters Holding**		
1.	Promoters		
	Indian Promoters	33,306,600	54.78
	Foreign Promoters	….	….
2.	Persons acting in concert	….	….
	Sub Total	**33,306,600**	**54.78**
B	**Non Promoters Holding**		
3	Institutional Investors		
a.	Mutual Funds / UTI	9,130,416	15.02
b.	Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions/ Non Govt. Institutions)	456,502	0.75
c.	Foreign Institutional Investors	1,851,750	3.04
	Sub Total	**11,438,668**	**18.81**
4.	**Others**		
a.	Private Corporate Bodies	10,051,976	16.53
b.	Indian Public	4,672,517	7.68
c.	NRIs/OCBs	—	—
d.	Any other		
	Clearing Members	954,153	1.57
	Employees	212,312	0.35
	Transit	1	0.00
	Trusts	155,602	0.26
	Directors	10,803	0.01
	Sub total	**16,057,364**	**26.41**
	Grand Total	**60,802,632**	**100.00**

Distribution of Shareholding

Category	Folios		Share of Rs. 4/-paid up	
	Numbers	%	Numbers	%
1-5000	20,303	96.29	2,828,645	4.65
5001 - 10000	353	1.67	623,281	1.03
10001 - 20000	189	0.90	692,517	1.14
20001 - 30000	58	0.28	345,965	0.57
30001 - 40000	44	0.21	396,051	0.65
40001 - 50000	27	0.13	304,207	0.50
50001 - 100000	30	0.14	546,782	0.90
100001 & Above	81	0.38	55,065,184	90.56
Total	21,085	100	60,802,632	100

Dematerialization of Shares and Liquidity

As on March 31, 2006 only 795 shares constituting .0013% of the total Equity Capital are in physical form.

The shares of New Delhi Television Limited are actively traded securities on Stock Exchanges.

Stock Options

The Company instituted the Employee Stock Option Plan – ESOP 2004 to grant equity-based incentives to all its eligible employees. The ESOP 2004 had been approved by the Board of Directors in their meeting held on January 5, 2004 and by the shareholders in their meetings held on January 29, 2004 and September 22, 2004 for grant of 25,57,000 options to the employees of the Company. Pursuant to the scheme, the Board on June 30, 2005 granted 33,10,000 options to employees of the Company (part of which were subject to shareholders' approval) at an exercise price of Rs. 4 each, representing one share for each option upon exercise. Subsequently, the shareholders at their meeting held on September 19, 2005 authorised the Board to grant 15,00,000 options. The maximum tenure of these options granted is 7 years from the date of grant.

Registrar and Share Transfer Agent

Registrar and Share Transfer Agent of the Company are:

Karvy Computershare Private Limited
"Karvy House"
46, Avenue 4, Street No. 1
Banjara Hills
Hyderabad-500034
TEL : 040-23312454/23320751/752/251
FAX : 040-23311968/23323049
E Mail : mailmanager@karvy.com

Share Transfer System

Requests for share transfers, rematerialisation, transposition are approved by Shareholders' and Investors Grievance Committee. The Certificate is returned / issued within the time period as stipulated under the Companies Act, 1956, the Depositories Act, 1996, Listing Agreement and other applicable rules and regulations.

Non-Mandatory requirements

The Clause states that the Non-Mandatory requirements may be implemented as per the discretion of the Company. However the Company has adopted the Non-Mandatory requirement as regards the provisions relating to Remuneration Committee.

Addresses for Correspondence

Investors' Correspondence

For transfer of shares in physical form and rematerialisation:

Karvy Computershare Private Limited
"Karvy House"
46,Avenue 4, Street No. 1
Banjara Hills
Hyderabad-500034
TEL : 040-23312454/23320751/752/251
FAX : 040-23311968/23323049

For securities held in demat form
To the respective depository participant.

Any query on Annual Report
The Company Secretary
New Delhi Television Limited
W-17, Greater Kailash-I
New Delhi-110048.

For and on behalf of the Board

Place: New Delhi
Date: April 17, 2006

Dr. Prannoy Roy
Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company

New Delhi Television Limited (NDTV), founded in 1988, is India's first and largest private producer of news and current affairs television. It is headquartered in New Delhi with over 1100 employees, 23 offices and studios across the country and hosts India's most modern and sophisticated production and news-gathering facilities. It is now a frontline broadcaster as well as content provider and operates three channels, NDTV 24X7, NDTV India and NDTV Profit.

From its beginning, NDTV has been an innovator and has consistently progressed up the value chain of TV broadcasting. NDTV was one of the first private companies to produce news for the government-owned broadcaster Doordarshan. In 1997, it signed an agreement with Star/NTVI to produce news content for its 24-hour news channel. The Company also produced a significant portion of India-sourced content for BBC India. In 2003 with the further opening up of the industry, NDTV simultaneously launched two 24-hour news channels, NDTV 24X7 in English and NDTV India in Hindi, which target the Indian diaspora across the world. In May 2004, the Company was listed on the National Stock Exchange and the Bombay Stock Exchange. On January 17, 2005, NDTV launched NDTV Profit, a 24-hour business news and information channel.

In India, all three channels are available to viewers through an affiliate distribution partnership with Sony "The One Alliance". NDTV is also available in South Africa, Middle East, Mauritius, Sri Lanka and other countries through tie-ups with local partners. In addition, NDTV 24X7 is available in the UK, the US and Canada through distribution partnerships.

Over the years, NDTV has developed an outstanding reputation for its trend-setting and high standards in broadcast journalism in India, producing several domestic and international award-winning programmes such as The Big Fight, We the People and the Big Story. It is home to some of the country's best-known newscasters, anchors and producers. Surveys indicate that it attracts large and devoted audience for all its channels.

Industry structure and overview

(Source: Frames PWC report)

Television broadcasting is amongst the fastest growing segments of the Indian entertainment industry. Estimated to earn revenue of Rs 148 billion in 2005, the television industry is poised to grow three-fold to Rs 427 billion by 2010. It dominates the entertainment industry – over 63% of the total revenues of the industry come from television. An estimated 105 million Indian households (out of 185 million) have television sets and 55 million out of these have a cable connection. State-owned incumbent Doordarshan, which is primarily a terrestrial broadcaster, dominates this industry. Private channels are beamed over cable and satellite (C&S), which is the faster-growing segment of the business. An urban cable home in the four major cities currently receives approximately 90 TV channels in the analogue mode. Fifty of these channels are "free-to-air" and the remaining are "pay", which are bundled together on distribution "bouquets". The industry is on the threshold of a technological revolution. All spheres of the industry – content, broadcasting and distribution – are expected to see major technological advancements.

(a) 2005 – the year that was:

➢ Growth rate: In 2005, the advertising revenue of the television industry grew at 15% from Rs 128 billion in 2004. This was marginally lower than the 15.3% growth of the previous year.

➢ Major developments and industry trends:

- Growth in ad revenues: The industry saw a 13.5% increase in TV advertising – from Rs 48 billion in 2004 to Rs 54.5 billion in 2005.
- Number of channels: Around 300 channels are being beamed across the Indian skies today. In 2005, several news channels, such as CNN-IBN, Times NOW, Channel 7 and NDTV Profit were launched.
- Downlinking Policy: In November 2005, the government notified the Downlinking Policy to establish control over the content being downlinked into India. The policy mandates that all content receivable in India for public viewing from overseas would have to obtain permission from the government in accordance with the terms prescribed in the policy.
- Rise of interactive formats, niche channels: Reality shows, a trend that began in 2004, continued to be popular in 2005. Channels changed their programming formats to make them more interactive, bridging the convergence space between mobile, Internet and television. The number of niche channels (such as those

focusing on children, news, movies, sports etc) also grew. Some recently launched niche channels are Zee Sports, Sahara Filmy and NDTV Profit.

- New DTH players: During 2005, three players were granted approvals by the government to start Direct-To-Home (DTH) operations – T-Sky by the Tata-Star venture, Sun TV and Reliance BlueMagic (a venture promoted by Anil Dhirubhai Ambani Enterprises).

(b) Outlook:

The television industry is projected to grow at a compounded annual growth rate (CAGR) of 24% over the next five years to reach an estimated size of Rs 427 billion by 2010. The main growth driver for the industry will be subscription revenues – projected to rise by 29% CAGR till 2010 to reach Rs 105 billion (from Rs 54.5 billion in 2005). From an average collection of Rs 130 per month per household today, subscription revenues are projected to go up to at least Rs 250 per month. New distribution technologies like DTH, the Conditional Access System (CAS) and IPTV will radically alter the way in which consumers receive channels and are expected to increase the average collection per household. At present, the industry regulator (TRAI or Telecom Regulatory Authority of India) has imposed a price freeze on cable TV subscription rates.

Issues impacting the industry and the Company

The distribution system, or addressability, continued to be the single-most important issue impacting the industry. Being primarily in the analogue mode, the distribution system limits the choices available to consumers and the quality of service – most are dependent on a limited cartel of cable operators in each locality. A price freeze on cable tariff is also hampering growth. Today, local cable operators typically under-declare their subscriber base in order to spread their costs (inclusive of fees paid to broadcasters) over more users and keep subscription rates low. The price freeze and lack of transparency in declaring actual subscriber numbers is hurting the interest of the broadcasters. Besides this, mandatory sharing of content with the state-owned broadcaster in the case of events deemed to be of national importance, such as election and sports events, is also hurting players.

(a) Opportunities:

➢ Growth prospects: Out of 185 million Indian households, only around 30% have a cable connection. With changing income demographics, however, the growing appetite for a cable TV connection is being seen not just in ‘A’ class cities, but also in the ‘B’ and ‘C’ class towns. Economic growth is prompting companies to increase their advertising spends. According to a report released by FICCI and PricewaterhouseCoopers in March 2006 — “The Indian Entertainment and Media Industry: Unraveling the Potential” — the television industry will grow at a CAGR of 24% till 2010. NDTV, with its inherent strengths and emphasis on quality, is well poised to reap the benefits of this explosive growth.

➢ DTH, CAS and IPTV: The impending launch of new and more consumer-friendly distribution platforms such as DTH, IPTV, and CAS is likely to throw up significant opportunities for broadcasters. T-Sky is expected to begin operations in June 2006. The Delhi High Court has ordered the rollout of CAS in Delhi, Mumbai, Kolkata and Chennai. Broadcasters can hope to see an exponential growth in viewership and a more stable revenue mix between advertising and subscription revenues as a result.

(b) Threats and Risks

➢ Competition and fragmentation pressure on advertising rates: At present, the Company’s principal source of revenue is advertising. With many new channels being launched, competition amongst broadcasters is limiting the scope to increase advertising rates as well as to attract more advertisers. Television channels with national footprints such as Headlines Today, BBC World, CNN, CNBC TV 18 and the recently launched CNN-IBN and Times NOW provide competition to NDTV 24X7. Hindi national news channels such as Aaj Tak, DD News, Star News, recent launches like Sahara Samay, and Channel 7 provide competition to NDTV India. CNBC TV 18 and Zee Business provide competition to NDTV Profit. The channels also face competition from strong regional channels like Sun News, ETV, Udaya News and Doordarshan’s regional language channels.

➢ Policy uncertainties: The Indian news broadcasting industry, including distribution, is subject to significant government regulations, which can adversely impact the industry. The government has missed the April 10, 2006 deadline set by the Delhi High Court for notifying the rollout of CAS. The Information & Broadcasting ministry is still holding talks with broadcasters, multi-system operators (MSOs), cable operators and consumer organisations on the implementation of CAS. For NDTV, being a pay channel, this delay will impact its ability to improve revenues from subscriptions and reduce its dependence on advertising revenues. The growth in advertising revenues, in turn, is a function of sustained growth in the Indian economy. Any slowdown in the economy will have a corresponding impact on advertising revenues and, consequently, impact TV channels' revenues.

➢ Talent shortage: With over 300 channels in the fray, there is a tremendous increase in demand for programming content, people to produce it and the right "faces" to broadcast it. To an un-measurable but possibly significant extent, the loyalty of viewers as well as confidence of advertisers are dependent on the charisma of individual broadcasters. This supply-demand mismatch is exerting a significant upward pressure on programming costs.

➢ Changes in viewer preferences: Viewers are increasingly getting drawn to niche channels. As a result, broadcasters are under pressure to launch more niche channels in order to attract more viewership, which, in turn, is fragmenting the industry.

➢ Technology: Broadcasters, distributors and MSOs have to invest heavily in technology upgradation over the coming years. Players have already begun to invest in digitalisation. The industry is importing set-top boxes, high head-end equipment and so on, since these are not manufactured in India. Thus, technology too is putting pressure on costs.

As a 24x7 broadcaster, the Company requires 24x7 connectivity and is critically dependent on technology for its broadcasting operations as well as for its internal communications and management information systems. Any breakdown in technology, therefore, can disrupt its broadcasting operations and internal decision-making process by causing a loss of data. This may adversely impact the Company's business operations.

Strategies to control risk and minimise it

The Company's process for determining enterprise-wide risk and the steps it has taken to mitigate them are indicated below.

NDTV's long-term strategy is to leverage its extensive and proven expertise, experience and technology to explore new opportunities by bridging the convergence space and diversifying into newer delivery modes and geographies that unlock hidden value and deliver growth by widening the customer base and reducing dependence on television broadcasting.

To this end, the Company has signed an agreement with Genpact, formerly GE Capital International Services, one of India's leading business process outsourcing companies, to form a joint venture that will focus on providing cost effective, high-quality media services to global and regional media and entertainment companies in areas like editing, digitisation and closed captioning.

A first-of-its-kind digital media-outsourcing agreement in the Indian media, the joint venture will capitalise on an untapped market for high-end digital media content. The entire global media and entertainment industry was estimated at $1,340 bn at the end of 2005 and is expected to grow to $1,777 bn by the end of 2009. With growing digitisation, almost 70% of this can be outsourced in some way. The venture will combine NDTV's strong brand image, domain knowledge and world class media skill sets with Genpact's offshore experience, global delivery capabilities, sales and marketing infrastructure and reputation for operational excellence.

The Company is also extending its core competence in broadcasting overseas through a joint venture agreement with Astro Broadcast Corporation Ltd, a 100% subsidiary of Astro All Asia Networks Plc, Malaysia, and one of Asia's largest media organisations with revenues of approximately $ 3 bn. Under the terms of the agreement, NDTV, which will have a 20% shareholding in the joint venture, will set up and broadcast 24-hour channels in South East Asia. The joint venture will initially conduct its operations in Indonesia and Malaysia.

As part of its strategy to explore high-growth cross-media synergies, NDTV through its 100% subsidiary has also entered the FM radio space. It has joined hands with Astro and Value Labs, a Hyderabad-based global IT service provider, to take over the Red FM channel in all 3 circles of Mumbai, New Delhi and Kolkata, from the Living Media Group. FM radio is one of the fastest-growing segments of the media business with an estimated CAGR of 32% between 2005 and 2010 according to the FICCI and PricewaterhouseCoopers report and is expected to become a significant growth driver with the transition of the Government's licensing policy from a fixed to a revenue-share regime.

On the technology front, the Company ensures 100% redundancy on all critical broadcasting systems. It uses state-of-the-art technology and infrastructure to connect its 23 news bureaus live to the head office in New Delhi. The Company's news-gathering capabilities are significantly enhanced by its Ku-band network that included 15 outdoor broadcasting vans, three flyaway units and dedicated helicopter.

The Company in 2005-06

Total income jumped 24% from Rs 1,565.94 million in the previous year to Rs 1,941.48 million. In order to enable employees to participate in the Company's success as well as to reward excellent performance, the Company awarded 3.5 million stock options at an exercise rate significantly favourable compared to the price quoted on the stock exchanges on the relevant date. As a consequence, Rs 261.61 million has been charged against the profits for the year in accordance with applicable laws. This has resulted in the results of operations for the year after tax showing a loss of Rs. 62.49 million compared to a profit of Rs. 291.88 million in the preceding year. Without the mandatory non-cash charge in the respect of stock options, the results of operations for the current year, after tax, would have disclosed a profit of Rs. 199.12 million. The Company's share price rose from a high of Rs 195 in April 2005 to Rs 261 in March 2006 on the Bombay Stock Exchange (BSE). On the National Stock Exchange (NSE), the corresponding figures were Rs 194.40 and Rs 261.80.

Key highlights: NDTV 24X7 and NDTV Profit became pay channels from April 1, 2005 and the Company has been deriving revenues from domestic subscriptions from this date. Subscription revenues currently account for 6% of total revenues. Our strong distribution presence has helped us successfully expand our advertising sales reach covering 986 advertisers and 2,086 brands.

In the course of the year, the Company launched 18 new shows. Twelve of these – such as India 60 Minutes, Face The Music and Sports Unlimited, were launched on NDTV 24X7. NDTV India introduced 6 new shows such as Chunauti, Dawat-e-khas and Paisa Vasool. Both channels also launched numerous one-off event–driven special shows like the Budget and so on. In recognition of the consistent excellence of its programming, the Company continues to win awards. In 2005, NDTV won 3 Hero Honda ITA awards and two Indian Telly Awards for Best News Anchor and Best English News Channel.

Human Resources

NDTV recognises that a significant part of its success depends on the excellence of its people. This robust intellectual capital is reflected in the quality of our programming and broadcasting, our business strategy, our excellent customer relations and our financial health. To nurture our human resource base and strengthen our culture of meritocracy, the Company, in consultation with Hewitt, has taken the following initiatives:

- introduced a job evaluation and performance pay framework;
- created a competency framework;
- introduced a performance management system to ensure objective measurement of performance by setting individual key result areas.

During the year, we added 149 people, taking our employee strength to 1168 as on March 31, 2006. The Company also implemented the Employee Stock Option Plan during the year.

Internal controls and corporate governance

As a corporate policy, NDTV rigorously benchmarks itself against the India's most reputed companies in terms of internal controls and corporate governance. Among the best practices it has voluntarily adopted in its accounting procedures, is the declaration of quarterly audited results. The company abides by the principles of good governance namely, transparency, accountability and sound systems of management and control.

Further, the efficiency of our internal control systems has improved with the implementation of an Enterprise Resource Planning system, which provides for a high level of system-based checks and controls by seamlessly integrating operations and processes. A report on corporate governance, certified by the Company's auditors as required by clause 49 of the listing agreement forms part of the Annual Report.

Management responsibility statement

The management is responsible for preparing the Company's financial statements and related information that appear in this annual report. The management believes that these statements fairly reflect the form and substance of transactions and reasonably represent the Company's financial condition and results of operations in conformity with Indian Generally Accepted Accounting Principles (GAAP).

Disclaimer

Statements in the management discussion and analysis report describing the Company's outlook may differ from the actual situation. Important factors that would make a difference to the Company's operations include market factors, government regulations, developments within the country and abroad and other such factors.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

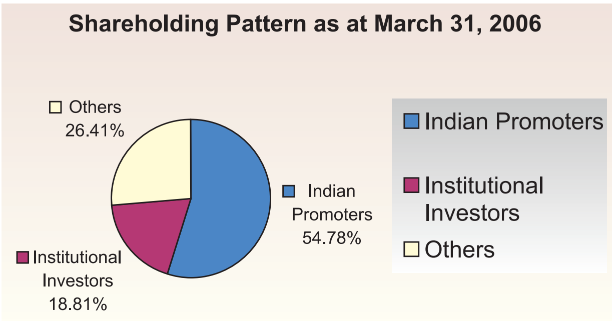
The following discussion is based on the audited financial statements, which have been prepared in compliance with the Companies Act, 1956 and Generally Accepted Accounting Principles (GAAP) in India.

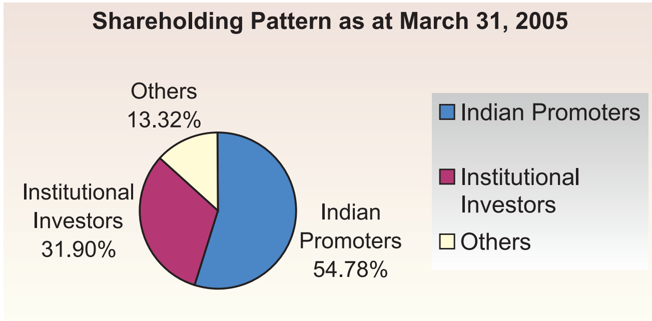
Our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein. For further details, see "Financial Statements – Significant Accounting Policies".

Financial Condition

Share Capital

There was no change in the capital structure of the Company during the year and the equity stood at Rs. 243.21 million comprising 60,802,632 Equity Shares of Rs 4/- each as at March 31, 2006. There was only one category of share capital and all shares ranked pari passu. The pie charts and table below depicts the shareholding pattern of the company:





Shareholding pattern	As at 31/03/2006		As at 31/03/2005	
	No. of Equity Shares	%age	No. of Equity Shares	%age
Indian Promoters	33,306,600	54.78	33,306,600	54.78
Sub Total	**33,306,600**	**54.78**	**33,306,600**	**54.78**
Mutual Funds/UTI	9,130,416	15.02	17,294,361	28.44
Banks, Financial Institutions, Insurance Companies	456,502	0.75	251,500	0.41
Foreign Institutions	1,851,750	3.05	1,851,750	3.05
Sub Total	**11,438,668**	**18.81**	**19,397,611**	**31.90**
Private Corporate Bodies	10,051,976	16.53	3,232,789	5.32
Indian Public	4,672,517	7.68	4,416,542	7.26
Clearing Members	954,153	1.57	80,527	0.13
Employees	212,312	0.35	352,760	0.58
Transit	1	0.00	–	0.00
Trust	155,602	0.26	5,000	0.01
Directors	10,803	0.02	10,803	0.02
Sub Total	**16,057,364**	**26.41**	**8,098,421**	**13.32**
Grand Total	**60,802,632**	**100.00**	**60,802,632**	**100.00**

Employee Stock Options

During the year, the Company has granted from time to time options to its eligible employees under "Employee Stock Option Plan – 2004'

Reserves & Surplus

No amount has been transferred to reserves in current year.

Fixed Assets

The additions to fixed assets in the current year consisted of major upgradation of existing facilities to keep abreast with the international standards of quality in broadcasting. In the preceding year, the corresponding additions were largely in respect of the launch of the Company's new Channel "NDTV Profit".

Results of Operations

Revenues

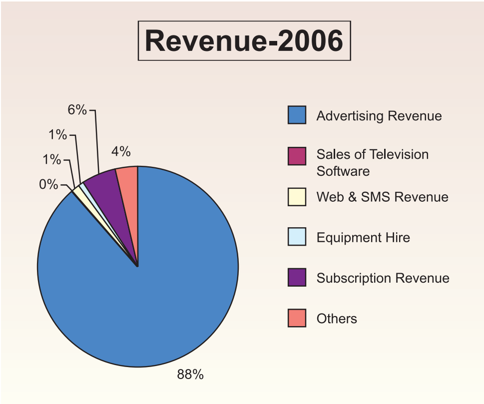
Our advertising revenue comprises advertising revenue from each of our channels, NDTV 24X7, NDTV India and NDTV Profit. Our business income primarily comprises revenue from national and international subscription for our pay channels, sale of television software in the news and current affairs and entertainment segments, revenue from other news delivery avenues (currently from our Website, and SMS) and others.

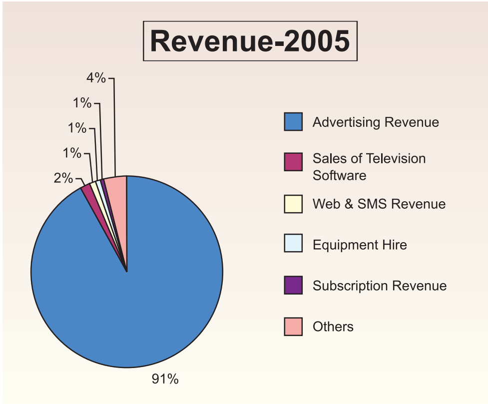
The following table sets out the contribution of the different components of our revenue and of other income towards total income for the year ended March 31, 2006 and March 31, 2005.

(Rs. in millions)

Particulars	2006	2005	%Growth
Revenue			
Advertising Sales (Gross)	1,960.73	1,582.89	+24%
Less: media commission to NDTV Media	(304.47)	(240.70)	
Barter (Net)	62.47	96.39	-35%
Business Income			
Sales of Television Software	2.76	26.14	-89%
Other News Delivery Avenues	27.59	17.71	+56%
Subscription Revenue	109.88	10.90	+908%
Other Business Income	42.20	22.60	+87%
Equipment Hire	11.78	12.77	-8%
Other Income	28.54	37.24	-23%
Total Income	**1,941.48**	**1,565.94**	**+24%**

The pie chart below depicts the contribution of income from different components of revenue as discussed above.





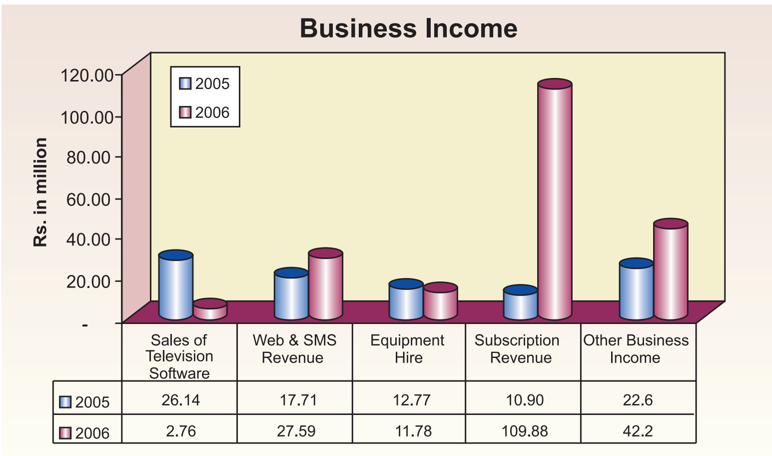
Advertising Revenue

Advertising revenue for the year ended March 31, 2006 was Rs. 1718.73 million as against 1,438.58 million last year i.e. an increase of 19%, after netting off the advertising sales commission of Rs 304.47 million (previous year Rs 240.70 million) to our subsidiary NDTV Media Limited and after including net barter sales of Rs 62.47 million (previous year Rs 96.39 million).

Business Income

Business income for the year ended March 31, 2006 was Rs. 194.21 million, which primarily comprised Rs 109.88 million from subscription, 2.76 million from sales of television software, Rs 27.59 million from other news delivery avenues and Rs 42.20 million from other business income which includes Rs 15 million received from NDTV Media Limited on account of management fees.

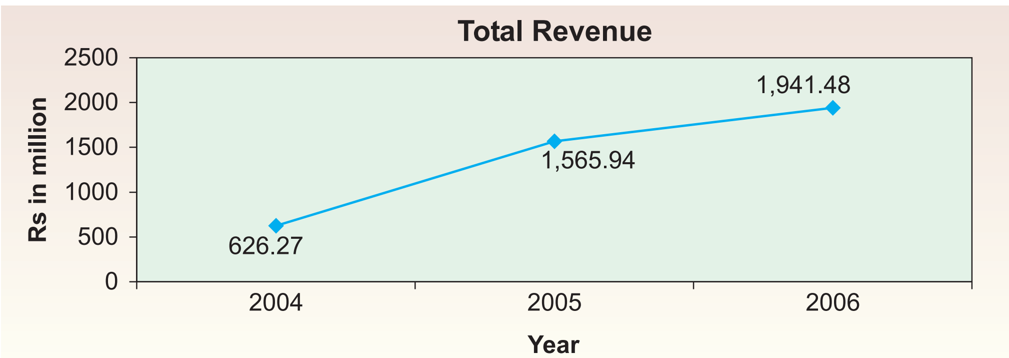
During the year, two of our channels, namely NDTV 24X7 and NDTV Profit, became pay channels. This new source of income expects to contribute substantially to total revenues in times to come. Revenue from the website has increased by 56% during the current year.



	Sales of Television Software	Web & SMS Revenue	Equipment Hire	Subscription Revenue	Other Business Income
2005	26.14	17.71	12.77	10.90	22.6
2006	2.76	27.59	11.78	109.88	42.2

Total Income

Our total revenue grew by 24% from Rs 1,565.94 million in the previous year to Rs 1,941.48 million in the current year.

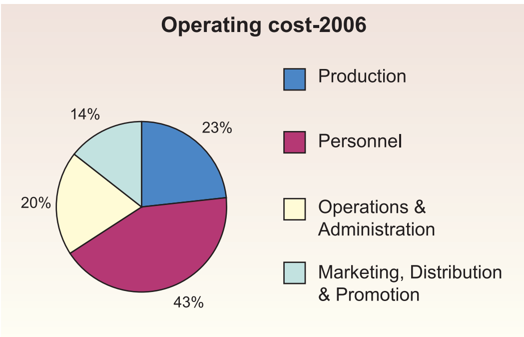


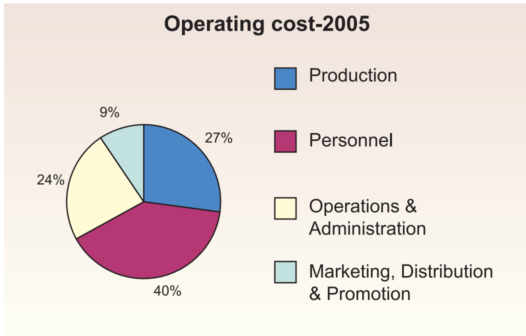
Operating Cost

The total operating cost for the year ended March 31, 2006 increased by 44% from Rs. 1120.37 million in the previous year to Rs. 1612.55 million in the current year. The increase is mainly attributable to costs on new channel being incurred this year for a full 12 months compared to the previous year when the corresponding charges were for a period of 3 months from the date of launch of the channel till the end of the accounting year. Apart from this distribution & personnel costs which have gone up (partially due to the launch of NDTV Profit) by 120% and 53% respectively also contributed to the increase. The following table & pie chart depict the different components of operating cost:

Rs in million

Heads of Expenses	2006	2005	% Increase
Production Expenses	377.96	304.37	24%
Personnel Expenses	683.39	446.26	53%
Operations & Administration Expenses	320.13	264.73	21%
Marketing, Distribution & Promotion Expenses	231.07	105.01	120%
Total Operating cost	**1,612.55**	**1,120.37**	**44%**





As a proportion of total cost, Marketing & Distribution expenses have gone up by 5% from 9% in the previous year to 14% of operating cost in the current year. Similarly, Personnel cost increased by 3% from 40% of operating cost in the previous year to 43% in the current year.

Production Cost

Production cost for the year ended March 31, 2006 increased by 24% from Rs 304.37 million in the previous year to Rs. 377.96 million in the current year. The increase is attributable to:

- Consultancy fees increased by Rs 14.35 million, mainly on account of payments to former sports persons for appearing on our sports related interactive programmes and the fees paid to the Company's HR consultants.
- Higher V-Sat, Video Conference and Uplinking charges by Rs. 25.06 million due to:
  - a) Increase in licence fees by DOT for greater bandwidth,
  - b) Increase in transponder fees for higher capacity and the launch of NDTV 24X7 in the USA, United Kingdom and Canada
- Higher expense on travel by Rs. 9.59 million required for fresh programming and coverage of international events.
- Charges for NDTV Profit having been incurred for 12 months in the current year compared to charges for 3 months in the previous year.

Employee Cost

Employee cost for the year ended March 31, 2006 increased by 53% from Rs 446.26 million in the previous year to Rs 683.39 million in the current year. This increase was caused by:

– Addition of new employees
– NDTV Profit salaries incurred for the full year.
– Higher annual increments in salaries, considered necessary to motivate and retain employees.

Employee numbers increased by 149 from 1019 in the previous year to 1168 in the current year.

Administrative and Other Expenses

Administrative and other expenses increased by 21% from Rs 264.73 million in the previous year to Rs. 320.13 million in the current year. This has resulted from:

– Increase in rent by Rs 4.19 million for new premises and normal annual increases.
– Increase in local conveyance/taxi hire expenses by Rs. 9.07 million due to higher cost of fuel, additional programmes, fresh programming and more employees.
– Increase in repair and maintenance cost by Rs. 15.65 million due to major renovation of Studios and upgrdation & maintenance of existing facilities.
– Increase in communication expenses by Rs. 6.69 million due to more employees.
– Increase in vehicle expenses by Rs. 5.51 million due to more vehicles in use and higher cost of fuel.
– Increase in generator hire & running expenses by Rs 4.24 million due to rise in fuel cost.

Marketing, Distribution and Promotional Cost

Marketing and distribution expenses for the year ended March 31, 2006 increased by 120% from Rs 105.01 million in the previous year to Rs 231.07 million in the current year. This has resulted from:

- Increase in distribution and promotional expenses by Rs 85.30 million to enhance the territorial reach of our channels and to make them available on prime bands.
- Increase in carriage fee rates by cable operators due to launch of numerous channels.
- Additional distribution and promotional expense of Rs. 30.94 million incurred to promote NDTV Profit.
- Increase in advertising expenses by Rs. 9.82 million during the current year to Rs. 16.02 million compared to Rs. 6.20 million last year. The cost has increased due to brand-building exercise undertaken by us during the year.

Depreciation

The increase in Depreciation by Rs 23.31 million was caused by higher additions to fixed assets during the year.

Financial Ratios

Ratio	2006 (%)	2005 (%)
PBDT to Total Income (Excl. ESOP charge)	16.94	28.45
PBT to Total Income (Excl. ESOP charge)	9.24	20.04
PAT to Total Income (Excl. ESOP charge)	10.26	18.64
Employee Cost to Total Income	35.20	28.50

AUDITORS' REPORT TO THE MEMBERS OF NEW DELHI TELEVISION LIMITED

1. We have audited the attached Balance Sheet of New Delhi Television Limited, as at March 31, 2006, 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, 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 further report that:

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

   (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

   (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.

   ii). (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.

   iii). (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.

   iv). In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, 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.

   v). In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register required to be maintained under that section.

vi). The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.

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

viii). 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.

ix). (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, 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, 2006 which have not been deposited on account of a dispute are as follows:

Name of the statute	**Nature of dues**	**Amount (Rs.)**	**Period to which the amount relates**	**Forum where the dispute is pending**
Income Tax Act, 1961	Income tax including interest	309,957	Assessment Year 2003-2004	Commissioner of Income Tax (Appeals)

x). The Company has no accumulated losses as at March 31, 2006 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.

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

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

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

xiv). 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.

xv). The Company has not obtained any term loans.

xvi). 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.

xvii). 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.

xviii). The Company has not raised any money by public issues during the year. The management has disclosed the end use of monies during the year, out of public issue raised in the earlier year (Refer Note B-20 on Schedule 18) and the same has been verified by us.

xix). 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.

xx). The other clauses, (xi) and (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

4. We refer to Note 14 (i) of Schedule 18 regarding managerial remuneration amounting to Rs.17,352 thousand paid to the directors, is subject to approval by the Central Government. Additionally, employee stock options granted to one of the directors included above is further subject to the approval by the shareholders.

   In the event that the Central Government approval is not received, these amounts are to be refunded by such directors. This would then result in the Loss after Taxation for the year to be Rs.49,013 thousand (as against the reported figure of Rs.62,493 thousand), Reserves and Surplus to be Rs.1,556,030 thousand (as against the reported figure of Rs.1,542,550 thousand), Net Current Assets to be Rs.935,609 thousand (as against the reported figure of Rs.924,103 thousand), Employee Stock Options Outstanding to be Rs. 255,762 thousand (as against the reported figure of Rs.261,608 thousand) and the Deferred tax liability to be Rs.66,821 thousand (as against the reported figure of Rs.62,948 thousand).

5. Further to our comments 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, 2006 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2006 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 subject to our comments in paragraph 4 above give respectively 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, 2006;

      (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.

Kaushik Dutta
Partner
Membership Number: F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: New Delhi
Dated: April 17,2006

New Delhi Television Limited
Balance Sheet as at March 31, 2006

	Schedule	As at March 31,2006	Amount (Rs.)	As at March 31,2005	Amount (Rs.)
Sources of Funds					
Shareholders' Funds					
Capital	1	243,210,528		243,210,528	
Employee Stock Options Outstanding	2	261,608,135		–	
Reserves & Surplus	3	1,542,550,379	2,047,369,042	1,660,507,150	1,903,717,678
Deferred Tax Liability -Net (Note B-8 on Schedule-18)			62,947,998		100,686,881
			2,110,317,040		**2,004,404,559**
Application of Funds					
Fixed Assets					
Gross Block	4	1,744,059,128		1,490,608,499	
Less : Depreciation		727,686,214		588,131,089	
Net Block		1,016,372,914		902,477,410	
Capital Work in Progress		50,961,266	1,067,334,180	5,284,686	907,762,096
Investments	5		118,880,300		18,880,300
Current Assets, Loans and Advances					
Inventories	6	36,395,983		5,159,108	
Sundry Debtors	7	928,626,307		680,679,602	
Cash and Bank Balances	8	236,198,496		538,248,431	
Other Current Assets, Loans and Advances	9	222,384,800		169,220,250	
		1,423,605,586		1,393,307,391	
Less: Current Liabilities and Provisions					
Current Liabilities	10	431,566,025		258,333,499	
Provisions	11	67,937,001		57,211,729	
		499,503,026		315,545,228	
Net Current Assets			924,102,560		1,077,762,163
			2,110,317,040		**2,004,404,559**
Notes to the Accounts	18				

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

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Chairman

Radhika Roy
Managing Director

Rajiv Mathur
Company Secretary

Jameskutty P.C
Group CFO

Place : New Delhi
Date : April 17, 2006

New Delhi Television Limited

Profit and Loss Account for the year ended March 31, 2006

	Schedule		For the year ended March 31, 2006 Amount (Rs.)		For the year ended March 31, 2005 Amount (Rs.)
Income					
Business Income					
- Advertising Revenue	12		1,718,730,135		1,438,578,456
- Other	13		194,211,614		90,121,227
Other Income	14		28,540,612		37,238,036
			1,941,482,361		**1,565,937,719**
Expenditure					
Production Expenses	15		377,956,253		304,373,600
Personnel Expenses	16		683,389,779		446,255,233
Operations & Administration Expenses	17		320,134,939		264,733,908
Marketing, Distribution & Promotion Expenses			231,069,853		105,006,940
			1,612,550,824		**1,120,369,681**
Profit Before Interest, Depreciation, Tax and Employee Stock Compensation Expense			**328,931,537**		**445,568,038**
Interest			–		5,631,316
Depreciation	4		149,471,179		126,157,291
Profit Before Tax & Employee Stock Compensation Expense			**179,460,358**		**313,779,431**
Employee Stock Compensation Expense (Note B-1 on Schedule 18)			261,608,135		–
Provision For Tax					
- Current		15,145,965		15,533,908	
- MAT Credit Entitlement		(15,145,965)		–	
- Deferred (Note B-8 on Schedule 18)		(37,738,883)		6,371,154	
- Fringe Benefit Tax		18,083,716	(19,655,167)	–	21,905,062
Net Profit/ (Loss) After Tax			**(62,492,610)**		**291,874,369**
Previous Year Balance Brought Forward			**418,852,401**		**235,141,331**
Amount available for appropriations			**356,359,791**		**527,015,700**
Appropriations					
General Reserve			–		52,701,570
Proposed Dividend			48,642,106		48,642,106
Corporate Dividend Tax			6,822,055		6,819,623
Profit Carried Forward			300,895,630		418,852,401
			356,359,791		**527,015,700**
Earnings Per Share - Basic and Diluted (Note B-15 on Schedule 18)			**(1.03)**		**4.93**
Notes to the accounts	18				

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

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Chairman

Radhika Roy
Managing Director

Rajiv Mathur
Company Secretary

Jameskutty P.C
Group CFO

Place : New Delhi
Date : April 17, 2006

New Delhi Television Limited
Cash flow statement for the year ended March 31, 2006

		For the year ended March 31, 2006 Amount (Rs)	For the year ended March 31, 2005 Amount (Rs)
A.	**Cash flow from operating activities:**		
	Net (loss)/profit before tax after Employee Stock Compensation Expenses	(82,147,777)	313,779,431
	Adjustments for:		
	Depreciation	149,471,179	126,157,291
	Interest Expense	–	5,631,316
	Interest Income	(25,794,243)	(34,699,410)
	Employee Stock Option Expense	261,608,135	–
	(Profit)/Loss on Fixed Assets sold	(837,739)	409,017
	Debts / Advances Written off	739,108	3,554,010
	Provision for Bad & Doubtful Debts	4,080,581	3,940,444
	Provision for Gratuity & Leave Encashment	9,964,164	1,484,636
	Liability no longer required written back	(1,516,992)	(382,728)
	Barter Income	(132,983,362)	(143,400,571)
	Barter Expenditure	70,515,289	47,013,752
	Tax Deducted at Source on service Income	(18,946,974)	(13,545,328)
	Operating profit before working capital changes	**234,151,369**	**309,941,860**
	Adjustments for changes in working capital :		
	- (Increase)/Decrease in Sundry Debtors	(252,766,394)	(322,553,000)
	- (Increase)/Decrease in Other Receivables	(39,989,756)	(42,438,427)
	- (Increase)/Decrease in Inventories	(31,236,875)	7,941,180
	- Increase/(Decrease) in Trade and Other Payables	178,230,681	127,264,650
	Cash generated from operations	**88,389,025**	**80,156,263**
	- Taxes (Paid) / Received (Net of TDS)	(1,148,266)	71,351,216
	- Fringe Benefit Tax (Paid)/ Received	(17,325,040)	–
	Net cash from operating activities	**69,915,719**	**151,507,479**
B.	**Cash flow from Investing activities:**		
	Purchase of fixed assets	(260,181,235)	(146,969,673)
	Proceeds from Sale of fixed assets	10,962,624	2,860,395
	Interest Received (Revenue)	32,714,686	16,741,895
	Purchase of investments	(100,000,000)	–
	Net cash used in investing activities	**(316,503,925)**	**(127,367,383)**

New Delhi Television Limited
Cash Flow Statement for the year ended March 31, 2006

		For the year ended March 31, 2006 Amount (Rs)	For the year ended March 31, 2005 Amount (Rs)
C.	**Cash flow from financing activities:**		
	Proceeds from fresh issue of Share Capital (including Share Premium)	–	1,090,000,000
	Payments made for share issue expenses	–	(99,249,135)
	Payment made to selling shareholders	–	(380,664,343)
	Repayment of loans	–	(380,000,000)
	Interest Paid	–	(5,646,582)
	Dividend Paid	(48,642,106)	–
	Dividend Tax Paid	(6,819,623)	–
	Net cash generated/ (used) in financing activities	**(55,461,729)**	**224,439,940**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**(302,049,935)**	**248,580,036**
	Opening Cash and cash equivalents	**538,248,431**	**289,668,395**
	Closing Cash and cash equivalents	**236,198,496**	**538,248,431**
	Cash and cash equivalents comprise		
	Cash in hand	1,225,299	703,528
	Balance with Scheduled Banks on Current and Deposit accounts	234,973,197	537,544,903
	Includes fixed deposits under lien Rs 12,161,600 (Previous Year Rs Nil) against letters of credit issued and Rs 75,041,000 (Previous Year Rs. 84,796,000) pledged against bank guarantees.		
		236,198,496	**538,248,431**

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 outflow.

3 Following non cash transactions have not been considered in the cash flow statement:
- Tax deducted at source (on income)
- Barter Transactions

4 Figures of the previous year have been restated, regrouped or reclassified wherever necessary to conform to current year's groupings and classification.

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Chairman

Radhika Roy
Managing Director

Rajiv Mathur
Company Secretary

Jameskutty P.C
Group CFO

Place : New Delhi
Date : April 17, 2006

New Delhi Television Limited
Schedules to the Balance Sheet

		As at March 31,2006 Amount (Rs.)		As at March 31,2005 Amount (Rs.)

Schedule - 1
Capital

		As at March 31,2006 Amount (Rs.)	As at March 31,2005 Amount (Rs.)
Authorised :			
68,750,000 Equity Shares of Rs.4/- each (Previous Year 68,750,000 Equity Shares of Rs 4/- each)		**275,000,000**	**275,000,000**
Issued , Subscribed & Paid Up :[1]			
60,802,632 Equity Shares of Rs.4/- each (Previous Year 60,802,632 Equity Shares of Rs 4/- each)		243,210,528	243,210,528
		243,210,528	**243,210,528**

[1]Out of the above:

(a) 7,509,870 (Previous Year - 7,509,870) Equity Shares of Rs. 4/- each were allotted as fully paid up by way of Bonus Shares by capitalisation of Profits and Revaluation Reserve.

(b) 33,651,690 (Previous Year -33,651,690) Equity Shares of Rs 4/- each were allotted as fully paid up by way of Bonus Shares by capitalisation of Securities Premium.

(c) 9,077,528 (Previous Year -9,077,528) Equity Shares of Rs 4/- each were allotted as fully paid up pursuant to a contract without payment being received in cash.

Schedule - 2
Employee Stock Options Outstanding

(Note B-1 on Schedule 18)

	As at March 31,2006 Amount (Rs.)	As at March 31,2005 Amount (Rs.)
Stock options granted during the year	733,506,800	–
Less: Deferred employee compensation expense	471,898,665	–
	261,608,135	**–**

Schedule - 3
Reserves & Surplus

		As at March 31,2006 Amount (Rs.)		As at March 31,2005 Amount (Rs.)
Securities Premium Account				
Opening Balance	1,188,953,179		617,508,625	
Additions during the year	–		637,592,472	
Less: Public Issue Expenses (Note B-20 on Schedule 18)	–		(66,147,918)	
Closing Balance		1,188,953,179		1,188,953,179
General Reserve				
Opening Balance	52,701,570		–	
Additions during the year	-		52,701,570	
Closing Balance		52,701,570		52,701,570
Profit and Loss Account		300,895,630		418,852,401
		1,542,550,379		**1,660,507,150**

New Delhi Television Limited
Schedules to the Balance Sheet

Schedule - 4 Fixed Assets

Amount (Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2005	Additions During the Year	Deletions/ Adjust-ments	As at March 31, 2006	As at April 01, 2005	Provided During the Year	On Deduct-ions	Upto March 31, 2006	As at March 31, 2006	As at March 31, 2005
Intangible assets										
Website	21,346,327	-	-	21,346,327	14,764,490	3,290,918	-	18,055,408	3,290,919	6,581,837
Computer Software	5,055,098	6,462,790	-	11,517,888	409,727	1,438,718	-	1,848,445	9,669,443	4,645,371
Tangible assets										
Land & Building	56,793,803	-	-	56,793,803	5,092,042	1,376,162	-	6,468,204	50,325,599	51,701,761
Plant & Machinery[1]										
Plant & Machinery (Main)[2]	1,058,752,307	140,681,139	8,358,263	1,191,075,183	382,091,572	98,727,953	523,542	480,295,983	710,779,200	676,660,735
Plant & Machinery (Other)	45,688,708	8,490,621	356,860	53,822,469	20,760,773	4,283,868	201,105	24,843,536	28,978,933	24,927,935
Computers [3]	114,614,124	14,841,862	632,451	128,823,535	73,062,725	12,898,478	630,713	85,330,490	43,493,045	41,551,399
Office Equipment	25,736,032	4,321,098	385,088	29,672,042	19,254,834	2,427,084	364,670	21,317,248	8,354,794	6,481,198
Furniture & Fixtures	102,080,105	6,675,472	-	108,755,577	52,415,430	12,211,682	-	64,627,112	44,128,465	49,664,675
Vehicles [4]	40,541,995	92,018,586	10,308,277	122,252,304	18,421,259	11,698,669	8,196,024	21,923,904	100,328,400	22,120,736
Helicopter [5]	20,000,000	-	-	20,000,000	1,858,237	1,117,647	-	2,975,884	17,024,116	18,141,763
TOTAL	**1,490,608,499**	**273,491,568**	**20,040,939**	**1,744,059,128**	**588,131,089**	**149,471,179**	**9,916,054**	**727,686,214**	**1,016,372,914**	**902,477,410**
Previous Year	1,347,620,220	151,148,803	8,160,524	1,490,608,499	466,864,909	126,157,291	4,891,111	588,131,089	902,477,410	-
Capital Work in Progress [6]	-	-	-	-	-	-	-	-	**50,961,266**	**5,284,686**

1 Includes foreign exchange fluctuation loss of Rs. 114,825 (Previous Year gain of Rs. 472,966)

2 Gross Block includes assets aggregating Rs. 5,113,542 (Previous Year Rs. 2,059,940) purchased under barter arrangements during the year

3 Gross Block includes assets aggregating Rs.2,100,010 (Previous Year Rs. 11,235,200) purchased under barter arrangements during the year

4 Gross Block includes assets aggregating Rs. 49,890,096 (Previous Year Rs. NIL) purchased under barter arrangements during the year

5 Title and ownership is as confirmed by Deccan Aviation Limited.

6 Includes an amount of Rs. 4,182,067 (Previous Year Rs. 5,284,686) towards Capital Advances and assets aggregating Rs. 531,771 (Previous Year Nil) purchased under barter arrangements during the year.

New Delhi Television Limited
Schedules to the Balance Sheet

		As at March 31, 2006 Amount (Rs.)		As at March 31, 2005 Amount (Rs.)
Schedule - 5				
Investments				
(Trade, Unquoted, at Cost)				
Long Term				
Subsidiary Companies				
NDTV News Limited				
(Formerly known as Harshil Overseas Limited)				
- 5,000 Equity Shares (Previous Year - 5,000 Equity Shares) of Rs. 100/- each fully paid up		10,380,300		10,380,300
- Share Application Money (Note B-2 on schedule-18)		100,000,000		–
NDTV Media Limited				
850,000 Equity Shares of Rs. 10/- Each Fully Paid Up (Previous Year - 850,000 Equity Shares of Rs. 10/- each)		8,500,000		8,500,000
		118,880,300		**18,880,300**
Schedule - 6				
Inventories				
Stores & Spares		4,209,376		4,370,863
Video Tapes		1,630,356		788,245
Television Programmes under production and finished programmes		30,556,251		–
		36,395,983		**5,159,108**
Schedule - 7				
Sundry Debtors				
(Unsecured, Considered Good unless otherwise specified)				
Debts Outstanding for a period exceeding six months				
Considered good	80,997,371		83,678,756	
Considered doubtful	19,533,201	100,530,572	15,740,444	99,419,200
Other Debts				
Considered good [1]		847,628,936		597,000,846
		948,159,508		696,420,046
Less: Provision for Doubtful Debts		(19,533,201)		(15,740,444)
		928,626,307		**680,679,602**

[1] Includes Rs. 3,130,130 (Previous Year Rs 1,305,457) from NDTV Media Limited, a subsidiary. {Note B - 13 (III) on Schedule 18}

Schedule - 8				
Cash and Bank Balances				
Cash In Hand		1,225,299		703,528
Balance With Scheduled Banks on Current Accounts				
- Rupee Accounts		33,796,200		14,553,878
- EEFC Accounts		225,320		231,816
Fixed Deposits [1]	200,951,677		526,648,300	
Less: Book overdraft with the same bank	-	200,951,677	(3,889,091)	522,759,209
		236,198,496		**538,248,431**

[1] Includes fixed deposits under lien Rs 12,161,600 (Previous Year Rs Nil) against letters of credit issued and Rs 75,041,000 (Previous Year Rs. 84,796,000) pledged against bank guarantees.

New Delhi Television Limited
Schedules to the Balance Sheet

	As at March 31, 2006 Amount (Rs.)	As at March 31,2005 Amount (Rs.)
Schedule - 9		
Other Current Assets, Loans and Advances		
(Unsecured, Considered Good)		
Advances recoverable in cash or kind or for value to be received	23,412,440	35,722,586
Security Deposits	28,933,280	32,766,672
Interest Accrued But Not Due	4,175,466	16,280,178
Advances & Imprest to Employees [1]	29,770,320	15,708,608
Prepaid Expenses	83,711,528	41,640,573
Advance to Subsidiary [2] - NDTV News Limited	9,079,912	9,079,284
Advance Income Tax {Net of Provision for Income Tax of Rs 96,679,873 (Previous Year Rs 125,639,665)}	28,155,889	18,022,349
MAT Credit Entitlement	15,145,965	–
	222,384,800	**169,220,250**

[1] Advances include loan to a whole time Director Rs. Nil (Previous Year Rs. 5,432,792) under the approved housing loan scheme of the Company . Maximum balance outstanding during the year Rs.5,432,792 (Previous Year Rs. 5,904,792)
[2] Maximum balance outstanding during the year Rs. 9,079,912 (Previous Year Rs. 9,079,284)

Schedule - 10		
Current Liabilities		
Sundry Creditors [1]	353,144,224	168,956,758
Other Liabilities	68,619,859	59,370,597
Barter Liabilities (Net) [2]	3,523,717	22,883,581
Advances from Customers	6,278,225	7,122,563
	431,566,025	**258,333,499**

[1] The Company does not owe any amount to small scale undertakings.
[1] Includes Rs.214,274,394 (Previous Year Rs 132,933,977) payable to NDTV Media Limited, a subsidiary.

[2] Includes :
- Rs. 41,037 (Previous Year Rs 8,160,681) on account of Advance Airtime Liability due to ICICI Bank Limited
- Rs. 44,812,187 (Previous Year 14,722,900) due to other parties on account of Barter transactions

Schedule - 11		
Provisions		
Provision for Gratuity	11,714,164	1,750,000
Proposed Dividend	48,642,106	48,642,106
Corporate Dividend Tax	6,822,055	6,819,623
Provision for Fringe Benefit Tax {Net of advance tax of Rs 17,325,040 (Previous Year Rs Nil)}	758,676	–
	67,937,001	**57,211,729**

New Delhi Television Limited
Schedules to the Profit and Loss Account

		For the Year ended March 31, 2006 Amount (Rs.)		For the Year ended March 31, 2005 Amount (Rs.)
Schedule - 12				
Advertising Revenue				
Sales		1,960,732,309		1,582,888,057
Barter Sales				
- ICICI Bank	7,100,251		92,418,883	
- Others	125,883,111		50,981,688	
	132,983,362		143,400,571	
Less : Barter Expenses - Advertisement	(70,515,289)	62,468,073	(47,013,752)	96,386,819
Less : Media commission payable to NDTV Media Limited		(304,470,247)		(240,696,420)
		1,718,730,135		**1,438,578,456**
Schedule - 13				
Other Business Income				
Sales of Television Software		2,757,389		26,135,000
Other News Delivery Avenues [1]		27,594,233		17,709,552
Equipment Hire		11,784,620		12,774,042
Subscription Revenue		109,875,411		10,898,395
Others [2]		42,199,961		22,604,238
		194,211,614		**90,121,227**

[1] Includes Barter Income of Rs 1,605,000 (Previous Year Rs Nil)

[2] Includes income of Rs15,000,000 from NDTV Media Limited on account of Management Fees (Previous Year Rs. 15,000,000)

	For the Year ended March 31, 2006 Amount (Rs.)	For the Year ended March 31, 2005 Amount (Rs.)
Schedule - 14		
Other Income		
Interest earned:		
- On Fixed Deposits {Gross of tax deducted at source Rs 5,184,269(Previous Year Rs 5,559,259)}	24,943,481	26,966,444
- On Income Tax Refund	831,102	7,732,966
- Others	19,660	–
Profit on sale of fixed assets	837,739	–
Foreign Exchange gain - Net	43,711	1,212,523
Liabilities written back	1,516,992	382,728
Miscellaneous Income	347,927	943,375
	28,540,612	**37,238,036**
Schedule - 15		
Production Expenses		
Consultancy & Professional Fee [1]	75,563,025	61,216,870
Hire Charges	9,176,735	10,469,459
Graphic, Music And Editing	4,644,760	1,196,599
Video Cassettes	8,797,591	4,719,038
Subscription, Footage & News Service	48,013,680	51,035,440
Software Expenses	5,030,365	2,006,478
V-Sat, Video Conference & Uplinking	80,665,327	55,602,255
Sets Construction	563,004	1,924,879
Panelist Fee	5,139,430	3,383,336
Website Hosting & Streaming	17,054,508	16,359,610
Helicopter Running & Maintenance	6,495,070	6,941,963
Travelling	80,503,822	70,918,063
Stores & Spares	12,795,899	9,953,144
Other Production Expenses	23,513,037	8,646,466
	377,956,253	**304,373,600**

[1] Includes Rs 900,000 (Previous Year Rs 900,000) paid to NDTV Media Limited towards Professional Fees

New Delhi Television Limited
Schedules to the Profit and Loss Account

	For the Year ended March 31, 2006 Amount (Rs.)	For the Year ended March 31, 2005 Amount (Rs.)
Schedule - 16		
Personnel Expenses		
Salary, Wages & Other Benefits	620,953,207	403,445,075
Contribution to Provident Fund & other Funds	41,004,482	28,658,947
Staff Welfare	21,432,090	14,151,211
	683,389,779	**446,255,233**
Schedule - 17		
Operations & Administration Expenses		
Rent (Note B- 16 on Schedule 18)	64,557,587	60,370,269
Rates and taxes	1,435,524	1,049,476
Electricity and water	19,880,232	16,562,391
Bank charges	2,389,236	1,575,428
Printing and stationery	4,277,590	3,883,798
Postage and courier	2,523,922	2,179,093
Books, periodicals and news papers	20,490,694	13,682,727
Local conveyance & taxi hire	34,924,299	25,852,875
Business promotion	7,746,464	5,855,290
Repair and Maintainance		
- Plant & Machinery	28,300,167	20,339,846
- Building	19,691,675	12,006,736
Charity and donations	1,036,800	1,316,800
Audit Fees - Statutory and Quarterly audits (including reimbursements)	2,880,910	2,641,548
Insurance	11,985,307	11,674,416
Communication	39,259,030	32,568,575
Vehicle	16,088,880	10,578,341
Medical	9,539,816	6,637,417
Generator hire and running	13,503,858	9,264,335
Security	3,541,965	3,299,465
Staff training	187,205	33,522
Provision for doubtful debts	4,080,581	3,940,444
Bad Debts & doubtful advances written off	739,108	3,554,010
Legal & Professional	5,279,138	9,871,061
Miscellaneous	5,794,951	5,587,028
Loss on Sale of Fixed Assets	–	409,017
	320,134,939	**264,733,908**

New Delhi Television Limited
Schedules to the Accounts

Schedule 18

A. Significant Accounting Policies

1. Basis of Preparation

These financial statements have been prepared in accordance with the historical cost convention, generally accepted accounting principles and relevant provisions of the Companies Act, 1956 (“The Act”) and Accounting Standards issued by the Institute of Chartered Accountants of India (“ICAI”).

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

2. Tangible Fixed Assets

Tangible Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation.

Fixed assets purchased under barter arrangements are stated at the fair market value as at the date of purchase.

3. Intangibles

Intangible assets are recognised if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. Intangible assets are stated at cost less accumulated amortization and impairment.

4. Depreciation

Depreciation on fixed assets including intangibles is provided using the Straight Line Method based on the useful lives as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% on a pro-rata basis. The management’s estimates of useful lives for various fixed assets are given below:

Asset Head	Useful Life (years)
Buildings	40
Plant and Machinery	5-12
Computers	3-6
Office equipment	3-5
Website	6
Furniture and Fixtures	5-8
Vehicles	6
Helicopter	17
Computer Software	6

The rates of depreciation derived from these estimates of useful lives are higher than those mandated by Schedule XIV of the Companies Act, 1956 after considering the impact of shift workings.

5. Revenue Recognition

Revenue from advertising is recognised for the period for which services have been provided based on valid contracts.

Revenues from production arrangements are recognized when the contract period begins and the programming is available for telecast pursuant to the terms of the agreement, typically when the finished product has been delivered to or made available to and accepted by the customer. Revenue from other services is recognized as per the terms of the agreement, as the services are rendered and no significant uncertainty exists regarding the amount of consideration. Revenue from equipments given out on lease is accounted for on accrual basis for the period of use of equipments by the customers.

6. Inventories

Stores and Spares

Stores and spares consist of blank videotapes and equipment spare parts and are valued at the lower of cost or net realizable value. Cost is measured on a First In First Out (FIFO) basis.

VHS Tapes

VHS tapes, other than Betacam and DVC videotapes, are written off in the books at the time of their purchase. Betacam and DVC videotapes are written off on issue to production.

Programmes under production and finished programmes

Inventories related to television software (programmes completed, in process of production, available for sale or purchased programmes) are stated at the lower of cost (which includes direct production costs, story costs, acquisition of footage and allocable production overheads) or net realisable value. The cost of purchased programmes is amortised over the initial license period. The Company charges to the profit and loss account 80% of the costs incurred on non-news programmes produced by itself on their first telecast and the balance on subsequent telecast. This is based on the estimated revenues generated by the first and the subsequent telecasts.

7. Retirement Benefits

The Company's contribution to Provident Fund is charged to the Profit and Loss Account.

The Company makes annual contributions to a gratuity fund administered and managed by the Life Insurance Corporation of India ("LIC"). Under this scheme, LIC assumes the obligation to settle the gratuity payment to the employees to the extent of the funding. Liability for gratuity at the year end is provided on the basis of an actuarial valuation done at period end.

8. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction.

Gains / (losses) arising out of fluctuations in the exchange rates are recognized as income/expense in the period in which they arise. Exchange differences on the reporting date or settlement date arising from repayment of liabilities incurred for the purpose of acquiring fixed assets are adjusted in the cost of the respective asset.

9. Leases

Assets taken under leases, where the Company has substantially all the risks and rewards of ownership are classified as Finance leases. Such assets are capitalised at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets taken on leases where significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on a straight line basis over the lease term.

10. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961, and based on the expected outcome of the assessment.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws substantially enacted as on the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation/brought forward losses are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

11. Earnings Per Share (EPS)

Basic EPS

The earnings considered in ascertaining the Company's basic EPS comprise the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted EPS

The net profit/ (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS.

12. Dividend

Dividends on common stock and the related dividend tax thereon are recorded as a liability on proposal by the Board.

13. Investments

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

Long term investments are stated at cost of acquisition. However, permanent diminutions, if any, are adjusted against the value of investments.

14. Barter Transactions

Barter transactions are recognised at the fair value of consideration receivable or payable. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/ received adjusted by the amount of cash or cash equivalent transferred.

15. Employee stock based compensation

The Company calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of market price of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Company, is recognized as deferred stock compensation expense and is amortised over the vesting period on the basis of generally accepted accounting principles in accordance with the guidelines of Securities and Exchange Board of India.

B Notes to Accounts

1. Employee Stock Option Plan– ESOP 2004

The Company instituted the Employee Stock Option Plan – ESOP 2004 to grant equity-based incentives to all its eligible employees. The ESOP 2004 had been approved by the board of directors in their meeting held on January 5, 2004 and by the shareholders in their meetings held on January 29, 2004 and September 22, 2004 for grant of 2,557 thousand options to the employees of the Company. Pursuant to the scheme, the Board on June 30, 2005 granted 3,310 thousand options to employees of the Company (part of which were subject to shareholders' approval) at an exercise price of Rs. 4 each, representing one share for each option upon exercise. Subsequently, the shareholders at their meeting held on September 19, 2005 authorised the board to grant options for further 1,500 thousand equity shares. The maximum tenure of these options granted is 7 years from the date of grant. Balance options available for grant as at the year ended March 31, 2006 is 639.5 thousand.

Accordingly, the Company under the intrinsic value method has recognised the excess of the market price over the exercise price of the options amounting to Rs. 261,608 thousand as an expense during the year. Further, the liability outstanding as at the March 31, 2006 in respect of Employee Stock Options outstanding is Rs. 261,608 thousand. The balance deferred compensation expense Rs 471,899 thousand will be amortised over the remaining vesting period of options.

The movement in the options granted to employees during the year ended March 31, 2006 under the ESOP 2004 is set out below:

	First Grant	Second Grant	Third Grant
Date of Grant	June 30, 2005	September 19, 2005	December 1, 2005
Market value on date of grant of the underlying equity shares	212.75	235.20	179.50
Exercise Price	Rs. 4	Rs. 4	Rs 4
Vesting Period	4 Years	4 Years	4 Years
Options granted	2,557,000	930,500	12,500
Options forfeited	66,000	16,500	-
Options exercised	-	-	-
Options expired	-	-	-
Options outstanding at the year end [1]	2,491,000	914,000	12,500
Options Exercisable at the year end	-	-	-

[1] weighted average remaining contractual life of 3.31 years.

The fair value of each stock option granted under ESOP 2004 as on the date of grant has been computed using Black-Scholes Option Pricing Formula and the model inputs are given as under:

	First Grant	**Second Grant**	**Third Grant**
Date of Grant	June 30, 2005	September 19, 2005	December 1, 2005
Weighted average share price on the grant date	Rs. 212.75	Rs 235.20	Rs 179.50
Volatility [2] (%)	50.20 to 64.49	50.12 to 63.15	49.05 to 60.13
Risk free rate [3] (%)	6.33 to 6.60	6.39 to 6.79	6.32 to 6.81
Exercise Price	Rs 4	Rs 4	Rs 4
Time to Maturity (years) [4]	2.50 to 5.50	2.50 to 5.50	2.50 to 5.50
Dividend Yield [5]	0%	0%	0%
Life of options	7 years	7 years	7 years
Weighted average fair value of options as at the grant date	Rs. 209.66	Rs. 232.13	Rs. 176.42

[2] In view of the non availability of adequate historical data for the Company, the historical volatility of another entity within the same industry has been considered.

[3] Being the interest rate applicable for maturity equal to the expected life of options based on zero-coupon yield curve for Government Securities.

[4] Vesting period and volatility of the underlying equity shares have been considered for estimation.

[5] Since the average price trend for earlier years was not available as the Company was listed in May 2004, dividend yield has not been considered.

The impact on the profit of the Company for the year ended March 31, 2006 and the basic and diluted earnings per share had the Company followed the fair value method of accounting for stock options is set out below:

	Amount (Rs. '000)
Profit/(Loss) after tax as per Profit and Loss Account (a)	(62,493)
Add : Employee Stock Compensation Expense as per Intrinsic Value Method	261,608
Less : Employee Stock Compensation Expense as per Fair Value Method	262,713
Profit/(Loss) after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	(63,598)
Basic and diluted Earnings per Share as computed on earnings as per (a) above (Rs)	(1.03)
Basic and diluted Earnings per Share as computed on earnings recomputed as per (b) above (Rs)	(1.05)

2. Investment in NDTV News Limited

During the year NDTV News Limited (NDTVN), a 100% subsidiary of the Company together with associate companies of Value Labs and Astro All Asia Network Plc, Malaysia through their existing Indian joint venture companies has acquired a minority stake in Radio Today (Kolkata) Broadcasting Limited, Radio Today (Delhi) Broadcasting Limited and Radio Today (Mumbai) Broadcasting Limited (referred to as radio companies). The three radio companies hold licenses for FM radio broadcasting in Mumbai, Delhi and Kolkata respectively, under the brand name of RED FM. The Company has paid Rs.100,000 thousand as advance against equity to NDTVN for the above purpose.

The Radio Companies as at the date of the acquisition had accumulated losses amounting to Rs 968,909 thousand. NDTVN's proportionate share in the losses of the Radio Companies amount to Rs. 300,362 thousand and the resultant excess of purchase consideration over the total net asset value amounts to Rs. 400,362 thousand as below:

Particulars	Amount (Rs '000)
Net Asset Value of Radio Today (Mumbai) Broadcasting Limited as at December 31, 2005	(702,131) [6]
Net Asset Value of Radio Today (Delhi) Broadcasting Limited as at December 31, 2005	(233,574) [6]
Net Asset Value of Radio Today (Calcutta) Broadcasting Limited as at December 31, 2005	(33,204) [6]
Total Net Asset Value of the FM Radio Companies as at December 31, 2005	**(968,909) [6]**
NDTVN's share in Net Asset Value of the FM Radio Companies as at December 31, 2005 (31%)	**(300,362)**
Total Purchase Consideration paid	100,000
Excess of purchase consideration over the total net asset value	**400,362**

The profits/ (losses) of the radio companies for the three months ended March 31, 2006 are:

Particulars	Amount (Rs. '000)
Radio Today (Mumbai) Broadcasting Limited	(2,573) [6]
Radio Today (Delhi) Broadcasting Limited	5,291 [6]
Radio Today (Calcutta) Broadcasting Limited	2,282 [6]
Total	**5,000 [6]**
NDTVN's share (31%)	1,550 [6]

NDTVN intends to bring down its shareholding in the joint venture companies materially and the current level of ownership is temporary. Accordingly, the Company has not accounted for the above in the Consolidated Financial Statements.

[6] Based on unaudited financial statements certified by the management of the Radio Companies.

3. Joint Venture with Astro All Asia Entertainment Networks Limited

The Company has entered into a Joint Venture and Shareholder's agreement with Astro All Asia Entertainment Networks Limited ("Astro") headquartered in Malaysia to establish a Joint Venture to undertake telecast of 24 -hour news and information channels in English and other vernacular languages for exclusive exploitation on television in South East Asian media markets and Chinese language in East Asia. Under the agreement the Company will subscribe for upto 20% shares in the issued and paid up capital of the joint venture company in one or more tranches amounting in total to one million new shares of USD 1 each of the joint venture company.

4. Distribution Agreement with Set Discovery Private Limited

The Company has granted exclusive rights to SET Discovery Private Limited to license and sub-license the services for distribution of its television channels, NDTV 24x7 and NDTV Profit throughout the territory of India with effect from April 1, 2005.

5. International Distribution Agreements

The Company has entered into separate agreements, under which the Company has granted exclusive rights to distribute the feed of its English channel NDTV 24X7 to DIRECTV, Inc, a California corporation for territories in USA, British Sky Broadcasting Limited ("Sky"), for United Kingdom and Northern Ireland, Asia Television Network International Limited for Canada and Arab Digital Distribution, Egypt for Middle East at agreed upon subscription fees.

6. Estimated amount of contracts remaining to be executed on capital account, not provided for (net of capital advances)

Particulars	As at March 31, 2006 Amount (Rs.' 000)	As at March 31, 2005 Amount (Rs.' 000)
On Letters of credit	40,675	-
On others	19,636	790
Total	**60,311**	**790**

7. Contingent Liabilities not provided for in respect of:

i. Bonds for differential customs duty (availed on import of equipment) against fulfillment of export obligations-Bank Guarantees issued for Rs 63,147 thousand (Previous Year Rs 55,883) thousand.

ii. Claims against the Company not acknowledged as debts: Rs. 82,564 thousand (Previous Year Rs.82,564 thousand)

The Company had filed a suit for recovery of Rs. 66,861 thousand as its principal debt along with interest thereon against Doordarshan (DD) in the High Court of Delhi in February 1998 for various programmes produced and aired between 1994 and 1996. In its rejoinder during the suit proceedings, DD has admitted its debts of Rs.35,610 thousand only but has disputed the balance claim of Rs. 31,251 thousand and interest claimed. On the contrary, DD has claimed Rs 82,564 thousand - Rs.55,492 thousand towards telecast fee etc. against various programmes and Rs.27,072 thousand as interest thereon, which has not been accepted by the Company. The last hearing in the Court in the current fiscal year has been adjourned, at the request of the counsel of DD to settle between the parties through a mediation route.

Based on legal advice and existing contractual agreements with DD, the Company considers the outstanding debt from DD in its books as recoverable except for Rs.11,800 thousand, which has been provided for and no interest has been accrued on the outstanding amount.

iii. The Company has received legal notices of claims/lawsuits filed against it relating to infringement of copyrights, trademarks and defamation suits in relation to the programmes produced by it. In the opinion of the management, no material liability is likely to arise on account of such claims/law suits.

8. Deferred Taxes

The income tax benefit for the year comprises of:

	Year Ended March 31,2006	Year Ended March 31,2005
Income tax expense / (benefit)	**Amount (Rs.'000)**	**Amount (Rs.'000)**
Current	15,146	15,534
MAT Credit Entitlement	(15,146)	-
Deferred	(37,739)	6,371
Total	**(37,739)**	**21,905**

Significant components of deferred tax assets and liabilities are shown in the following table:

	Year Ended March 31,2006	Year Ended March 31,2005
	Amount (Rs.'000)	**Amount (Rs.'000)**
Deferred tax assets		
Accumulated Losses	23,635	-
Provision for Expenses	11,293	5,847
Total deferred tax assets	**34,928**	**5,847**
Deferred tax liability		
Depreciation	(97,876)	(106,534)
Total deferred tax liability	**(97,876)**	**(106,534)**
Net Deferred Tax Asset/(Liability)	**(62,948)**	**(100,687)**

9. The information required under paragraph 3 of Part II of Schedule VI to the Act, is not relevant to the business of the company namely Television Media.

10. Quantitative details for Video tapes

	Year ended March 31, 2006		Year ended March 31, 2005	
	Quantity (in No's)	Amount (Rs.'000)	Quantity (in No's)	Amount (Rs.'000)
Opening Stock				
BETACAM	24	14	138	154
DVC	1,635	774	2,795	1,536
Purchases				
BETACAM	414	316	617	386
DVC	23,260	9,273	6,285	3,396
Consumed				
BETACAM	352	285	731	526
DVC	21,164	8,462	7,445	4,158
Closing Stock				
BETACAM	86	45	24	14
DVC	3,731	1,585	1,635	774

11. Consumption Details

For the year ended March 31, 2006

Particulars	Indigenous		Imported		Total	
	Quantity (Nos)	Amount (Rs.'000)	Quantity (Nos)	Amount (Rs.'000)	Quantity (Nos)	Amount (Rs.'000)
Tapes	5,784	1,649	16,404	7,149	22,188	8,798
Stores & Spares	5,399	8,047	1,769	4,749	7,168	12,796

For the year ended March 31, 2005

Particulars	Indigenous		Imported		Total	
	Quantity (Nos)	Amount (Rs.'000)	Quantity (Nos)	Amount (Rs.'000)	Quantity (Nos)	Amount (Rs.'000)
Tapes	3,492	2,192	5,052	2,527	8,544	4,719
Stores & Spares	7,493	8,125	1,240	1,828	8,733	9,953

12. Segment Reporting

The Company operates in the single primary segment of television media and accordingly, there is no separate reportable segment.

13. Related Party Transactions

I. Names of related parties with whom transactions were carried out during each year and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 issued by the Institute of Chartered Accountants of India and where control exists:

Subsidiaries

NDTV Media Limited

NDTV News Limited

Key Management Personnel and their relatives

Dr. Prannoy Roy	Chairman
Radhika Roy	Managing Director
K.V.L. Narayan Rao	Director
Renu Rao	Wife of a Director

II. Disclosure of Related Party Transactions:

Details of transactions in the ordinary course of business for the year ended March 31, 2006

(Amount in Rs. '000s)

S.No	Nature of relationship / transaction	Subsidiary Companies	Key Management Personnel	Relatives	Total
1	Rendering of services	15,861[9]	-	-	15,861
2	Services Availed of	305,370[7]	-	-	305,370
3	Remuneration Paid (Refer Note 14 (i) below)	-	33,081	2,909	35,990
4	Payment made on behalf of others	6,503	-	-	6,503
5	Equity Contribution	100,000[8]	-	-	100,000

Details of transactions in the ordinary course of business for the year ended March 31, 2005

(Amount in Rs. '000s)

S.No	Nature of relationship / transaction	Subsidiary Companies	Key Management Personnel	Relatives	Total
1	Rendering of services	15,431[9]	-	-	15,431
2	Services Availed of	241,596 [7]	40,412	-	282,008
3	Remuneration Paid (Refer Note 14 (i) below)	-	15,520	2,196	17,716
4	Payments made on behalf of others	54	-	-	54

III. Amount due to/from related parties

Amount due to/from related parties as on March 31, 2006

(Amount in Rs.000's)

S.No	Nature of relationship / transaction	Subsidiary Companies	Key Management Personnel	Relatives	Total
	Debit balances outstanding as on 31 March 2006				
1	Outstanding Advances	9,080[8]	-	-	9,080
2	Outstanding Receivable	3,130[9]	-	60	3,190
	Credit balances outstanding as on 31 March 2006				
1	Outstanding Payable	214,274[9]	3,767	115	218,156

Amount due to/from related parties as on March 31, 2005

(Amount in Rs.000's)

S.No	Nature of relationship / transaction	Subsidiary Companies	Key Management Personnel	Relatives	Total
	Debit balances outstanding as on 31 March 2005				
1	Outstanding Advances	9,079[8]	5,433	120	14,632
2	Outstanding Receivable	1,305[9]	-	-	1,305
	Credit balances outstanding as on 31 March 2005				
1	Outstanding Payable	1,32,934[9]	2,069	-	1,35,003

[7] **Commission to NDTV Media Limited**

The Company has entered into an agreement with its subsidiary, NDTV Media Limited for marketing its television channels. As per the terms and conditions of the agreement, NDTV Media Limited will be entitled to commission on advertisements obtained for the above mentioned channels and such other marketing activities as mentioned in the agreement like Banner Ads, Web Income etc. Such commission will be payable on realization of amounts billed to the clients.

[8] NDTV News Limited

[9] NDTV Media Limited

14. Directors' Remuneration

(i) Wholetime Directors' Remuneration

Amount (Rs.'000)

	Year ended March 31, 2006	**Year ended March 31, 2005**
Salary and Other Allowances	17,064	12,086
Reimbursement	413	-
Contribution to Provident and Other Funds	1,328	1,328
Ex gratia	75	75
Perquisites	355	531
Incentive	8,000	-
Employee Stock Compensation Expense [11]	5,846	-
Commission	-	1,500
Total	**33,081[10]**	**15,520**

[10] Includes Remuneration amounting to Rs. 17,352 thousand paid to Directors that exceeds the minimum remuneration payable in case of inadequacy of profits, subject to Central Government's Approval.

[11] Subject to approval by the remuneration committee and the shareholders.

(Amount in Rs.' 000s)

		Year ended March 31, 2006	**Year ended March 31, 2005**
(ii)	Sitting fees	260	305
(iii)	Non- Executive Directors' Commission	-	1,500

(iii) Computation of Directors' Commission **(Amount in Rs.' 000s)**

	Year ended March 31, 2006		Year ended March 31, 2005	
Profit/ (Loss) before Taxation after Employee Stock Compensation Expense		(82,148)		313,779
Add: Directors' Remuneration	33,341		17,325	
Book Depreciation	149,471		126,157	
Provision for doubtful debts	4,081		3,940	
Adjusted Loss on sale of fixed assets	-	186,893	409	147,831
Less: Depreciation u/s 350 of the Companies Act, 1956	149,471		126,157	
Adjusted Profit on sale of fixed assets	838		-	
Debts written off against the respective provisions and not debited to profit and loss account	-	150,309	233	126,390
Profit/ (Loss) for the purpose of Directors' Commission		(45,564)		335,220
Non- Executive Directors' Commission at 1% of above		-		3,352
Restricted to		-		1,500

15. Earnings / (Loss) per share (EPS)

Description	**Year Ended March 31, 2006**	**Year Ended March 31, 2005**
Number of equity shares outstanding at the beginning of the year (Nos.)	60,802,632	51,142,140
Add: Fresh issue of equity shares (Previous Year May 19, 2004) (Nos.)	-	9,660,492
Number of equity shares outstanding at year end (Nos.)	60,802,632	60,802,632
Weighted average number of Equity Shares outstanding during the year (Nos.)	60,802,632	59,192,550
Profit / (loss) attributable to Equity Shareholders (Rs.)	(62,492,610)	291,874,369
Basic and Diluted Earnings / (loss) per Equity Share (Rs.)	(1.03) [12]	4.93
Nominal Value per share (Rs)	4	4

[12] Potential conversion of the stock options granted is anti-dilutive and accordingly, has not been considered in the calculation of diluted earning/ (loss) per share.

16. Operating Leases

i) The Company has taken various residential/commercial premises under cancellable operating leases. These lease agreements are normally renewed on expiry.

ii) The rental expense for the current year, in respect of operating leases was Rs. 64,558 thousand (Previous Year Rs 60,370 thousand).

17. Earnings in Foreign Currency (On Cash Basis)

Particulars	**Year ended March 31, 2006 Amount (Rs.'000)**	**Year ended March 31, 2005 Amount (Rs.'000)**
Ad sales	11,785	16,488
Subscription Revenue	17,254	6,359
Other Business Income – Consultancy fees etc.	10,961	205
Total	**40,000**	**23,052**

18. CIF value of imports

Particulars	Year ended March 31, 2006 Amount (Rs.'000)	Year ended March 31, 2005 Amount (Rs.'000)
Capital Goods	134,466	62,829
Equipments stores and spares	3,722	1,449
Video Tapes	7,917	1,644
Total	**146,105**	**65,922**

19. Expenditure in Foreign Currency (On cash basis)

Particulars	Year ended March 31, 2006 Amount (Rs.'000)	Year ended March 31, 2005 Amount (Rs.'000)
Subscription, Uplinking and news service charges	49,441	37,119
Travelling expenses	19,057	17,008
Consultancy and Professional fees	14,806	10,144
Other expenses (including production expenses, hire charges etc)	13,533	3,991
Total	**96,837**	**68,262**

20. Utilization of Initial Public Offering (IPO) Proceeds

The Company has utilized the gross public issue proceeds on issue of 15,571,429 Equity shares of Rs. 4/- each at a premium of Rs 66/- per share in the following manner:

Particulars	Year ended March 31, 2006 Amount (Rs.'000)	Year ended March 31, 2005 Amount (Rs.'000)
Opening Balance of Unutilized Public Issue Proceeds in Deposits	350,006	-
Public Issue Proceeds	-	1,090,000
Less: Public Issue Expenses [13]	-	99,249
Less: Paid to Selling Shareholders [13]	-	380,664
Less: Repayment of Loan	-	200,000
Less: For General Corporate Purpose	250,006	60,081
Unutilized Public Issue Proceeds in Deposits	**100,000**	**350,006**

[13] Out of total Public Issue Expenses of Rs. 99,249 thousand the Company deducted Rs. 33,101 thousand as share of Public Issue Expenses borne by the selling shareholders. Hence, net Public Issue Expenses borne by the Company is Rs.66,148 thousand.

21. Figures of the previous year have been restated, regrouped or reclassified wherever necessary to conform to current year's figures.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT,1956 RELATING TO SUBSIDIARY COMPANY

1.	Name of the subsidiary	:	NDTV Media Ltd.	NDTV News Ltd.
2.	Financial year ended	:	March 31, 2006	March 31,2006
3.	Holding Company's interest	:	81.18%	100%
4.	Shares held by the holding company in the subsidiary	:	850,000 Equity shares	5000 Equity shares
5.	The net aggregate of profits or losses for the current financial year of the subsidiary so far as it concerns the members of the holding company			
	a) dealt with or provided for in the accounts of the holding company		NIL	NIL
	b) not dealt with or provided for in the accounts of the holding company		Rs. 48,666,317	Rs. (880,652)
6.	The net aggregate of profits or losses for previous financial years of the subsidiary so far as it concerns the members of the holding company			
	a) dealt with or provided for in the accounts of the holding company		NIL	NIL
	b) not dealt with or provided for in the accounts of the holding company		Rs. 69,155,109	Rs. (1,871,006)

NOTE: As the financial year of the Subsidiary Companies coincides with the financial year of the Holding Company, Section 212 (5) of the Companies Act, 1956 is not applicable.

For and on behalf of the Board

Dr. Prannoy Roy
Chairman

Radhika Roy
Managing Director

Rajiv Mathur
Company Secretary

Jameskutty P.C
Group CFO

Place : New Delhi
Date : April 17, 2006

New Delhi Television Limited

Balance Sheet Abstract & Company's General Business Profile

I Registration details

Registration No.	33099
State Code	55
Balance Sheet Date	31 03 2006

II Capital raised during the Year (Amount in Rs Thousands)

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

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

Total Liabilities	Total Assets
2609820	2609820

Source of Funds

Paid Up Capital	Reserves & Surplus
243211	1804156
Secured Loans	Unsecured Loans
NIL	NIL
Deferred Tax Liability	
62948	

Application of Funds

Net Fixed Assets	Investments
1067334	118880
Net Current Assets	Misc. Expenditure
924103	NIL
Accumulated Losses	
NIL	

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

Turnover	Total Expenditure
1941482	2023630
Profit / Loss before Tax	Profit / Loss after Tax
(-) 82148	(-) 62493
Earning per share (Rs.)	Dividend Rate %
(-) 1.03	20 %

V Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code) NA

Product Description : Production and broadcasting of Television Software

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For and on behalf of the Board

Dr. Prannoy Roy
Chairman

Radhika Roy
Managing Director

Place : New Delhi
Date : April 17, 2006

Rajiv Mathur
Company Secretary

Jameskutty P.C
Group CFO

NDTV Media Limited

DIRECTORS' REPORT

To the Members,

Your Directors present the Fourth Annual Report together with the Audited Accounts for the year ended March 31, 2006.

Financial Results and Operations

The summarized Financial Results of the Company for the year ended March 31, 2006 are as follows:

	Year ended March 31, 2006 Amount (Rs.)	Year ended March 31, 2005 Amount (Rs.)
Business Income	313,796,102	248, 858,480
Other Income	33,010	300
Interest on Fixed deposits	424,611	61,111
Total Income	314,253,723	248,919,891
Profit/(Loss) before tax	120,820,798	114,692,477
Employee stock compensation expense	17,155,000	–
Provision for tax/ tax expenses		
Current	40,700,000	42,230,000
Deferred	(74,444)	107,818
Fringe Benefit Tax	3,094,790	–
Profit/(Loss) after tax	59,945,452	72,354,659
Profit/(Loss) Brought forward	85,182,823	12,828,164
Profit carried to Balance Sheet	145,128,275	85,182,823

The total income of the Company was Rs. 314,253,723 (previous year Rs. 248,919,891) and the profit after tax was Rs. 59,945,452 (previous year Rs. 72,354,659)

During the year the Company was mainly engaged in marketing of advertisement time. Its prime source of income was media commission derived from New Delhi Television Limited, its holding company.

Dividend

Your Directors have not recommended any dividend for the year under review.

Deposits

The Company has not accepted/renewed any deposits during the year.

Agreement with Microsoft

During the year your Company has entered into an Agreement with Microsoft Corporation, the world's top IT company to represent it to promote and solicit orders for advertisements on its website in India. Under the Agreement NDTV Media sources advertisement orders on behalf of the on line media company against a fee, which has been negotiated upon.

Directors

Mr. Tarun Das and Mrs. Indrani Roy, Directors retire by rotation and being eligible offer themselves for re-appointment.

EMPLOYEE STOCK OPTION PLAN: ESOP-2005

The Company at its Extraordinary General Meeting held on November 11, 2005 approved Employee Stock Option Plan (ESOP-2005) under which 1,33,300 Options were sanctioned for grant to the eligible employees of the Company.

The Company is not a listed entity, however in view of the highest standards of Corporate Governance in implementing the Employee Stock Option Plan, it has complied with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999 to the maximum possible extent.

As per the plan the ESOP Committee granted 47,000 Options to the eligible employees of the Company effective February 07, 2006 with a vesting period of one month. All the grantees exercised the Options granted and accordingly the Company issued 47,000 Equity shares to the employees.

The details of the ESOP- 2005 are as under:

	Particulars	Details
1.	Options Granted	47,000
2.	The Pricing Formula	Rs.10/- per share
3.	Options Vested	47,000
4.	Options Exercised	47,000
5.	Total number of shares arising as a result of exercise of Options	47,000
6.	Options lapsed	NIL
7.	Variation of terms of options	NOT APPLICABLE
8.	Money realized by exercise of Options	4,70,000
9.	Total No. of Options in force	NIL
10.	Employee wise details of Options Granted to	
	(a) Senior Management Personnel:	35,000 (Any shareholder interested in obtaining employee-wise details may write to the Company at the registered office of the Company)
	(b) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Options granted during that year.	No employee is in receipt of the grant in any one year of Option amounting to 5% or more of Options granted during the year.
	(c) Identified employees who were granted Options, during one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant.	There are employees who have been granted options during the year equal to or exceeding 1% of the issued capital. Any shareholder interested in obtaining the details may write to the Company.
11.	Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with Accounting Standard (AS) 20 'Earnings per Share'.	59.56

12. Where the Company has calculated the employee compensation cost using the intrinsic value of Stock Options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of Options. The impact of this difference on profits and on EPS of the Company.	The Company has used intrinsic value method for calculating the employee compensation cost with respect to the Stock Options. If the employee compensation cost for the ESOP had been determined in a manner consistent with the Fair Value approach the Stock Option Compensation expenses would have been higher by Rs. 2,350. Consequently the Profit would have been Rs. 59,943,102 instead of the current profit of Rs. 59,945,452 and the EPS of the Company would have been Rs. 59.87 instead of Rs. 59.88.
13. Weighted average exercise prices and weighted average fair value of Options	Weighted Average Exercise Price Rs. 10/-. Weighted Average Fair Value Rs. 375/-.
14. Description of the method and significant assumptions used during the year to estimate the fair value of Options, including the following weighted average information	Black-Scholes model
Risk free interest rate (%)	6.96
Expected life	one month
Expected volatility (%)	The valuation has been arrived at without considering the expected volatility
Expected dividends (%)	NIL

Increase in Authorised Capital

During the year your Company launched an Employees Stock Option Plan (ESOP-2005). Under the Scheme the Company has to allot shares to the employees for grant of Options to the eligible employees of the Company. Due to the margin constraints between the earlier paid up and Authorized Capital of the Company it was imperative on the Company to enhance its Authorised Capital.

In view of the above the Authorised Capital of the Company was increased to Rs. 1,15,00,000 from the earlier level of Rs. 1,00,00,000.

Directors' Responsibility Statement

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

(i) that in the preparation of the annual accounts for the financial year ended March 31, 2006 the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

(iii) that the Directors had 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;

(iv) that the Directors had prepared the accounts for the financial year ended March 31, 2006 on a 'going concern' basis.

Auditors

M/s. Price Waterhouse, Chartered Accountants, retire as Auditors at the conclusion of this Annual General Meeting and being eligible, offer themselves for re-appointment.

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

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, the following information is provided:

A. Conservation of Energy

Our Company is not an energy intensive unit, however regular efforts are made to conserve energy.

B. Research and Development

The Company did not have any activity during the year.

C. Foreign Exchange Earnings and Outgo

During the year the Company had Foreign Exchange earnings of Rs.63,086 (Previous Year Rs. 2,694,931). The Foreign Exchange outgo on business promotion, remittance towards placement of advertisement, travelling and other expenses amounted to Rs. 4,446,117 (Previous Year Rs. 1,097,158).

Personnel Under Section 217(2A) of the Companies Act, 1956

As required by 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 forming part of this report.

The Directors' Report is being sent to all the shareholders excluding this annexure. Any shareholder interested in obtaining a copy of this annexure may write to the registered office of the Company.

For and on behalf of the Board

Dr. Prannoy Roy
Chairman

Place : New Delhi
Date : April 17, 2006

FORM
[SEE RULE 3]

COMPLIANCE CERTIFICATE

Co. No. : 55 – 117669

Nominal Capital: Rs. 1,15,00,000

The Members,
NDTV Media Limited,
W-17, Greater Kailash - I,
New Delhi - 110048

We have examined the registers, records, books and papers of M/s. NDTV Media Limited, (the Company) as required to be maintained under the Companies Act, 1956 ("the Act") 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 March 31, 2006. 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 all entries have been duly recorded.

2. The Company has duly filed the forms and returns as stated in Annexure 'B' to this certificate, with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the Act and the rules made there under.

3. The Company, being a public limited company, has the minimum prescribed paid up capital.

4. The Board of Directors duly met six times on April 27, 2005; July 18, 2005; October 17, 2005; October 21, 2005; January 16, 2006 and March 22, 2006 in respect of which proper notices were given and the proceedings were properly recorded and signed in the Minutes Book maintained for the purpose.

5. The Company did not close its Register of Members during the financial year.

6. The Annual General Meeting for the financial year ended on March 31, 2005 was held on September 19, 2005 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. An Extra-ordinary General Meeting of the members of the Company was held on November 18, 2005 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.

8. The Company has not advanced any loans to its Directors, persons, firms, or companies referred to in Section 295 of the Act.

9. The Company has not entered into a contract falling within the purview of Section 297 of the Act during the financial year.

10. The Company has maintained register under section 301 of the Act. However, no entry was required to be made during the financial year.

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 the Central Government.

12. The Company has not issued any duplicate share certificate during the financial year.

13. The Company:

    a. has delivered share certificates after necessary transfer, as per request received from the shareholders.

    b. has made allotment of shares at its Board meeting held on March 22, 2006, share certificates in respect of which is being issued, as per information given to us, by the Company.

    c. has not deposited any amount in a separate bank account as no dividend was declared during the financial year.

    d. was not required to post dividend warrants to any member of the Company as no dividend was declared during the financial year.

    e. was not required to transfer the amounts in Unpaid Dividend Account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund .

    f. has duly complied with the requirements of Section 217 of the Act.

14. The Board of Directors of the Company is duly constituted and there was no change in the Board, during the financial year.

15. The Company has not appointed any Managing Director or Whole-time Director or a Manager, during the financial year.

16. The Company has not appointed any sole-selling agent during the financial year.

17. The Company was not required to obtain any approvals of the Central Government, Company Law Board, Regional Director, Registrar and / or such authorities prescribed under the various provisions of the Act, during the financial year.

18. The Directors have disclosed their interest in other firms and or companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The Company has issued shares after complying with relevant provisions of the Act, during the financial year. No other security or debentures were issued during the financial year.

20. The Company has not bought back any shares during the financial year.

21. There was no redemption of preference shares or debentures during the financial year.

22. There were no transactions necessitating the company to keep in abeyance the rights to dividend, rights shares or bonus shares pending registration of transfer of shares.

23. The Company has not invited or accepted any deposits including any unsecured loans falling within the purview of Section 58A of the Act during the financial year.

24. The Company has not borrowed any amount from financial institutions, banks, Directors, members, public & others during the financial year.

25. The Company has not made any investment or given any loans or advances or given any guarantee or provided any security to other bodies corporate during the financial year and consequently, no entry was required to be made in the relevant registers.

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.

27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the financial year.

28. The Company has not altered the provisions of the Memorandum with respect to name of the Company during the financial year.

29. The Company has altered the provisions of the Memorandum with respect to share capital of the company during the financial year after duly complying with the relevant provisions of the Act and has also filed necessary returns with the Registrar of Companies.

30. The Company has not altered its Articles of Association during the financial year.

31. As per the information provided and explanations given by the Company, there was no prosecution initiated against or show cause notices received by the Company for alleged offences under the Act and also the fines and penalties or any other punishment imposed on the Company during the financial year, for offences under the Act.

32. As per the information provided and explanations given by the Company, it has not received any money as security from its employees, as per the provisions of Section 417 (1) of the Act, during the financial year.

33. As per the information provided and explanations given by the Company, it has been regularly depositing both employees and employer's contribution towards Provident Fund with the prescribed authorities pursuant to section 418 of the Act, during the financial year. The Company has not constituted a trust for managing provident fund of its employees.

For **Ajay Jain & Co.**
Company Secretaries

Date: April 17, 2006
Place: New Delhi.

Ajay K Jain.
FCS 1551
C. P.: 3357

Annexure-A

Registers maintained by the Company

Statutory Registers

1. Register of Members u/s. 150.
2. Register and Returns u/s. 163.
3. Minutes Book of Meetings.
4. Books of Accounts u/s. 209.
5. Register of Fixed Assets.
6. Register of Contracts u/s. 301(3).
7. Register of Directors u/s. 303.
8. Register of Directors' Shareholding u/s. 307.

Other Registers

1. Register of Share Transfer.
2. Register of Common Seal.

Annexure-B

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Directors, Central Government or other authorities during the financial year ended March 31, 2006

1. Balance Sheet for the year ended March 31, 2005 was filed u/s 220 of the Act, on September 29, 2005 vide ROC receipt No. 354968 (Date of Annual General Meeting – September 19, 2005)

2. Compliance certificate for the financial year ended March 31, 2005, pursuant to proviso to sub section (1) of Section 383A, was filed on September 29, 2005 vide ROC receipt No. 354968 (Date of Annual General Meeting – September 19, 2005)

3. Form No. III under Companies (Declaration of Beneficial Interest in Shares) Rules, 1975, pursuant to Section 187C of the Act was filed on October 28, 2005 vide ROC receipt No. 361181 (Date of Declaration received by the Company – October 21, 2005).

4. Annual Return u/s. 159 of the Act, in respect of the Annual General Meeting held on September 19, 2005 was filed on November 9, 2005 vide ROC receipt No. 362966.

5. Form No. 5 & Form No. 23 in respect of increase of authorized share capital from Rs.100 lacs to Rs.115 lacs and special resolution u/s 81 (1A) of the Act, passed by the shareholders in its Extra-ordinary General Meeting held on November 18, 2005, were filed on November 23, 2005 vide ROC receipt No. 365944.

6. Form No.2 in respect of allotment of 47,000 shares of Rs. 10 each, by the Board in its meeting held on March 22, 2006 was filed u/s 75 of the Act, on April 6, 2006 vide ROC Challan No. A-00134742 and receipt no. 00003311 dated April 6, 2006 of HDFC Bank (BSR Code no. 0510005).

AUDITORS' REPORT TO THE MEMBERS OF NDTV MEDIA LIMITED

1. We have audited the attached Balance Sheet of NDTV Media Limited, as at March 31, 2006, 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, 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 further report that:

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

   (b) The fixed assets are physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

   (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.

   ii). (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.

   iii). In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, 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.

   iv). (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.

   v). The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.

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

vii). 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.

viii). (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, 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.

ix). 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 to the Company for the current year.

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

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

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

xiii). 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.

xiv). The Company has not obtained any term loans.

xv). 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.

xvi). 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.

xvii). 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.

xviii). The other clauses, (ii), (xi) and (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004,are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

4. Further to our comments 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, 2006 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2006 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, 2006; and,

(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.

Kaushik Dutta
Partner
Membership Number: F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: New Delhi
Dated: April 17,2006

NDTV Media Limited
Balance Sheet as at March 31,2006

	Schedule	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
Sources of Funds			
Shareholders' Funds			
Capital	1	10,470,000	10,000,000
Employee Stock Options Outstanding	2	–	–
Reserves & Surplus	3	162,283,275	85,182,823
Deferred Tax Liability		941,753	1,016,197
(Note B-7 on schedule 13)			
		173,695,028	**96,199,020**
Application of Funds			
Fixed Assets			
Gross Block	4	29,500,584	18,648,677
Less : Depreciation		8,405,559	4,427,351
Net Block		21,095,025	14,221,326
Current Assets, Loans and Advances			
Sundry Debtors	5	229,151,555	132,933,977
Cash & Bank Balances	6	12,377,383	7,154,118
Other Current Assets, Loans & Advances	7	13,070,498	7,734,123
		254,599,436	147,822,218
Less : Current Liabilities and Provisions			
Current Liabilities	8	100,084,755	63,377,665
Provisions	9	1,958,406	2,554,327
		102,043,161	65,931,992
Net Current Assets		152,556,275	81,890,226
Miscellaneous Expenditure	10	43,728	87,468
(to the extent not written off or adjusted)			
		173,695,028	**96,199,020**
Notes to the accounts	13		

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

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Director

Radhika Roy
Director

Place : New Delhi
Date : April 17, 2006

NDTV Media Limited
Profit and Loss Account for year ended March 31, 2006

	Schedule		For the year ended March 31, 2006 Amount (Rs.)		For the year ended March 31, 2005 Amount (Rs.)
Income					
Commission Income					
- From New Delhi Television Limited {Gross of tax deducted at source Rs 18,852,113 (Previous Year Rs 13,704,887)}			304,470,247		240,696,420
- Others {Gross of tax deducted at source Rs 9,701 (Previous Year Rs Nil)} (Note B-2 on Schedule 13)			8,373,632		–
Business Income (Gross of Tax deducted at source Rs 55,640 Previous Year Rs 312,875)			952,223		8,162,060
Interest on Fixed Deposits {Gross of Tax Deducted at Source Rs 95,282 (Previous Year Rs 12,778)}			424,611		61,111
Other Income			33,010		300
			314,253,723		**248,919,891**
Expenditure					
Personnel Expenses					
- Salaries & Other Benefits	11	57,478,149		37,393,181	
- Sales Incentive		60,481,859	117,960,008	47,200,568	84,593,749
Operations and Administration Expenses	12		71,447,193		47,061,911
Miscellaneous Expenditure Written Off	10		43,740		43,737
			189,450,941		**131,699,397**
Profit Before Depreciation, Tax and Employee Stock Compensation Expense			**124,802,782**		**117,220,494**
Depreciation	4		3,981,984		2,528,017
Profit before tax and Employee Stock Compensation Expense			**120,820,798**		**114,692,477**
Employee Stock Compensation Expense (Note B-1 of Schedule 13)			17,155,000		–
Tax Expense					
- Current			40,700,000		42,230,000
- Deferred (Note B-7 on Schedule 13)			(74,444)		107,818
- Fringe Benefit Tax			3,094,790		-
Profit after tax			**59,945,452**		**72,354,659**
Previous Year Balance Brought Forward			85,182,823		12,828,164
Balance Carried To Balance Sheet			**145,128,275**		**85,182,823**
Earnings Per Share - (Note B-9 on Schedule 13)					
Basic			**59.88**		**72.35**
Diluted			**59.56**		**72.35**
Notes to the accounts	13				

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

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Director

Radhika Roy
Director

Place : New Delhi
Date : April 17, 2006

NDTV Media Limited
Cash Flow Statement for the year ended 31 March 2006

		For the year ended March 31, 2006 Amount (Rs)	For the year ended March 31, 2005 Amount (Rs)
A.	**Cash flow from operating activities:**		
	Net profit before tax after Employee Stock Compensation Expense	103,665,798	114,692,477
	Adjustments for:		
	Depreciation	3,981,984	2,528,017
	Loss on sale of fixed assets	18,474	–
	Miscellaneous Expenditure written off	43,740	43,737
	Provision for Gratuity	669,715	429,290
	Employee Stock Compensation Cost	17,155,000	–
	Tax Deducted at Source on commission and other business income	(18,917,454)	(14,017,762)
	Interest income	(424,611)	(61,111)
	Operating profit before working capital changes	**106,192,646**	**103,614,648**
	Changes in working capital		
	(Increase)/Decrease in Sundry Debtors	(96,217,578)	(100,772,770)
	(Increase)/Decrease in Other Receivables	(2,035,114)	(6,387,323)
	Increase/(Decrease) in Trade and Other Payables	36,707,090	40,559,920
	Cash generated from operations	**44,647,044**	**37,014,475**
	Taxes (Paid) / Received (Net of TDS)	(26,607,314)	(26,100,000)
	Fringe Benefit Tax (Paid)/ Received	(2,630,000)	–
	Net cash from operations	**15,409,730**	**10,914,475**
B.	**Cash flow from investing activities:**		
	Purchase of fixed assets	(10,886,907)	(4,816,755)
	Proceeds from sale of fixed assets	12,750	–
	Interest received	217,692	–
	Net cash used in investing activities	**(10,656,465)**	**(4,816,755)**
C.	**Cash flow from financing activities:**		
	Proceeds from fresh issue of Share Capital	470,000	–
	Net cash used in financing activities	**470,000**	**–**
	Net increase in cash and cash equivalents	**5,223,265**	**6,097,720**
	Opening cash and cash equivalents	**7,154,118**	**1,056,398**
	Closing cash and cash equivalents	**12,377,383**	**7,154,118**
	Cash and cash equivalents include:		
	Cash in Hand	144,985	62,570
	Balance with Scheduled Banks on:		
	Current Accounts	2,232,398	2,091,548
	Fixed deposits (Note B-5 on Schedule 13)	10,000,000	5,000,000
	Balance as per books of account	**12,377,383**	**7,154,118**

NDTV Media Limited
Cash Flow Statement for the year ended 31 March 2006

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 outflow.

3 Following non cash transactions have not been considered in the cash flow statement:
- Tax deducted at source (on income)

4 Previous year figures have been regrouped or reclassified wherever necessary to conform to the current year's grouping and classification.

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

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Place : New Delhi
Date : April 17, 2006

The schedules referred to above form an integral part of the Cash Flow Statement

For and on behalf of the Board

Dr. Prannoy Roy	Radhika Roy
Director	Director

NDTV Media Limited
Schedules to the Balance Sheet

		As at March 31, 2006 Amount (Rs.)		As at March 31, 2005 Amount (Rs.)
Schedule - 1				
Capital				
Authorised :				
1,150,000 (Previous Year 1,000,000) Equity Shares of Rs.10/- each		11,500,000		10,000,000
Issued , Subscribed & Paid Up :[1]				
1,047,000 (Previous Year 1,000,000) Equity Shares of Rs.10/- each Fully Paid Up		10,470,000		10,000,000
		10,470,000		**10,000,000**

[1]Out of the above
- 850,000 Shares (Previous Year 850,000) are held by New Delhi Television Limited, the Holding Company
- 150,000 shares (Previous Year 150,000) have been allotted as fully paid - up pursuant to a contract without payment being received in cash (Note B-11 on Schedule 13)
- 47,000 equity shares (Previous Year Nil) allotted to employees of the company on exercise of the vested stock options under Employee Stock Option Plan - ESOP 2005 of the company (Note B-1 on Schedule 13)

Schedule - 2				
Employee Stock Options Outstanding				
(Note B-1 on Schedule 13)				
Stock options granted during the year		17,155,000		–
Less: Transferred to securities premium		17,155,000		–
		–		–

Schedule - 3				
Reserves & Surplus				
Securities Premium Account				
Opening Balance	–		–	
Additions during the year [1]	17,155,000		–	
Closing Balance		17,155,000		–
Profit and Loss account				
Opening Balance	85,182,823		12,828,164	
Additions during the year	59,945,452		72,354,659	
Closing Balance		145,128,275		85,182,823
		162,283,275		**85,182,823**

[1]Premium in respect of allotment of 47,000 equity shares of Rs 10 each to employees under Employee Stock Option Plan - ESOP 2005 of the Company (Note B-1 on Schedule 13)

NDTV Media Limited
Schedules to the Accounts

Schedule - 4 Fixed Assets

Amount (Rs.)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2005	Additions During the Year	Deletions/ Adjust-ments	As at March 31, 2006	As at April 01, 2005	Provided During the Year	On Deduct-ions	Upto March 31, 2006	As at March 31, 2006	As at March 31, 2005
Intangible Assets										
Computer Software	330,881	196,671	-	527,552	99,115	61,183	-	160,298	367,254	231,766
Technical Knowhow (Note B-11 on Schedule 13)	1,500,000	-	-	1,500,000	372,950	300,000	-	672,950	827,050	1,127,050
Tangible Assets										
Computers	5,359,570	3,932,118	-	9,291,688	1,324,849	1,196,138	-	2,520,987	6,770,701	4,034,721
Furniture & Fixtures	2,132,636	2,354,449	35,000	4,452,085	176,626	501,991	3,776	674,841	3,777,244	1,956,010
Plant & Machinery Others	735,648	358,900	-	1,094,548	24,785	101,862	-	126,647	967,901	710,863
Vehicles	7,508,065	3,454,366	-	10,962,431	2,091,534	1,474,760	-	3,566,294	7,396,137	5,416,531
Office Equipment	1,081,877	590,403	-	1,672,280	337,492	346,050	-	683,542	988,738	744,385
Total	**18,648,677**	**10,886,907**	**35,000**	**29,500,584**	**4,427,351**	**3,981,984**	**3,776**	**8,405,559**	**21,095,025**	**14,221,326**
Previous Year	13,831,922	4,816,755	-	18,648,677	1,899,334	2,528,017	-	4,427,351	14,221,326	-

NDTV Media Limited
Schedules to the Balance Sheet

		As at March 31, 2006 Amount (Rs.)		As at March 31, 2005 Amount (Rs.)
Schedule 5				
Sundry Debtors				
(Unsecured, Considered Good)				
Debts Outstanding for a period less than Six Months [1]		229,151,555		132,933,977
		229,151,555		**132,933,977**

[1] Includes Rs. 214,274,394 (Previous Year Rs. 132,933,977) due from New Delhi Television Limited,the Holding Company

		As at March 31, 2006 Amount (Rs.)		As at March 31, 2005 Amount (Rs.)
Schedule 6				
Cash & Bank Balances				
Cash in Hand		144,985		62,570
Balance With Scheduled Banks on:				
- Current Accounts	2,232,398		2,091,548	
- Fixed Deposits [1]	10,000,000	12,232,398	5,000,000	7,091,548
		12,377,383		**7,154,118**

[1] Pledged against Guarantee issued by a Bank (Note B-5 on Schedule 13)

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
Schedule - 7		
Other Current Assets, Loans & Advances		
(Unsecured, Considered Good)		
Advances Recoverable in cash or in kind or for value to be received	2,908,908	3,812,374
Prepaid Expenses	4,039,058	2,043,907
Interest Accrued but not due	159,969	48,333
Security Deposits	2,772,939	1,829,509
Advance Tax {Net of Provision for Income Tax of Rs 89,199,950 (Previous Year Rs NiL)}	3,189,624	–
	13,070,498	**7,734,123**

NDTV Media Limited
Schedules to the Balance Sheet

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
Schedule 8		
Current Liabilities		
Sundry Creditors [1]	69,324,720	48,274,890
Other Liabilities	27,629,905	13,797,318
New Delhi Television Limited	3,130,130	1,305,457
	100,084,755	**63,377,665**

[1] The Company does not owe any amount to small scale undertakings.

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
Schedule 9		
Provisions		
Provision for Gratuity	1,493,616	823,901
Provision for Tax {Net of advance tax Rs. Nil (Previous Year Rs. 46,769,524)}	–	1,730,426
Provision for Fringe Benefit Tax {Net of advance tax Rs. 2,630,000 (Previous Year Rs NiL)}	464,790	–
	1,958,406	**2,554,327**

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
Schedule - 10		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Balance Brought Forward	87,468	131,205
Less : Written off during the year	43,740	43,737
Closing Balance	**43,728**	**87,468**

NDTV Media Limited
Schedules to the Profit and Loss Account

	For the year ended March 31, 2006 Amount (Rs.)	For the year ended March 31, 2005 Amount (Rs.)
Schedule - 11		
Personnel Expenses		
Salary, Wages & Other Benefits	53,142,623	34,403,555
Contribution to Provident Fund	3,937,540	2,746,656
Staff Welfare	397,986	242,970
	57,478,149	**37,393,181**
Schedule - 12		
Operations and Administration Expenses		
Rent (Note B- 6 on Schedule 13)	5,884,457	3,305,236
Rates and taxes	105,096	119,395
Electricity and water	875,415	736,955
Bank charges	135,156	33,171
Printing and stationery	775,270	594,258
Postage and courier	745,642	556,995
Books, periodicals and news papers	1,468,278	733,340
Travelling	11,939,231	7,714,605
Business promotion	17,940,949	7,375,527
Repair & Maintenance:		
- Others	2,109,767	459,888
- Building	1,789,329	2,869,324
Audit Fees - Statutory audit (including reimbursements)	509,910	454,300
Insurance	718,983	551,799
Communication	3,885,417	2,373,686
Vehicle	1,408,294	1,209,340
Medical	694,753	448,760
Generator hire and running	15,319	–
Security	184,604	151,917
Staff training	66,000	–
Legal & Professional	932,833	1,002,047
Miscellaneous	2,754,888	609,271
Loss on Sale of Fixed Assets	18,474	–
Foreign Exchange Loss - Net	1,512	35,380
Subscription	1,487,616	726,717
Management Fees [1]	15,000,000	15,000,000
	71,447,193	**47,061,911**

[1] Paid/payable to New Delhi Television Limited, the Holding Company.

NDTV Media Limited
Schedules to the Accounts

Schedule - 13
A. Significant Accounting Policies

1. Basis of Preparation

These financial statements have been prepared in accordance with the historical cost convention, generally accepted accounting principles, relevant provisions and presentation requirements of the Companies Act, 1956 (“The Act”) and mandatory Accounting Standards (“AS”) as issued by the Institute of Chartered Accountants of India (“ICAI”).

The Company follows the mercantile system of accounting and recognizes income and expenditure on an accrual basis.

2. Tangible Fixed Assets

Tangible Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition required for their intended use, less depreciation.

3. Intangibles

Intangible assets are recognised if they are separately identifiable and the Company controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. Intangible assets are stated at cost less accumulated amortization and impairment.

4. Depreciation

Depreciation on fixed assets including intangibles is provided using the Straight Line Method based on the useful lives as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% on a pro-rata basis. The management’s estimates of useful lives for various fixed assets are given below:

Asset Head	Useful Life (years)
Computers	3-6
Software	6
Electrical fittings	8
Furniture and Fixtures	5-8
Vehicles	6
Office equipment	3-5
Technical Know-how	5
Air Conditioner	8
Generator	8

The rates of depreciation derived on the basis of these useful lives are higher than those mandated by Schedule XIV of the Act.

5. Miscellaneous Expenditure

Miscellaneous expenses incurred on account of incorporation of the Company comprising registration fees, printing of the memorandum and articles of association and other related expenses, are written off over a period of 5 years from the date of commencement of business.

6. Revenue Recognition

Revenue comprises commission on advertising arranged and is recognized when the related advertisement or commercial appears before the public. Revenue is recognized subject to the arrangement fee being fixed or determinable and its collection being reasonably assured. Revenue from other services is recognized as per the terms of the agreements, when the risks and rewards of ownership are substantially transferred to the buyer.

7. Taxes on Income

Taxes on income for the current period are determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on the expected outcome of the assessment.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws substantially enacted as on the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

8. Retirement Benefits

The Company's contribution to Provident Fund is charged to the Profit and Loss Account.

The Company provides for gratuity on the basis of actuarial valuation done at period end.

9. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rates prevailing on the date of the transaction.

Gains / (losses) arising out of fluctuations in the exchange rates are recognized as income/expense in the period in which they arise. Exchange differences on the reporting date or settlement date arising from repayment of liabilities incurred for the purpose of acquiring fixed assets are adjusted in the cost of the asset.

10. Leases

Assets taken under leases where the Company has substantially all the risks and rewards of ownership are classified as Finance leases. Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets taken on leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss Account on a straight-line basis over the lease term.

11. Earnings Per Share (EPS)

Basic EPS

The earnings considered in ascertaining the Company's basic EPS comprise the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted EPS

The net profit/ (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS.

12. Employee stock option based compensation

The Company calculates the employee compensation expense based on the intrinsic value method wherein the excess of value of underlying equity shares as determined by an independent valuer as on the date of grant of the options over the exercise price of the options given to employees under Employee Stock Option Scheme of the Company is recognized as deferred stock compensation expense and is amortised over the vesting period on a straight line basis.

B. Notes to the Accounts

1. STOCK OPTION PLAN

EMPLOYEE STOCK OPTION PLAN – ESOP 2005

The Company has established Employee Stock Option Plan – ESOP 2005 (ESOP 2005), under which the Board has been empowered to grant 1,33,300 options to its employees that entitles them to one equity share of the Company at an exercise price determined by the Board. The equity shares covered under the scheme vest over a maximum period of sixty months.

Pursuant to the scheme, the ESOP Committee has on February 7, 2006 granted 47,000 options to employees of the Company at an exercise price of Rs 10 each to vest over a period of one month from the date of the grant to be exercised within a period of one month from date of vesting. The Company has allotted 47,000 equity shares on March 22, 2006 on exercise of the vested options by the employees.

Accordingly the Company under the intrinsic value method has recognised the excess of the fair value of the underlying shares, based on a valuation by an independent valuer, at the grant date over the exercise price of the options amounting to Rs. 17,155,000 as an expense during the year. The movement in the options granted during the year is set out below:

	Year ended March 31, 2006	
	Equity Shares of Rs. 10 each arising out of options	**Weighted Average Exercise Price (Rs.)**
Outstanding at the beginning of year	-	-
Options Granted	47,000	10
Options Forfeited	-	-
Options Expired	-	-
Options Exercised	47,000	10
Outstanding at the end of year	-	-
Exercisable at the end of the year	-	-
Weighted average fair value of the equity shares of Rs. 10 each underlying the options for the options exercised during the year	-	Rs. 375

Disclosure for fair value of the options

The fair value of each stock option granted under ESOP 2005 as on the date of the grant calculated using the Black-Scholes Option Pricing Formula is Rs 365.05. The variables used for calculating the fair value were the share price as per the latest valuation report of independent valuer of Rs.375, exercise price of Rs 10, option life of one month, risk free interest rate of 6.96% being the interest rate applicable for maturity equal to the expected life of options based on zero-coupon yield curve for Government Securities. The valuation has been arrived at without considering the expected volatility as estimating the volatility for a Company that is rarely traded or traded privately is not feasible and there is no dividend yield as the Company has not distributed any dividends in the past.

The impact on the profit of the Company for the year ended March 31, 2006 and the basic and diluted earnings per share had the Company followed the fair value method of accounting for stock options is set out below:

Particulars	Amount (Rs.)
Profit after tax as per profit and loss account (a)	59,945,452
Add : Employee Stock Compensation Expense as per Intrinsic Value Method	17,155,000
Less : Employee Stock Compensation Expense as per Fair Value Method	17,157,350
Profit after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	59,943,102
Basic Earnings per Share as computed on earnings as per (a) above	59.88
Diluted Earnings per Share as computed on earnings as per (a) above	59.56
Basic Earnings per Share as computed on earnings recomputed as per (b) above	59.87
Diluted Earnings per Share as computed on earnings recomputed as per (b) above	59.55

2. The Company has entered into an agreement with Microsoft Corporation (MS), a Washington Corporation whereby MS has appointed the Company as its representative to promote and solicit orders for advertisements in India on MS consumer portal website – MSN.CO.IN. The agreement is effective November 1, 2005.

3. The Company operates in a single primary segment i.e. marketing Television channels and other media products and has commenced its operations from November 27, 2002.

4. The Company has entered into an agreement with its holding company, New Delhi Television Limited("NDTV") dated April 2, 2003 primarily for marketing its television channels. As per the terms and conditions of the agreement, the Company will derive commission on advertisements solicited for the channels, website and such other marketing activities as mentioned in the agreement.

5. Contingent Liabilities not provided for as on March 31, 2006 in respect of

   Bank Guarantee - US $ 200,000 (Rs.8,958,000) (Previous Year Rs. 5,000,000)

6. The Company has taken premises under cancellable operating leases. The rental expense in respect of the same was Rs.5,884,457 (Previous Year Rs. 3,305,236).

7. **Deferred Taxes**

   The income tax expense for the year comprises of:

	Year ended March 31, 2006	Year ended March 31, 2005
Income tax expense / (benefit)	**Amount (Rs.)**	**Amount (Rs.)**
Current	40,700,000	42,230,000
Deferred	(74,444)	107,818
Total	**40,625,556**	**42,337,818**

Significant components of deferred tax asset and liability are shown below:

Particulars	**As at March 31, 2006 Amount (Rs.)**	**As at March 31, 2005 Amount (Rs.)**
Deferred Tax Asset		
Provision for Expenses	502,752	144,499
Deferred Tax Liability		
Depreciation	(1,444,505)	(1,160,696)
Net Deferred Tax Asset/(Deferred Tax Liability)	**(941,753)**	**(1,016,197)**

8. Particulars as required under paragraph 3 of Part II of Schedule VI to the Act are not applicable to the Company.

9. Earnings per share (EPS)

Description	Year Ended March 31,2006	Year Ended March 31,2005
Number of equity shares outstanding at the beginning of the year (Nos.)	1,000,000	1,000,000
Add: Fresh issue of equity shares on March 22, 2006 under ESOP 2005 (Previous Year Nil) (Nos.)	47,000	-
Number of equity shares outstanding at year end (Nos.)	1,047,000	1,000,000
Weighted average number of Equity Shares outstanding during the year for Basic EPS (Nos.)	1,001,159	1,000,000
Adjustment for dilutive effect of share options granted under ESOP 2005	5,389	-
Weighted average number of Equity Shares outstanding during the year for Diluted EPS (Nos.)	1,006,548	1,000,000
Profit attributable to Equity Shareholders (Rs.)	59,945,452	72,354,659
Basic Earnings per Equity Share (Rs.)	59.88	72.35
Diluted Earnings per Equity Share (Rs.)	59.56	72.35
Nominal Value per share (Rs)	10	10

10. Related Party Transactions

I. Names of related parties with whom transactions were carried out during each year and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 issued by the Institute of Chartered Accountants of India and where control exists:

New Delhi Television Limited — Holding Company

NDTV News Limited. — Fellow Subsidiary

Key Management Personnel and their relatives

Dr. Prannoy Roy — Director

Radhika Roy — Director

K.V.L. Narayan Rao — Director

L.S Nayak — Chief Executive Officer

II. Disclosure of Related Party Transactions:

Details of transactions for the year ended March 31, 2006

(Amount in Rs. '000s)

S.No.	Nature of relationship / transaction	Holding Companies	Key Management Personnel	Fellow Subsidiary	Total
1	Rendering of services[1]	305,370	-	-	305,370
2	Services availed	15,861	-	-	15,861
3	Rent paid	-	-	1,200	1,200
4	Remuneration paid	-	29,055	-	29,055
5	Reimbursements made for expenditure incurred on our behalf	6,503	-	-	6,503

Details of transactions for the year ended March 31,2005

(Amount in Rs. '000s)

S.No.	Nature of relationship / transaction	Holding Companies	Key Management Personnel	Fellow Subsidiary	Total
1	Rendering of services[1]	241,596	-	-	241,596
2	Services availed	15,431	-	-	15,431
3	Rent paid	-	-	1,200	1,200
4	Remuneration paid	-	23,134	-	23,134

III. Amount due to/from related parties as on March 31,2006

(Amount in Rs. '000s)

Nature of relationship / transaction	Holding Companies	Key Management Personnel	Fellow Subsidiary	Total
Outstanding receivables	214,274	-	-	214,274
Outstanding payables	3,130	15,115	-	18,245

Amount due to/from related parties as on March 31,2005

(Amount in Rs. '000s)

Nature of relationship / transaction	Holding Companies	Key Management Personnel	Fellow Subsidiary	Total
Outstanding receivables	132,934	-	-	132,934
Outstanding payables	1,305	7,510	-	8,815

[1]Commission from New Delhi Television Limited (Note B-4 above)

11. The Company had allotted 150,000 equity shares of Rs. 10 each to the Chief Executive Officer as 'Sweat Equity' on January 31, 2004 as consideration for the Chief Executive Officer providing know how including resources and knowledge to the Company in connection with setting up of the distribution set up and development of the channel partners for the broadcasting business. Accordingly, this has been capitalised in accounts as 'Technical Know-how' and is amortised over a period of 5 years from the date of allotment of the shares.

12. Earnings in Foreign Currency

Particulars	**Year ended March 31, 2006 Amount (Rs.)**	**Year ended March 31, 2005 Amount (Rs.)**
Business Income	63,086	2,694,931
Total	**63,086**	**2,694,931**

13. Expenditure in Foreign Currency (On cash basis)

Particulars	Year ended March 31, 2006 Amount (Rs.)	Year ended March 31, 2005 Amount (Rs.)
Business Promotion	2,529,813	-
Remittance towards placement of advertisement	367,330	-
Travelling expenses	915,611	896,270
Other Expenses	633,363	200,888
Total	**4,446,117**	**1,097,158**

14. Figures of the previous year have been regrouped or reclassified wherever necessary to conform to the current years figures.

NDTV Media Limited

Balance Sheet Abstract & Company's General Business Profile

I Registration details

Registration No.	U72900DL2002PLC117669
State Code	55
Balance Sheet Date	31 03 2006

II Capital raised during the Year (Amount in Rs Thousands)

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

Preferential offer of shares under Employee Stock Option Plan Scheme*

470

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

Total Liabilities	Total Assets
275738	275738

Source of Funds

Paid Up Capital	Reserves & Surplus
10470	162283
Secured Loans	Unsecured Loans
NIL	NIL
Deferred Tax Liability	
942	

Application of Funds

Net Fixed Assets	Investments
21095	NIL
Net Current Assets	Misc. Expenditure
152556	44
Accumulated Losses	
NIL	

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

Turnover	Total Expenditure
314254	210588
Profit / Loss before Tax	Profit / Loss after Tax
103666	59945
Earning per share (Rs.)	Dividend Rate %
59.88	NIL

V Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code) NA

Product Description : Marketing of advertisement time.

*Issue of shares arising on the exercise of options granted to employees under the company's ESOP 2005 Plan

For and on behalf of the Board

Dr. Prannoy Roy	Radhika Roy
Director	Director

Place : New Delhi
Date : April 17, 2006

NDTV News Limited

DIRECTORS' REPORT

To the Members,

Your Directors present the 12th Annual Report together with the Audited Accounts for the year ended March 31, 2006.

Financial Results and Operations

During the year, your Company had rental income of Rs. 1,200,000 and made a loss of Rs.880,652.

Dividend

Your Directors have not recommended any dividend for the year under review.

Deposits

The Company has not accepted/renewed any deposits during the year.

Directors

Mrs. Indrani Roy, Director retires by rotation and being eligible offers herself for re-appointment.

Advance Against Equity

During the year under review, in its endeavour to look at new markets and fresh business opportunities, the Company entered into a JV Agreement with associate Companies of Value Labs and Astro through their existing Indian Joint Ventures to acquire as minority stake holder, Radio Today (Mumbai) Broadcasting Limited, Radio Today (Delhi) Broadcasting Limited, Radio Today (Calcutta) Broadcasting Limited from the Living Media Group. The three radio companies hold licenses for FM Radio broadcasting in Mumbai, Delhi and Kolkata respectively, under the brand name of RED FM.

Value Labs is a Hyderabad based global IT service provider, with existing experience in telecom and multimedia application development.

ASTRO is a leading media player in Malaysia and South East Asia.

Under the JV Agreement the Company has made investments to the extent of Rs. 10 Crores in certain special purpose companies which acquired the Radio Broadcasting Companies. Due to liquidity constraints your Company had requested New Delhi Television Limited, its holding company to provide an advance against equity of Rs. 10 Crores for making investments under the Joint Venture Agreement. The said advance was given by New Delhi Television Limited to your Company which was invested in the aforesaid venture.

Increase in Authorised Capital

As mentioned earlier, your Company sourced an advance against equity of Rs. 10 Crores from New Delhi Television Limited (NDTV) its holding Company against issue of shares. With a view to enable the Company to allot aforesaid shares to NDTV, the Authorised Capital of the Company was increased from the existing level of Rs. 5 lacs to Rs. 11 crores.

Directors' Responsibility Statement

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

(i) that in the preparation of the annual accounts for the financial year ended March 31, 2006 the applicable accounting standards had been followed along with proper explanation relating to material departures;

(ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for the year under review;

(iii) that the Directors had 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;

(iv) that the Directors had prepared the accounts for the financial year ended March 31, 2006 on a 'going concern' basis.

Auditors

M/s. Price Waterhouse, Chartered Accountants, retire as Auditors at the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

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

Pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosures of particulars in the report of the Board of Directors) Rules, 1988, the following information is provided:

A. Conservation of Energy

Our Company is not an energy intensive unit, however regular efforts are made to conserve energy.

B. Research and Development

The Company did not have any business activity during the year.

C. Foreign Exchange Earnings and Outgo

During the year the Company did not earn or make any payments in Foreign Exchange.

Personnel Under Section 217(2A) of the Companies Act 1956

The Company had no employee drawing a total remuneration of Rs.24,00,000/- per annum or more.

For and on behalf of the Board

Dr. Prannoy Roy
Chairman

Place: New Delhi
Date : April 17, 2006

AUDITORS' REPORT TO THE MEMBERS OF NDTV NEWS Limited

1. We have audited the attached Balance Sheet of NDTV News Limited, as at March 31, 2006, 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, 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 further report that:

   i). (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.

   ii). (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.

   iii). In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, 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. 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.

   iv). In our opinion and according to the information and explanations given to us, there are no contracts or arrangements referred to in Section 301 of the Act that need to be entered in the register required to be maintained under that section.

   v). The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA or any other relevant provisions of the Act and the rules framed there under.

   vi). As the company is not listed on any stock exchange or the paid-up capital and reserves as at the commencement of the financial year did not exceed Rupees Fifty Lakhs or the average annual turnover for a period of three consecutive financial years immediately preceding the financial year did not exceed Rupees Five Crores, clause (vii) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 is not applicable to the company for the current year.

vii). 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.

viii). (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 income-tax, sales tax, wealth tax, service tax, customs duty, excise duty and cess which have not been deposited on account of any dispute.

ix). The accumulated losses of the Company as at the end of the financial year are less than fifty percent of its net worth and it has incurred cash losses in the financial year ended on that date. However, it had not incurred cash losses in the immediately preceding financial year.

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

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

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

xiii). 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.

xiv). The Company has not obtained any term loans

xv). 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.

xvi). 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.

xvii). 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.

xviii). The other clauses (ii), (xi) and (xix) of paragraph 4 of the Companies (Auditor's Report) Order 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, are not applicable in the case of the Company for the current year, since in our opinion there is no matter which arises to be reported in the aforesaid order.

4. Further to our comments 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, 2006 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2006 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, 2006; and,

(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.

Kaushik Dutta
Partner
Membership Number: F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: New Delhi
Dated: April 17,2006

NDTV News Limited
Balance Sheet as at March 31,2006

	Schedule		As at March 31, 2006 Amount (Rs.)		As at March 31, 2005 Amount (Rs.)
Sources of Funds					
Shareholders' Funds					
Capital	1		500,000		500,000
Share Application Money			100,000,000		–
Reserves and Surplus	2		10,086,080		10,086,080
			110,586,080		**10,586,080**
Application of Funds					
Fixed Assets	3				
Gross Block		19,240,487		19,240,487	
Less : Accumulated Depreciation		3,726,657		3,148,638	
Net Block			15,513,830		16,091,849
Investment	4		100,000,000		–
Current Assets, Loans and Advances					
Cash and Bank Balances		1,780,227		1,220,531	
Other Current Assets, Loans and Advances	5	355,343		584,030	
		2,135,570		1,804,561	
Less : Current Liabilities	6	9,814,978		9,181,336	
Net Current Assets			(7,679,408)		(7,376,775)
Profit and Loss Account			2,751,658		1,871,006
			110,586,080		**10,586,080**
Notes to the accounts	7				

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

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Director

Radhika Roy
Director

Place : New Delhi
Date : April 17, 2006

NDTV News Limited
Profit and Loss Account for the year ended March 31,2006

	Schedule	For the year ended March 31, 2006 Amount (Rs.)	For the year ended March 31, 2005 Amount (Rs.)
Other Income			
Rental Income {Inclusive of Tax deducted at source Rs. 267,750 (Previous Year Rs. 248,460)}		1,200,000	1,200,000
		1,200,000	**1,200,000**
Expenditure			
Rates & Taxes		164,326	–
Audit Fees - Statutory audit (including reimbursements)		95,740	108,650
Bank charges		100	–
Filing fees		641,256	2,700
Printing and Stationery		–	4,493
Consultancy Fees		3,000	82,650
Insurance		7,834	–
		912,256	**198,493**
Profit/(Loss) before Depreciation and Tax		**287,744**	**1,001,507**
Depreciation	3	578,019	578,023
Profit/(Loss) before tax		**(290,275)**	**423,484**
Provision For Tax			
- Current		283,000	-
- Tax expense for earlier years		307,377	-
Net Profit/ (Loss) after tax		**(880,652)**	**423,484**
Loss brought forward		**(1,871,006)**	**(2,294,490)**
Balance carried to the Balance Sheet		**(2,751,658)**	**(1,871,006)**
Earning Per Share-Basic and Diluted (Refer Note B-6 on Schedule 7)		(176.13)	84.70
Notes to the accounts	7		

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

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Director

Radhika Roy
Director

Place : New Delhi
Date : April 17, 2006

NDTV News Limited
Cash Flow Statement for the year ended March 31, 2006

		For the year ended March 31, 2006 Amount (Rs)	For the year ended March 31, 2005 Amount (Rs)
A.	**Cash flow from operating activities:**		
	Net Profit /(loss) before tax	(290,275)	423,484
	Adjustments for:		
	Depreciation	578,019	578,023
	Tax Deducted at Source on rental income	(267,750)	(248,460)
	Operating profit before working capital changes	**19,994**	**753,047**
	Changes in working capital :		
	- (Increase)/Decrease in Other Receivables	(23,940)	–
	- Increase/(Decrease) in Trade and Other Payables	633,642	53,634
	Cash generated from operations	**629,696**	**806,681**
	- Taxes (Paid) / Received (Net of TDS)	(70,000)	(54,000)
	Net cash from operating activities	**559,696**	**752,681**
B.	**Cash flow from Investing activities:**		
	Purchase of Investment	(100,000,000)	–
	Net cash used in Investing activities	**(100,000,000)**	**–**
C.	**Cash flow from financing activities:**		
	Proceeds from Share Application Money	100,000,000	–
	Net cash generated from financing activities	**100,000,000**	**–**
	Net Increase in Cash & Cash Equivalents	**559,696**	**752,681**
	Cash and cash equivalents Opening	**1,220,531**	**467,850**
	Cash and cash equivalents Closing	**1,780,227**	**1,220,531**
	Cash and cash equivalents comprise		
	Balance With Scheduled Banks on		
	- Current Accounts	1,780,227	1,220,531
	Total	**1,780,227**	**1,220,531**

Notes :

1 The above Cash flow statement has been prepared under the Indirect Method set out in AS-3 issued by Instititute of Chartered Accountants of India.

2 Figures in brackets indicate cash outflow.

3 Following non cash transactions have not been considered in this cash flow statement:
a)Tax deducted at source on income

4 Previous year figures have been regrouped or reclassified wherever necessary to conform to the current year's grouping and classification.

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Director

Radhika Roy
Director

Place : New Delhi
Date : April 17, 2006

NDTV News Limited
Schedules to the Balance Sheet

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
Schedule - 1		
Capital		
Authorized :		
1,100,000 (Previous Year - 5,000) equity shares of Rs.100/- each	110,000,000	500,000
Issued, Subscribed and Paid Up		
5,000 (Previous Year- 5,000) equity shares of Rs.100/- each fully paid up[1]	500,000	500,000
	500,000	**500,000**

[1] Held by the Holding Company - New Delhi Television Limited

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
Schedule - 2		
Reserves and Surplus		
Revaluation Reserve	10,086,080	10,086,080
	10,086,080	**10,086,080**

NDTV News Limited
Schedules to the Accounts

Schedule - 3
Fixed Assets

(Amount in Rs.)

Particulars	Gross Block			Depreciation			Net Block	
	As at April 1, 2005	Additions during the year	As at March 31, 2006	As at April 1, 2005	Provided during the year	Upto March 31, 2006	As at March 31, 2006	As at March 31, 2005
Building	18,213,590	-	18,213,590	2,894,405	458,292	3,352,697	14,860,893	15,319,185
Furniture and fixtures	827,860	-	827,860	204,046	96,099	300,145	527,715	623,814
Air conditioner	199,037	-	199,037	50,187	23,628	73,815	125,222	148,850
TOTAL	**19,240,487**	**-**	**19,240,487**	**3,148,638**	**578,019**	**3,726,657**	**15,513,830**	**16,091,849**
Previous year	19,240,487	-	19,240,487	2,570,615	578,023	3,148,638	16,091,849	-

NDTV News Limited
Schedules to the Balance Sheet

	As at March 31, 2006 Amount (Rs.)	As at March 31, 2005 Amount (Rs.)
Schedule - 4		
Investment		
(Note B- 4 on Schedule 7)		
(Long Term,at cost,Trade,unquoted)		
Asia Radio Broadcast Private Limited	10,000,000	–
(1,000,000 equity shares of Rs 10 each)		
Pioneer Radio Trading Services Private Limited	10,000,000	–
(1,000,000 equity shares of Rs 10 each)		
Optimum Media Services Private Limited	10,000,000	–
(1,000,000 equity shares of Rs 10 each)		
Share Application Money		
- Asia Radio Broadcast Private Limited	20,000,000	–
- Pioneer Radio Trading Services Private Limited	25,000,000	–
- Optimum Media Services Private Limited	25,000,000	–
	100,000,000	**–**
Schedule - 5		
Other Current Assets, Loan and Advances		
(Unsecured ,Considered Good)		
Security deposits	34,570	34,570
Advance Recoverable in Cash or in kind or for value to be received	23,940	–
Advance Tax	296,833	549,460
{Net of provision for Tax Rs 590,377 (Previous Year Rs Nil)}		
	355,343	**584,030**
Schedule - 6		
Current Liabilities		
Sundry Creditors [1]	735,066	102,052
New Delhi Television Limited	9,079,912	9,079,284
	9,814,978	**9,181,336**

[1] The Company does not owe any amount to small scale undertakings.

NDTV News Limited
Schedules to the Accounts

Schedule - 7
A. Significant Accounting Policies

1. Basis of Preparation

These financial statements have been prepared in accordance with the historical cost convention, generally accepted accounting principles and relevant provisions of the Companies Act, 1956 ("The Act") and Accounting Standards issued by the Institute of Chartered Accountants of India ("ICAI").

The Company follows the mercantile system of accounting and recognizes income and expenditure on accrual basis.

2. Fixed Assets

Fixed assets other than buildings are stated at cost of acquisition. Acquisition cost includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the asset to the working condition required for its intended use, less depreciation. Buildings have been stated at an amount inclusive of appreciation on revaluation of the assets during the financial year 1995-96.

3. Depreciation

Depreciation on fixed assets is provided using the Straight Line Method based on the useful lives as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased / sold during the year. Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% on pro-rata basis. The management's estimates of useful lives for various fixed assets are given below:

Asset Head	Useful Life (years)
Buildings	40
Air conditioner	8
Furniture and fixtures	5-8

The rates of depreciation derived from these estimates of useful lives are higher than those mandated by Schedule XIV of the Companies Act, 1956.

4. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961, and based on expected outcome of the assessment.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws substantively enacted as at the Balance Sheet date.

Deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets on account of unabsorbed depreciation and carry forward of business losses are recognized only to the extent that there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realized.

5. Earnings Per Share (EPS)

Basic EPS

The earnings considered in ascertaining the Company's basic EPS comprise the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted EPS

The net profit/ (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS.

B. Notes to Accounts

1. The income earned by the company in the current period is on account of rent for the office premises leased to its fellow subsidiary NDTV Media Limited.

2. Based on the level of historical taxable losses, the company has not created a deferred tax asset on the business losses as there is no virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax asset can be realized. Moreover, no deferred tax asset has been created on account of depreciation, as there is no reasonable certainty about the recoverability of such assets in the future.

3. Particulars in respect of paragraph 4C of the Part II of Schedule VI to the Companies' Act, 1956 are not applicable to the Company. Also, since the Company has not commenced its main business, certain disclosures as required by paragraph 3 and 4D of Part II of the Schedule VI to the Companies' Act, 1956 are made, if applicable.

4. **Interest in Joint venture**

During the year the Company together with associate companies of Value Labs and Astro All Asia Network Plc, Malaysia through their existing Indian joint venture companies has acquired a minority stake in Radio Today (Kolkata) Broadcasting Limited, Radio Today (Delhi) Broadcasting Limited and Radio Today (Mumbai) Broadcasting Limited (referred to as radio companies). The three radio companies hold licenses for FM radio broadcasting in Mumbai, Delhi and Kolkata respectively, under the brand name of RED FM. The Company has received Rs.100,000 thousand as advance against equity from New Delhi Television Limited, the parent Company, for the above purpose.

The Radio Companies as at the date of the acquisition had accumulated losses amounting to Rs. 968,909 thousand. NDTVN's proportionate share in the losses of the Radio Companies amount to Rs. 300,362 thousand and the resultant excess of purchase consideration over the total net asset value amounts to Rs. 400,362 thousand as below:

Particulars	Amount (Rs.'000)
Net Asset Value of Radio Today (Mumbai) Broadcasting Limited as at December 31, 2005	(702,131)[1]
Net Asset Value of Radio Today (Delhi) Broadcasting Limited as at December 31, 2005	(233,574)[1]
Net Asset Value of Radio Today (Calcutta) Broadcasting Limited as at December 31, 2005	(33,204)[1]
Total Net Asset value of the FM Radio Companies as at December 31, 2005	**(968,909)**
NDTVN's share in Net Asset Value of the FM Radio Companies as at December 31, 2005 (31%)	**(300,362)**
Total Purchase Consideration paid	100,000
Excess of purchase consideration over the total net asset value, being goodwill and/or intangible assets	**400,362**

The profits/ (losses) of the radio companies for the three months ended March 31, 2006 are:

Particulars	Amount (Rs.'000)
Radio Today (Mumbai) Broadcasting Limited	(2,573)[1]
Radio Today (Delhi) Broadcasting Limited	5,291[1]
Radio Today (Calcutta) Broadcasting Limited	2,282[1]
Total	**5,000**
NDTVN's share (31%)	1,550

[1]Based on unaudited financial statements certified by the management of the Radio Companies.

NDTVN intends to bring down its shareholding in the joint venture companies materially and the current level of ownership is temporary.

The Company's interests in the jointly controlled companies, which are incorporated in India, are set out below:

Particulars	Amount of Interest for the period ended March 31, 2006 [2] (Rs.)		
	Optimum Media Services Private Limited	Pioneer Radio Trading Services Private Limited	Asia Radio Broadcast Private Limited
Percentage of Shareholding	**31%**	**31%**	**31%**
Loan Funds	246,770,289	196,441,789	27,174,676
Deferred Tax Liability	469	1,669	1,078
Total Liabilities	**246,770,758**	**196,443,458**	**27,175,754**
Fixed Assets	17,202	17,202	17,202
Investment	6,621,258	78,814,060	22,192,696
Net Current Assets	274,939,049	152,421,012	34,834,118
Miscellaneous Expenditure	213,697	213,697	153,847
Total Assets	**281,791,206**	**231,465,971**	**57,197,863**
Income	155,000	162,500	108,500
Expenditure	153,683	157,868	105,375
Profit before Tax	**1,317**	**4,632**	**3,125**
Provision for Tax	580	2,080	1,341
Profit after Tax	**737**	**2,552**	**1,784**

[2] based on financial statements audited by their respective auditors.

5. Related Party Transactions

I. Names of related parties with whom transactions were carried out during each year and description of relationship as identified and certified by the Company as per the requirements of Accounting Standard – 18 issued by the Institute of Chartered Accountants of India and where control exists:

Holding company

New Delhi Television Limited

Fellow Subsidiary

NDTV Media Limited

Key Management Personnel and their relatives

Dr. Prannoy Roy	Director
Radhika Roy	Director
K.V.L. Narayan Rao	Director (uptill June 21, 2004)

II. Disclosure of Related Party Transactions:

Details of transactions for the year ended March 31, 2006

(Amount in Rs.' 000s)

S.No.	Nature of relationship / transaction	Holding Company	Fellow Subsidiary	Total
1	Rental Income	-	1,200	1,200
2	Share Application Money	100,000	-	100,000

Details of transactions for the year ended March 31, 2005

(Amount in Rs.' 000s)

S.No.	Nature of relationship / transaction	Holding Company	Fellow Subsidiary	Total
1	Rental Income	-	1,200	1,200
2	Payments made on our behalf	54	-	54

III. Amount due to/from related parties

Amount due to/from related parties as on March 31, 2006

(Amount in Rs.' 000s)

Nature of relationship / transaction	Holding Company	Total
Credit balances outstanding as on 31 March 2006	9,080	9,080

Amount due to/from related parties as on March 31, 2005

(Amount in Rs.' 000s)

Nature of relationship / transaction	Holding Company	Total
Credit balances outstanding as on 31 March 2005	9,079	9,079

6. Earnings/(Loss) per share (EPS)

Description	Year ended March 31, 2006	Year ended March 31, 2005
Profit/(Loss) attributable to Equity Shareholders (Rs.)	(880,652)	423,484
Weighted average number of equity shares outstanding during the year (Nos.)	5,000	5,000
Basic and Diluted Earning/(Loss) per Equity Share (Rs.) *	(176.13)	84.70

* Potential conversion of the share application money is anti-dilutive and accordingly, has not been considered in the calculation of diluted earning/ (loss) per share.

7. Segment Reporting

As the Company is not carrying out any business, no information on segments has been furnished in these accounts.

8. Figures of the previous year have been regrouped or reclassified wherever necessary to conform to the current year's groupings and classification.

NDTV News Limited

Balance Sheet Abstract & Company's General Business Profile

I Registration details

Registration No.	U74999DL2004PLC130423
State Code	55
Balance Sheet Date	31 03 2006

II Capital raised during the Year (Amount in Rs Thousands)

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

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

Total Liabilities	Total Assets
120401	120401

Source of Funds

Paid Up Capital*	Reserves & Surplus
100500	10086
Secured Loans	Unsecured Loans
NIL	NIL

Application of Funds

Net Fixed Assets	Investments
15514	100000
Net Current Assets	Misc. Expenditure
(-) 7679	NIL
Accumulated Losses	
2752	

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

Turnover	Total Expenditure
1200	1490
Profit / Loss before Tax	Profit / Loss after Tax
(-) 290	(-) 881
Earning per share (Rs.)	Dividend Rate %
(-) 176.13	NIL

V Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code) NA

Product Description : Export, production and to deal in all or any type of programmes for television, radio, telecom and film industry.

*Includes Share application money of Rs. 100,000,000/-

For and on behalf of the Board

Dr. Prannoy Roy
Director

Radhika Roy
Director

Place : New Delhi
Date : April 17, 2006

New Delhi Television Limited
Consolidated Financial Statements

Report of the auditors to the Board of Directors of New Delhi Television Limited on the consolidated financial statements of New Delhi Television Limited and its subsidiaries

1. We have audited the attached consolidated Balance Sheet of New Delhi Television Limited and its subsidiaries as at March 31, 2006, the consolidated Profit and Loss Account for the year ended on that date annexed thereto, and the consolidated Cash Flow Statement for the year ended on that date, which we have signed under reference to this report. These consolidated financial statements are the responsibility of 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 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 prepared, in all material respects, in accordance with an identified financial reporting framework and 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 in accordance with the requirements of Accounting Standard 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of New Delhi Television Limited and its subsidiaries included in the consolidated financial statements.

4. *We refer to Note 13 (II) of Schedule 19 regarding managerial remuneration amounting to Rs.17,352 thousand paid to the directors, is subject to approval by the Central Government. Additionally, employee stock options granted to one of the directors included above is further subject to the approval by the shareholders.*

   In the event that the Central Government approval is not received, these amounts are to be refunded by such directors. This would then result in the Loss after Taxation for the year to be Rs.6,215 thousand (as against the reported figure of Rs.19,695 thousand), Reserves and Surplus to be Rs.1,687,367 thousand (as against the reported figure of Rs.1,670,015 thousand), Net Current Assets to be Rs.1,080,486 thousand (as against the reported figure of Rs.1,068,979 thousand), Employee Stock Options Outstanding to be Rs. 255,762 thousand (as against the reported figure of Rs.261,608 thousand) and the Deferred tax liability to be Rs.67,763 thousand (as against the reported figure of Rs.63,890 thousand).

5. On the basis of the information and explanations given to us and on consideration of the separate audit reports of individual audited financial statements of New Delhi Television Limited and its aforesaid subsidiaries, and *subject to our comments in paragraph 4* above in our opinion, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   (i) in the case of the consolidated Balance Sheet, of the consolidated state of affairs of New Delhi Television Limited and its subsidiaries as at March 31, 2006;

   (ii) in the case of the consolidated Profit and Loss Account, of the consolidated results of operations of New Delhi Television Limited and its subsidiaries for the year ended on that date; and

   (iii) in the case of the consolidated Cash Flow Statement, of the consolidated cash flows of New Delhi Television Limited and its subsidiaries for the year ended on that date.

Kaushik Dutta
Partner
Membership No. F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Place: New Delhi
Date: April 17, 2006

New Delhi Television Limited
Consolidated Balance Sheet as at March 31, 2006

	Schedule		As at March 31, 2006 Amount (Rs.)		As at March 31, 2005 Amount (Rs.)
Sources of Funds					
Shareholders' Funds					
Capital	1	243,210,528		243,210,528	
Employee Stock Options Outstanding	2	261,608,135		–	
Reserves & Surplus	3	1,670,014,995	2,174,833,658	1,731,247,320	1,974,457,848
Minority Interest			34,242,781		14,277,423
Deferred Tax Liability -Net (Note B-11 on Schedule-19)			63,889,751		101,703,078
			2,272,966,190		**2,090,438,349**
Application of Funds					
Fixed Assets					
Gross Block	4	1,792,800,199		1,528,497,663	
Less : Depreciation		739,818,430		595,707,078	
Net Block		1,052,981,769		932,790,585	
Capital Work in Progress		50,961,266	1,103,943,035	5,284,686	938,075,271
Investments	5		100,000,000		–
Current Assets, Loans and Advances					
Inventories	6	36,395,983		5,159,108	
Sundry Debtors	7	940,373,338		679,374,145	
Cash and Bank Balances	8	250,356,106		546,623,081	
Other Current Assets, Loans and Advances	9	226,730,729		166,728,688	
		1,453,856,156		1,397,885,022	
Less : Current Liabilities and Provisions					
Current Liabilities	10	314,981,322		187,573,782	
Provisions	11	69,895,407		58,035,630	
		384,876,729		245,609,412	
Net Current Assets			1,068,979,427		1,152,275,610
Miscellaneous Expenditure (to the extent not written off or adjusted)	12		43,728		87,468
			2,272,966,190		**2,090,438,349**
Notes to the accounts	19				

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

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Chairman

Radhika Roy
Managing Director

Rajiv Mathur
Company Secretary

Jameskutty P.C
Group CFO

Place : New Delhi
Date : April 17, 2006

New Delhi Television Limited

Consolidated Profit and Loss Account for the year ended March 31, 2006

	Schedule		For the year ended March 31, 2006 Amount (Rs.)		For the year ended March 31, 2005 Amount (Rs.)
Income					
Business Income					
- Advertising Revenue	13		2,023,200,382		1,679,274,876
- Other	14		186,781,469		81,952,486
Other Income	15		28,978,247		37,299,447
			2,238,960,098		**1,798,526,809**
Expenditure					
Production expenses	16		377,061,253		308,632,750
Personnel expenses	17				
- Salaries & Other Benefits		740,867,928		483,929,587	
- Sales Incentive		60,481,859	801,349,787	47,200,568	531,130,155
Operations & Administration expenses	18		375,413,398		289,610,755
Marketing, Distribution & Promotion expenses			231,069,853		105,006,941
Miscellaneous Expenditure Written Off	12		43,740		43,737
			1,784,938,031		**1,234,424,338**
Profit Before Interest, Depreciation, Tax and Employee Stock Compensation Expense			**454,022,067**		**564,102,471**
Interest			–		5,631,316
Depreciation	4		154,031,182		129,263,330
Profit Before Tax & Employee Stock Compensation Expense			**299,990,885**		**429,207,825**
Employee Stock Compensation Expense (Note B-3 on Schedule 19)			278,763,135		–
Provision For Tax					
- Current		56,436,342		58,076,343	
- MAT Credit Entitlement		(15,145,965)		–	
- Deferred (Note B-11 on Schedule 19)		(37,813,327)		6,478,972	
- Fringe Benefit Tax		21,178,506	24,655,556	–	64,555,315
Profit/ (Loss) after Tax before share of minority			**(3,427,806)**		**364,652,510**
Share of Minority Interest (Note B-1 (b) on Schedule 19)			16,266,787		10,853,199
Net Profit/ (Loss) After Tax			**(19,694,593)**		**353,799,311**
Previous Year Balance Brought Forward			**489,386,791**		**243,750,779**
Amount available for appropriations			**469,692,198**		**597,550,090**
Appropriations					
General Reserve			–		52,701,570
Proposed Dividend			48,642,106		48,642,106
Corporate Dividend Tax			6,822,055		6,819,623
Profit Carried Forward			414,228,037		489,386,791
			469,692,198		**597,550,090**
Earnings Per Share - Basic and Diluted (Note B-14 on Schedule 19)			**(0.32)**		**5.98**
Notes to the accounts	19				

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

The schedules referred to above form an integral part of the Consolidated Profit and Loss Account

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Chairman

Radhika Roy
Managing Director

Rajiv Mathur
Company Secretary

Jameskutty P.C
Group CFO

Place : New Delhi
Date : April 17, 2006

New Delhi Television Limited
Consolidated Cash Flow Statement for the year ended March 31, 2006

		For the year ended March 31, 2006 Amount (Rs)	For the year ended March 31, 2005 Amount (Rs)
A.	**Cash flow from operating activities:**		
	Net (loss)/profit before tax but after Employee Stock Compensation Expense	**21,227,750**	**429,207,825**
	Adjustments for:		
	Depreciation	154,031,182	129,263,330
	Interest Expense	–	5,631,316
	Interest Income	(26,199,194)	(34,760,521)
	Employee Stock Compensation Expense	278,763,135	–
	(Profit)/Loss on Fixed Assets sold	(819,265)	409,017
	Debts / Advances Written off	739,108	3,554,010
	Provision for Bad & Doubtful Debts	4,080,581	3,940,444
	Liability no longer required written back	(1,516,992)	(382,728)
	Provision for Gratuity & Leave Encashment	10,633,879	1,913,926
	Barter Income	(132,983,362)	(143,400,571)
	Barter Expenditure	70,515,289	47,013,752
	Tax Deducted at Source on Service Income	(38,132,178)	(27,811,550)
	Miscellaneous Expenditure	43,740	43,737
	Operating profit before working capital changes	**340,383,673**	**414,621,987**
	Adjustments for changes in working capital :		
	- (Increase)/Decrease in Sundry Debtors	(265,818,878)	(321,646,143)
	- (Increase)/Decrease in Other Receivables	(42,048,188)	(48,971,262)
	- (Increase)/Decrease in Inventories	(31,236,875)	7,941,180
	- Increase/(Decrease) in Trade and Other Payables	132,405,691	66,344,091
	Cash generated from operations	**133,685,423**	**118,289,853**
	- Taxes (Paid) / Received (Net of TDS)	(27,825,580)	44,884,782
	- Fringe Benefit Tax (Paid)/ Received	(19,955,040)	–
	Net cash from operating activities	**85,904,803**	**163,174,635**
B.	**Cash flow from Investing activities:**		
	Purchase of fixed assets	(271,068,142)	(151,786,427)
	Proceeds from Sale of fixed assets	10,975,374	2,860,395
	Interest Received (Revenue)	32,912,719	16,741,895
	Purchase of investments	(100,000,000)	–
	Net cash used in investing activities	**(327,180,049)**	**(132,184,137)**

New Delhi Television Limited
Consolidated Cash Flow Statement for the year ended March 31, 2006

		For the year ended March 31, 2006 Amount (Rs)	For the year ended March 31, 2005 Amount (Rs)
C.	**Cash flow from financing activities:**		
	Proceeds from fresh issue of Share Capital (including Share Premium)	–	1,090,000,000
	Proceeds from Minority	470,000	–
	Payments made for share issue expenses	–	(99,249,135)
	Payment made to selling shareholders	–	(380,664,343)
	Repayment of loans	–	(380,000,000)
	Interest Paid	–	(5,646,582)
	Dividend Paid	(48,642,106)	–
	Dividend Tax Paid	(6,819,623)	–
	Net cash generated/ (used) in financing activities	**(54,991,729)**	**224,439,940**
	Net Increase/(Decrease) in Cash & Cash Equivalents	**(296,266,975)**	**255,430,438**
	Opening Cash and cash equivalents	**546,623,081**	**291,192,643**
	Closing Cash and cash equivalents	**250,356,106**	**546,623,081**
	Cash and cash equivalents comprise		
	Cash in hand	1,370,284	766,098
	Balance with Scheduled Banks on Current and Deposit accounts {Includes fixed deposits under lien Rs12,161,600 (Previous Year Rs Nil) against letters of credit issued and Rs. 85,041,000 (Previous Year Rs. 89,796,000) pledged against bank guarantees.}	248,985,822	545,856,983
		250,356,106	**546,623,081**

Notes :

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

2 Figures in brackets indicate cash outgo.

3 Following non cash transactions have not been considered in the Cash flow statement.
- Tax deducted at source (on income)
- Barter Transactions

4 Previous year's figures have been restated, regrouped or reclassified wherever necessary to conform to current year's grouping and classification.

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

For and on behalf of the Board

Kaushik Dutta
Partner
Membership Number F-88540
For and on behalf of
Price Waterhouse
Chartered Accountants

Dr. Prannoy Roy
Chairman

Radhika Roy
Managing Director

Rajiv Mathur
Company Secretary

Jameskutty P.C
Group CFO

Place : New Delhi
Date : April 17, 2006

New Delhi Television Limited
Schedules to the Consolidated Balance Sheet

	As at March 31,2006 Amount (Rs.)	As at March 31,2005 Amount (Rs.)
Schedule - 1		
Capital		
Authorised :		
68,750,000 Equity Shares of Rs.4/- each (Previous Year 68,750,000 Equity Shares of Rs. 4/- each)	275,000,000	275,000,000
Issued , Subscribed & Paid Up :[1]		
60,802,632 Equity Shares of Rs.4/- each(Previous Year 60,802,632 Equity Shares of Rs.4/- each)	243,210,528	243,210,528
	243,210,528	**243,210,528**

[1] Out of the above:

(a) 7,509,870 (Previous Year - 7,509,870) Equity Shares of Rs. 4/- each were allotted as fully paid up by way of Bonus Shares by capitalisation of Profits and Revaluation Reserve.

(b) 33,651,690 (Previous Year -33,651,690) Equity Shares of Rs 4/- each were allotted as fully paid up by way of Bonus Shares by capitalisation of Securities Premium.

(c) 9,077,528 (Previous Year -9,077,528) Equity Shares of Rs 4/- each were allotted as fully paid up pursuant to a contract without payment being received in cash.

Schedule - 2
Employee Stock Options Outstanding

(Note B-3 on Schedule 19)

	As at March 31,2006 Amount (Rs.)	As at March 31,2005 Amount (Rs.)
Stock options outstanding during the year	733,506,800	–
Less: Deferred employee compensation expense	471,898,665	–
	261,608,135	**–**

Schedule - 3
Reserves & Surplus

		As at March 31,2006 Amount (Rs.)		As at March 31,2005 Amount (Rs.)
Securities Premium Account				
Opening Balance	1,188,953,179		617,508,625	
Additions during the year [1]	17,155,000		637,592,472	
Less: Public Issue Expenses	–		(66,147,918)	
Less: Share of Minority	(3,228,571)		–	
Closing Balance		1,202,879,608		1,188,953,179
General Reserve				
Opening Balance	52,701,570		–	
Add: Transfer from profit and loss account	–		52,701,570	
Closing Balance		52,701,570		52,701,570
Capital Reserve		205,780		205,780
Profit and Loss Account		414,228,037		489,386,791
		1,670,014,995		**1,731,247,320**

[1] Premium in respect of allotment of 47,000 Equity Shares of Rs 10 each to employees under Employee Stock Option Plan - ESOP 2005 of NDTV Media, a subsidiary of the Company

New Delhi Television Limited
Schedule to the Consolidated Accounts
Schedule - 4 Fixed assets

Amount (Rs)

Particulars	Gross Block				Depreciation				Net Block	
	As at April 01, 2005	Additions During the Year	Deletions/ Adjustments	As at March 31, 2006	As at April 01, 2005	Provided During the Year	On Deductions	Upto March 31, 2006	As at March 31, 2006	As at March 31, 2005
Intangible assets										
Website	21,346,327	-	-	21,346,327	14,764,490	3,290,918	-	18,055,408	3,290,919	6,581,837
Computer Software	5,385,979	6,659,461	-	12,045,440	508,842	1,499,901	-	2,008,743	10,036,697	4,877,137
Technical Knowhow	1,500,000	-	-	1,500,000	372,950	300,000	-	672,950	827,050	1,127,050
Tangible assets										
Land & Building	75,007,393	-	-	75,007,393	7,986,447	1,834,454	-	9,820,901	65,186,492	67,020,946
Plant & Machinery[1]										
Plant & Machinery (Main)[2]	1,058,752,307	140,681,139	8,358,263	1,191,075,183	382,091,572	98,727,953	523,542	480,295,983	710,779,200	676,660,735
Plant & Machinery (Other)	46,623,393	8,849,521	356,860	55,116,054	20,835,745	4,409,358	201,105	25,043,998	30,072,056	25,787,648
Computers[3]	119,973,694	18,773,980	632,451	138,115,223	74,387,574	14,094,616	630,713	87,851,477	50,263,746	45,586,120
Office Equipment	26,817,909	4,911,501	385,088	31,344,322	19,592,326	2,773,134	364,670	22,000,790	9,343,532	7,225,583
Furniture & Fixtures	105,040,601	9,029,921	35,000	114,035,522	52,796,102	12,809,772	3,776	65,602,098	48,433,424	52,244,499
Vehicles [4]	48,050,060	95,472,952	10,308,277	133,214,735	20,512,793	13,173,429	8,196,024	25,490,198	107,724,537	27,537,267
Helicopter [5]	20,000,000	-	-	20,000,000	1,858,237	1,117,647	-	2,975,884	17,024,116	18,141,763
TOTAL	**1,528,497,663**	**284,378,475**	**20,075,939**	**1,792,800,199**	**595,707,078**	**154,031,182**	**9,919,830**	**739,818,430**	**1,052,981,769**	**932,790,585**
Previous Year	**1,380,692,631**	**155,965,556**	**8,160,524**	**1,528,497,663**	**471,334,860**	**129,263,330**	**4,891,112**	**595,707,078**	**932,790,585**	**-**
Capital Work in Progress [6]	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**50,961,266**	**5,284,686**

1 Includes foreign exchange fluctuation loss of Rs. 114,825 (Previous Year gain of Rs. 472,966)

2 Gross Block includes assets aggregating Rs.5,113,542 (Previous Year Rs. 2,059,940) purchased under barter arrangements during the year.

3 Gross Block includes assets aggregating Rs.21,00,010 (Previous Year Rs. 11,235,200) purchased under barter arrangements during the year.

4 Gross Block includes assets aggregating Rs.49,890,096 (Previous Year Rs. Nil) purchased under barter arrangements during the year.

5 Title and ownership is as confirmed by Deccan Aviation Limited.

6 Includes an amount of Rs. 4,182,067 (Previous Year Rs. 5,284,686) towards Capital Advance and assets aggregating Rs. 531,771 (Previous Year Rs Nil) purchased under barter arrangements during the year.

New Delhi Television Limited
Schedules to the Consolidated Balance Sheet

		As at March 31, 2006 Amount (Rs.)		As at March 31,2005 Amount (Rs.)
Schedule - 5				
Investment				
(Note B-4 on Schedule 19)				
(Long Term, at cost,Trade, unquoted)				
Asia Radio Broadcast Private Limited		10,000,000		–
(1,000,000 equity shares of Rs 10 each)				
Pioneer Radio Trading Services Private Limited		10,000,000		–
(1,000,000 equity shares of Rs 10 each)				
Optimum Media Services Private Limited		10,000,000		–
(1,000,000 equity shares of Rs 10 each)				
Share Application Money				
- Asia Radio Broadcast Private Limited		20,000,000		–
- Pioneer Radio Trading Services Private Limited		25,000,000		–
- Optimum Media Services Private Limited		25,000,000		–
		100,000,000		**–**
Schedule - 6				
Inventories				
Stores & Spares		4,209,376		4,370,863
Video Tapes		1,630,356		788,245
Television Programmes under production and finished programmes		30,556,251		-
		36,395,983		**5,159,108**
Schedule - 7				
Sundry Debtors				
(Unsecured, Considered Good unless otherwise specified)				
Debts Outstanding for a period exceeding six months				
Considered good	80,997,370		83,678,756	
Considered doubtful	19,533,201	100,530,571	15,740,444	99,419,200
Other Debts				
Considered good		859,375,968		595,695,389
		959,906,539		**695,114,589**
Less: Provision for doubtful debts		(19,533,201)		(15,740,444)
		940,373,338		**679,374,145**
Schedule - 8				
Cash and Bank Balances				
Cash In Hand		1,370,284		766,098
Balance With Scheduled Banks on				
Current Accounts				
- Rupee Accounts		37,808,825		17,865,958
- EEFC Accounts		225,320		231,816
Fixed Deposits [1]	210,951,677		531,648,300	
Less: Book Overdraft with the same bank	–	210,951,677	(3,889,091)	527,759,209
		250,356,106		**546,623,081**

[1] Includes fixed deposits under lien Rs12,161,600 (Previous Year Rs Nil) against letters of credit issued and Rs. 85,041,000 (Previous Year Rs. 89,796,000) pledged against bank guarantees.

New Delhi Television Limited
Schedules to the Consolidated Balance Sheet

	As at March 31, 2006 Amount (Rs.)	As at March 31,2005 Amount (Rs.)
Schedule - 9		
Other Current Assets, Loans and Advances		
(Unsecured, Considered Good)		
Advances recoverable in cash or kind or for value to be received	26,345,288	39,534,956
Security Deposits	31,740,789	34,630,751
Interest Accrued But Not Due	4,335,435	16,328,511
Advances & Imprest to Employees	29,770,320	15,708,608
Prepaid Expenses	87,750,586	43,684,480
Advance Income Tax {Net of Provision for Income Tax of Rs 186,470,200 (Previous Year Rs 174,139,615)	31,642,346	16,841,382
MAT Credit Entitlement	15,145,965	–
	226,730,729	**166,728,688**
Schedule - 10		
Current Liabilities		
Sundry Creditors [1]	208,929,616	84,399,723
Other Liabilities	96,249,764	73,167,915
Barter Liabilities (Net) [2]	3,523,717	22,883,581
Advances from Customers	6,278,225	7,122,563
	314,981,322	**187,573,782**

[1] The company does not owe any amount to small scale undertakings

[2] Includes :

- Rs. 41,037 (Previous Year Rs 8,160,681) on account of Advance Airtime Liability due to ICICI Bank Limited.
- Rs. 44,812,187 (Previous Year Rs 14,722,900) due to other parties on account of Barter transactions.

	As at March 31, 2006 Amount (Rs.)	As at March 31,2005 Amount (Rs.)
Schedule - 11		
Provisions		
Provision for Gratuity	13,207,780	2,573,901
Proposed Dividend	48,642,106	48,642,106
Dividend Tax	6,822,055	6,819,623
Provision for Fringe Benefit Tax {Net of advance tax of Rs 19,955,040 (Previous Year Rs Nil)}	1,223,466	–
	69,895,407	**58,035,630**
Schedule - 12		
Miscellaneous Expenditure		
(To the extent not written off or adjusted)		
Balance Brought Forward	87,468	131,205
Less : Written off during the year	(43,740)	(43,737)
Closing Balance	**43,728**	**87,468**

New Delhi Television Limited
Schedules to the Consolidated Profit and Loss Account

		For the year ended March 31, 2006 Amount (Rs.)		For the year ended March 31,2005 Amount (Rs.)
Schedule - 13				
Advertising Revenue				
Sales		1,960,732,309		1,582,888,057
Barter Sales				
- ICICI Bank	7,100,251		92,418,883	
- Others	125,883,111		50,981,688	
	132,983,362		143,400,571	
Less: Barter Expenses - Advertisement	(70,515,289)	62,468,073	(47,013,752)	96,386,819
		2,023,200,382		**1,679,274,876**
Schedule - 14				
Other Business Income				
Sale of Television Software		2,757,389		26,135,000
Other News Delivery Avenues [1]		27,594,233		17,709,552
Equipment Hire		11,784,620		12,774,042
Subscription Revenue		109,875,411		10,898,395
Others {(Gross of Tax Deducted at Source Rs. 65,341 (Previous Year Rs. 312,875)}		34,769,816		14,435,497
		186,781,469		**81,952,486**

[1] Includes barter income of Rs 1,605,000 (Previous Year Rs Nil)

		For the year ended March 31, 2006 Amount (Rs.)		For the year ended March 31,2005 Amount (Rs.)
Schedule - 15				
Other Income				
Interest earned:				
- On Fixed Deposits {Gross of tax deducted at source Rs 5,279,551 (Previous Year Rs 5,572,037)}		25,368,092		27,027,555
- On Income Tax Refund		831,102		7,732,966
Profit on sale of fixed assets		819,265		–
Foreign Exchange gain - Net		42,199		1,212,523
Liabilities written back		1,516,992		382,728
Miscellaneous Income		400,597		943,675
		28,978,247		**37,299,447**
Schedule - 16				
Production Expenses				
Consultancy & Professional Fee		74,668,025		60,399,520
Hire Charges		9,176,735		10,469,459
Graphic, Music And Editing		4,644,760		1,196,599
Video Cassettes		8,797,591		4,719,038
Subscription, Footage & News Service		48,013,680		51,035,440
Software Expenses		5,030,365		2,006,478
V-Sat, Video Conference & Uplinking		80,665,327		55,602,255
Sets Construction		563,004		1,924,879
Panelist Fee		5,139,430		3,383,336
Website Hosting & Streaming		17,054,508		16,359,610
Helicopter Running & Maintenance		6,495,070		6,941,963
Travelling		80,503,822		75,991,253
Stores & Spares		12,795,899		12,076,600
Other Production Expenses		23,513,037		6,526,320
		377,061,253		**308,632,750**

New Delhi Television Limited
Schedules to the Consolidated Profit and Loss Account

	For the year ended March 31, 2006 Amount (Rs.)	For the year ended March 31,2005 Amount (Rs.)
Schedule - 17		
Personnel Expenses		
Salary, Wages & Other Benefits	674,095,830	437,848,630
Contribution to Provident Fund and other Funds	44,942,022	31,405,603
Staff Welfare	21,830,076	14,675,354
	740,867,928	**483,929,587**
Schedule - 18		
Operations and Administration Expenses		
Rent (Note B-15 on Schedule 19)	69,242,044	62,475,505
Rates and taxes	1,704,946	1,168,871
Electricity and water	20,755,647	17,299,346
Bank charges	2,524,492	1,575,428
Printing and stationery	5,052,860	4,482,549
Postage, telegram and courier	3,269,560	2,736,088
Books, periodicals and news papers	21,958,972	14,416,067
Local conveyance & taxi hire	46,863,530	28,494,291
Business promotion	24,826,413	13,707,734
Repair and Maintainance		
- Plant & Machinery	30,409,934	20,339,846
- Building	21,481,004	14,904,118
Charity and donations	1,036,800	1,316,800
Audit Fees - Statutory and Quarterly audits (including reimbursements)	3,486,560	3,204,498
Insurance	12,712,124	12,226,215
Communication	43,144,447	34,942,261
Vehicle	17,497,174	11,787,681
Medical	10,234,569	7,086,176
Generator hire and running	13,519,177	9,264,335
Security	3,726,569	3,451,382
Staff training	253,205	33,522
Provision for doubtful debts	4,080,581	3,940,444
Bad Debts & doubtful advances written off	739,108	3,554,010
Legal & Professional	6,214,971	10,609,561
Miscellaneous	9,191,095	6,185,010
Loss on sale of fixed assets	–	409,017
Subscription Fee	1,487,616	–
	375,413,398	**289,610,755**

New Delhi Television Limited - Consolidated
Schedules to the accounts

Schedule –19

A. Significant Accounting Policies

1. Basis of Presentation and principles of consolidation

(a) The Consolidated Financial Statements (CFS) are prepared in accordance with Accounting Standard (AS) 21- "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI). The CFS of New Delhi Television Limited include the accounts of New Delhi Television Limited (NDTV) and its wholly owned subsidiary NDTV News Limited (formerly Harshil Overseas Private Limited) along with 81% subsidiary NDTV Media Limited (NDTVM) (collectively referred to as the "Group") after the elimination of all inter-company accounts and transactions in accordance with AS-21 and are prepared under historical cost convention in accordance with generally accepted accounting principles applicable in India. Subsidiaries are consolidated from the date on which effective control is transferred to the Group and are no longer consolidated from the date of disposal.

(b) The notes and significant policies to the CFS 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 required disclosure.

(c) Reserves shown in the consolidated balance sheet represent the Group's share in the respective reserves of the Group companies. Retained earnings comprise general reserve, capital reserve and profit and loss account.

(d) Minority Interests in the net assets of the consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which the investments are made by New Delhi Television Limited in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

2. Goodwill/Capital Reserve

Goodwill represents the difference between the cost of acquisition and the Group's share in the net worth of a subsidiary at each point of time of making the investment in the subsidiary. For this purpose, the Group's share of net worth is determined on the basis of the latest financial statements prior to the acquisition after making necessary adjustments for material events between the date of such financial statements and the date of the respective acquisition. Negative goodwill is shown as Capital Reserve.

3. Tangible Fixed Assets

Tangible Fixed assets are stated at the cost of acquisition, which includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition for their intended use less depreciation.

Fixed assets purchased under barter arrangements are stated at the fair market value as at the date of purchase.

4. Intangibles

Intangible assets are recognised if they are separately identifiable and the Group controls the future economic benefits arising out of them. All other expenses on intangible items are charged to the profit and loss account. Intangible assets are stated at cost less accumulated amortization and impairment.

5. Depreciation

Depreciation on fixed assets including intangibles is provided using the Straight Line Method based on the useful lives as estimated by the management. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Individual assets costing less than Rs. 5,000 are depreciated at the rate of 100% on pro-rata basis. The management's estimates of useful lives for various fixed assets are given below:

Asset Head	Useful Life (years)
Tangible assets	
Buildings	40
Plant and Machinery	5-12
Computers	3-6
Office equipment	3-5
Furniture and Fixtures	5-8
Vehicles	6
Helicopter	17
Intangible assets	
Computer Software	6
Website	6
Technical Know-how	5

The rates of depreciation derived from these estimates of useful lives are higher than those mandated by Schedule XIV of the Companies Act, 1956 after considering the impact of shift workings.

6. Revenue Recognition

Revenue from advertising is recognised for the period for which services have been provided based on valid contracts.

Revenues from production arrangements are recognized when the contract period begins and the programming is available for telecast pursuant to the terms of the agreement, typically when the finished product has been delivered to or made available to and accepted by the customer. Revenue from other services is recognized as per the terms of the agreement, as the services are rendered and no significant uncertainty exists regarding the amount of consideration. Revenue from equipments given out on lease is accounted for on accrual basis for the period of use of equipments by the customers.

7. Inventories

Stores and Spares

Stores and spares consist of blank videotapes and equipment spare parts and are valued at the lower of cost or net realizable value. Cost is measured on a First In First Out (FIFO) basis.

VHS Tapes

VHS tapes, other than Betacam and DVC videotapes, are written off in the books at the time of their purchase. Betacam and DVC videotapes are written off on issue to production.

Programmes under production and finished programmes

Inventories related to television software (programmes completed, in process of production, available for sale or purchased programmes) are stated at the lower of cost (which includes direct production costs, story costs, acquisition of footage and allocable production overheads) or net realisable value. The cost of purchased programmes is amortised over the initial license period. The Company charges to the profit and loss account 80% of the costs incurred on non-news programmes produced by itself on their first telecast and the balance on subsequent telecast. This is based on the estimated revenues generated by the first and the subsequent telecasts.

8. Use of Estimates

In preparing the Consolidated Financial Statements, reasonable, prudent judgments and estimates have been made that may affect the reported amounts of assets and liabilities, and contingent liabilities on the Balance Sheet date, as well as income and expenses during the period under review. Assets and liabilities are recognized in the Balance Sheet when it is probable that a future economic benefit will flow to the group or an outflow of resources embodying economic benefits will result.

9. Retirement Benefits

The Group's contributions to Provident Fund and other recognized funds are charged to the Profit and Loss Account.

In the Group, NDTV makes annual contributions to a fund administered and managed by the Life Insurance Corporation of India ("LIC"). Under this scheme, LIC assumes the obligation to settle the gratuity payment to the employees to the extent of the funding. Liability for gratuity at the year end is provided on the basis of actuarial valuation done at period end.

10. Foreign Currency Transactions

Transactions in foreign currency are recorded at the rates of exchange in force at the time the transactions are effected. All monetary assets and liabilities denominated in foreign currency are restated at the year-end exchange rate. All non-monetary assets and liabilities are stated at the rate prevailing on the date of transaction.

Gains / (losses) arising out of fluctuations in the exchange rates are recognized as income/ (expense) in the period in which they arise. Exchange differences on the reporting date or settlement date arising from repayment of liabilities incurred for the purpose of acquiring fixed assets are adjusted in the cost of the respective assets.

11. Miscellaneous Expenditure

Miscellaneous expenses are written off over a period of 5 years from the date of commencement of business.

12. Leases

Assets taken under leases, where the Group has substantially all the risks and rewards of ownership are classified as Finance leases. Such assets are capitalized at the inception of the lease at the lower of fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

Assets acquired on leases where significant risks and rewards of ownership are retained by the lessor are classified as operating leases. Lease rentals are charged to the Profit and Loss account on straight-line basis over the lease term.

13. Taxes on Income

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act,1961, and based on expected outcome of the assessment.

Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year and quantified using the tax rates and laws substantially enacted as on the balance sheet date.

Deferred tax assets in respect of unabsorbed depreciation/brought forward losses are recognized to the extent there is virtual certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

Other deferred tax assets are recognized and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

14. Earnings Per Share (EPS)

Basic EPS

The earnings considered in ascertaining the Company's basic EPS comprise the net profit/ (loss) after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

Diluted EPS

The net profit/ (loss) after tax and the weighted average number of shares outstanding during the year are adjusted for all the effects of dilutive potential equity shares for calculating the diluted EPS.

15. Investments

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

Long-term investments are stated at cost of acquisition. However, permanent diminutions, if any, are adjusted against the value of investments.

16. Dividend

Dividends on equity shares and the related dividend tax thereon are recorded as a liability on proposal by the Board.

17. Barter Transactions

Barter transactions are recognised at the fair value of consideration receivable or payable. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/ received adjusted by the amount of cash or cash equivalent transferred.

18. Employee stock based compensation

Employee stock compensation expense is calculated based on the intrinsic value method wherein the excess of market price in the case of NDTV Limited and value determined by an independent valuer in case of NDTV Media, of underlying equity shares as on the date of the grant of options over the exercise price of the options given to employees under the Employee Stock Option Scheme of the Company, is recognized as deferred stock compensation expense and is amortised over the vesting period on the basis of generally accepted accounting principles in accordance with the guidelines of Securities and Exchange Board of India.

B. Notes to Accounts

1. (a) New Delhi Television Limited "the Company" was incorporated under the laws of India on September 8, 1988 and has a wholly owned subsidiary NDTV News Limited and a partly owned subsidiary NDTV Media Limited with 81% shareholding (Previous Year 85%).

   (b) NDTV Media Limited has during the year issued 47,000 equity shares to its employees under ESOP 2005 {Refer Note 3(b) below}. The consequent loss on dilution in the Company's shareholding by 4%, amounting to Rs 7,219 thousand has been charged to the Profit and Loss Account and included under share of minority interest.

2. Following are the dates of the incorporation and commencement of business of the Company's subsidiaries:

Subsidiary	Date of Incorporation	Date of Commencement of Business
NDTV Media Limited	November 13, 2002	November 27, 2002
NDTV News Limited[1] (formerly Harshil Overseas Private Limited)	May 23, 1994	May 23, 1994

[1]NDTV News Limited (formerly Harshil Overseas Private Limited) was acquired by NDTV Limited in February 1996 from the shareholders of Harshil Overseas Private Limited.

3. **(a) Employee Stock Option Plan– ESOP 2004**

   The Company instituted the Employee Stock Option Plan – ESOP 2004 to grant equity-based incentives to all its eligible employees. The ESOP 2004 had been approved by the board of directors in their meeting held on January 5, 2004 and by the shareholders in their meetings held on January 29, 2004 and September 22, 2004 for grant of 2,557 thousand options to the employees of the Company. Pursuant to the scheme, the Board on June 30, 2005 granted 3,310 thousand options to employees of the Company (part of which were subject to shareholders' approval) at an exercise price of Rs. 4 each, representing one share for each option upon exercise. Subsequently, the shareholders at their meeting held on September 19, 2005 authorised the board to grant options for further 1,500 thousand equity shares. The maximum tenure of these options granted is 7 years from the date of grant. Balance options available for grant as at the year ended March 31, 2006 is 639.5 thousand.

   Accordingly, the Company under the intrinsic value method has recognised the excess of the market price over the exercise price of the options amounting to Rs. 261,608 thousand as an expense during the year. Further, the liability outstanding as at the March 31, 2006 in respect of Employee Stock Options outstanding is Rs. 261,608 thousand. The balance deferred compensation expense Rs 471,899 thousand will be amortised over the remaining vesting period of options.

The movement in the options granted to employees during the year ended March 31, 2006 under the ESOP 2004 is set out below:

	First Grant	**Second Grant**	**Third Grant**
Date of Grant	June 30, 2005	September 19, 2005	December 1, 2005
Market value on date of grant of the underlying equity shares	212.75	235.20	179.50
Exercise Price	Rs. 4	Rs. 4	Rs 4
Vesting Period	4 Years	4 Years	4 Years
Options granted (Nos)	2,557,000	930,500	12,500
Options forfeited (Nos)	66,000	16,500	-
Options exercised (Nos)	-	-	-
Options expired (Nos)	-	-	-
Options outstanding at the year end [2] (Nos)	2,491,000	914,000	12,500
Options exercisable at the year end (Nos)	-	-	-

[2]weighted average remaining contractual life of 3.31 years.

The fair value of each stock option granted under ESOP 2004 as on the date of grant has been computed using Black-Scholes Option Pricing Formula and the model inputs are given as under:

	First Grant	**Second Grant**	**Third Grant**
Date of Grant	June 30, 2005	September 19, 2005	December 1, 2005
Weighted average share price on the grant date	Rs. 212.75	Rs 235.20	Rs 179.50
Volatility [3] (%)	50.20 to 64.49	50.12 to 63.15	49.05 to 60.13
Risk free rate [4] (%)	6.33 to 6.60	6.39 to 6.79	6.32 to 6.81
Exercise Price	Rs 4	Rs 4	Rs 4
Time to Maturity (years) [5]	2.50 to 5.50	2.50 to 5.50	2.50 to 5.50
Dividend Yield [6]	0%	0%	0%
Life of options	7 years	7 years	7 years
Weighted average fair value of options as at the grant date	Rs. 209.66	Rs. 232.13	Rs. 176.42

[3]In view of the non availability of adequate historical data for the Company, the historical volatility of another entity within the same industry has been considered.

[4]Being the interest rate applicable for maturity equal to the expected life of options based on zero-coupon yield curve for Government Securities.

[5]Vesting period and volatility of the underlying equity shares have been considered for estimation.

[6]Since the average price trend for earlier years was not available as the Company was listed in May 2004, dividend yield has not been considered.

(b) NDTV Media's EMPLOYEE STOCK OPTION PLAN – ESOP 2005

The Company's subsidiary, NDTVM has established Employee Stock Option Plan – ESOP 2005 (ESOP 2005), under which the Board has been empowered to grant 1,33,300 options to its employees that entitles them to one equity share of the NDTVM at an exercise price determined by the Board. The equity shares covered under the scheme vest over a maximum period of sixty months.

Pursuant to the scheme, the ESOP Committee has on February 7, 2006 granted 47,000 options to employees of NDTVM at an exercise price of Rs 10 each to vest over a period of one month from the date of the grant to be exercised within a period of one month from date of vesting. NDTVM has allotted 47,000 equity shares on March 22, 2006 on exercise of the vested options by the employees.

Accordingly NDTVM under the intrinsic value method, the excess of the fair value of the underlying shares, based on a valuation by an independent valuer, at the grant date over the exercise price of the options amounting to Rs. 17,155 thousand has been recognized as an expense during the year. The movement in the options granted during the year is set out below:

	Year ended March 31, 2006	
	Equity Shares of Rs. 10 each arising out of options (Nos)	**Weighted Average Exercise Price (Rs.)**
Outstanding at the beginning of year	–	–
Options Granted	47,000	10
Options Forfeited	–	–
Options Expired	–	–
Options Exercised	47,000	10
Outstanding at the end of year	–	–
Exercisable at the end of the year	–	–
Weighted average fair value of the equity shares of Rs. 10 each underlying the options for the options exercised during the year	–	Rs. 375

Disclosure for fair value of the options

The fair value of each stock option granted under ESOP 2005 as on the date of the grant calculated using the Black-Scholes Option Pricing Formula is Rs 365.05. The variables used for calculating the fair value were the share price as per the latest valuation report of independent valuer of Rs 375, exercise price of Rs 10, option life of one month, risk free interest rate of 6.96% being the interest rate applicable for maturity equal to the expected life of options based on zero-coupon yield curve for Government Securities. The valuation has been arrived at without considering the expected volatility as estimating the volatility for a Company that is rarely traded or traded privately is not feasible and there is no dividend yield as the Company has not distributed any dividends in the past.

The impact on the profit of the Group for the year ended March 31, 2006 and the basic and diluted earnings per share had the Group followed the fair value method of accounting for stock options is set out below:

	Amount (Rs.'000)
Profit/(Loss) after tax as per Profit and Loss Account (a)	(19,695)
Add : Employee Stock Compensation Expense as per Intrinsic Value Method	278,763
Less : Employee Stock Compensation Expense as per Fair Value Method	279,870
Profit/(Loss) after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	(20,802)
Basic and diluted Earnings per Share as computed on earnings as per (a) above (Rs)	(0.32)
Basic and diluted Earnings per Share as computed on earnings recomputed as per (b above (Rs)	(0.34)

4. Interest in Joint Venture

During the year NDTV News Limited (NDTVN) together with associate companies of Value Labs and Astro All Asia Network Plc, Malaysia through their existing Indian joint venture companies has acquired a minority stake in Radio Today (Kolkata) Broadcasting Limited, Radio Today (Delhi) Broadcasting Limited and Radio Today (Mumbai) Broadcasting Limited (referred to as radio companies). The three radio companies hold licenses for FM radio broadcasting in Mumbai, Delhi and Kolkata respectively, under the brand name of RED FM. The Company has paid Rs.100,000 thousand as advance against equity to NDTVN for the above purpose.

The Radio Companies as at the date of the acquisition had accumulated losses amounting to Rs 968,909 thousand. NDTVN's proportionate share in the losses of the Radio Companies amount to Rs. 300,362 thousand and the resultant excess of purchase consideration over the total net asset value amounts to Rs. 400,362 thousand as below:

Particulars	**Amount (Rs '000)**
Net Asset Value of Radio Today (Mumbai) Broadcasting Limited as at December 31, 2005	(702,131)[7]
Net Asset Value of Radio Today (Delhi) Broadcasting Limited as at December 31, 2005	(233,574)[7]
Net Asset Value of Radio Today (Calcutta) Broadcasting Limited as at December 31, 2005	(33,204)[7]
Total Net Assets of the FM Radio Companies as at December 31, 2005	(968,909)[7]
NDTVN's share in Net Asset Value of the FM Radio Companies as at December 31, 2005 (31%)	(300,362)
Total Purchase Consideration paid	100,000
Excess of purchase consideration over the total net asset value	400,362

The profits/ (losses) of the radio companies for the three months ended March 31, 2006 are:

Particulars	**Amount (Rs '000)**
Radio Today (Mumbai) Broadcasting Limited	(2,573)[7]
Radio Today (Delhi) Broadcasting Limited	5,291[7]
Radio Today (Calcutta) Broadcasting Limited	2,282[7]
Total	**5,000**
NDTVN's share (31%)	1,550

[7]Based on unaudited financial statements certified by the management of the Radio Companies.

NDTVN intends to bring down its shareholding in the joint venture companies materially and the current level of ownership is temporary. Accordingly, the Company has, not accounted for the above in the Consolidated Financial Statements.

NDTVN's interests in the jointly controlled companies which are incorporated in India are set out below:

Amount (Rs.)

Particulars	**Amount of Interest for the period ended March 31, 2006** [8]		
	Optimum Media Services Private Limited	**Pioneer Radio Trading Services Private Limited**	**Asia Radio Broadcast Private Limited**
Percentage of Shareholding	**31%**	**31%**	**31%**
Loan Funds	246,770,289	196,441,789	27,174,676
Deferred Tax Liability	469	1,669	1,078
Total Liabilities	**246,770,758**	**196,443,458**	**27,175,754**
Fixed Assets	17,202	17,202	17,202
Investment	6,621,258	78,814,060	22,192,696
Net Current Assets	274,939,049	152,421,012	34,834,118
Miscellaneous Expenditure	213,697	213,697	153,847
Total Assets	**281,791,206**	**231,465,971**	**57,197,863**
Income	155,000	162,500	108,500
Expenditure	153,683	157,868	105,375
Profit before Tax	**1,317**	**4,632**	**3,125**
Provision for Tax	580	2,080	1,341
Profit after Tax	**737**	**2,552**	**1,784**

[8]Based on financial statements audited by their respective auditors.

5. **Joint Venture with Astro All Asia Entertainment Networks Limited**

The Company has entered into a Joint Venture and Shareholder's agreement with Astro All Asia Entertainment Networks Limited ("Astro") headquartered in Malaysia to establish a Joint Venture to undertake telecast of 24 - hour news and information channels in English and other vernacular languages for exclusive exploitation on television in South East Asian media markets and Chinese language in East Asia. Under the agreement the Company will subscribe for upto 20% shares in the issued and paid up capital of the joint venture company in one or more tranches amounting in total to one million new shares of USD 1 each of the joint venture company.

6. **Distribution Agreement with Set Discovery Private Limited**

The Company has granted exclusive rights to SET Discovery Private Limited to license and sub-license the services for distribution of its television channels, NDTV 24x7 and NDTV Profit throughout the territory of India with effect from April 1, 2005.

7. **International Distribution Agreements**

The Company has entered into separate agreements, under which the Company has granted exclusive rights to distribute the feed of its English channel NDTV 24X7 to DIRECTV, Inc, a California corporation for territories in USA, British Sky Broadcasting Limited ("Sky"), for United Kingdom and Northern Ireland, Asia Television Network International Limited for Canada and Arab Digital Distribution, Egypt for Middle East at agreed upon subscription fee.

8. **Capital Reserve**

The Capital Reserve in the Consolidated Financial Statements represents the excess of New Delhi Television Limited's share in the net assets of its subsidiary – NDTV News Limited over its investment.

Particulars	March 31, 2006	March 31, 2005
	Amount (Rs.'000)	**Amount (Rs.'000)**
Investment – NDTV News Limited	10,380	10,380
NDTV Limited's share in the net assets of its subsidiaries	(10,586)	(10,586)
Capital Reserve	**(206)**	**(206)**

9. Estimated amount of contracts remaining to be executed on capital account, not provided for (net of capital advances)

Particulars	As at March 31, 2006 Amount (Rs.'000)	As at March 31, 2005 Amount (Rs.'000)
On Letters of credit	40,675	-
On others	19,636	790
Total	**60,311**	**790**

10. Contingent Liabilities not provided for as in respect of:

a Bonds for differential customs duty (availed on import of equipment) against fulfillment of export obligations-Bank Guarantees issued for Rs 63,147 thousand (Previous Year Rs 55,883 thousand).

b Claims against the Company not acknowledged as debts: Rs. 82,564 thousand (Previous Year Rs.82,564 thousand)

The Company had filed a suit for recovery of Rs. 66,861 thousand as its principal debt along with interest thereon against Doordarshan (DD) in the High Court of Delhi in February 1998 for various programmes produced and aired between 1994 and 1996. In its rejoinder during the suit proceedings, DD has admitted its debts of Rs.35,610 thousand only but has disputed the balance claim of Rs. 31,251 thousand and interest claimed. On the contrary, DD has claimed Rs 82,564 thousand - Rs.55,492 thousand towards telecast fee etc. against various programmes and Rs.27,072 thousand as interest thereon, which has not been accepted by the Company. The last hearing in the Court in the current fiscal year has been adjourned, at the request of the counsel of DD to settle between the parties through a mediation route.

Based on legal advice and existing contractual agreements with DD, the Company considers the outstanding debt from DD in its books as recoverable except for Rs.11,800 thousand, which has been provided for and no interest has been accrued on the outstanding amount.

c The Company has received legal notices of claims/lawsuits filed against it relating to infringement of copyrights, trademarks and defamation suits in relation to the programmes produced by it. In the opinion of the management, no material liability is likely to arise on account of such claims/law suits.

11. Deferred Taxes:

The income tax benefit for the year comprises of:

	Year Ended March 31,2006	Year Ended March 31,2005
Income tax expense / (benefit)	**Amount (Rs.'000)**	**Amount (Rs.'000)**
Current	56,436	58,076
Mat Credit Entitlement	(15,146)	-
Deferred	(37,813)	6,479
Total	**3,477**	**64,555**

Significant components of deferred tax assets and liabilities are shown in the following table:

	Year Ended March 31,2006 Amount (Rs. '000)	Year Ended March 31,2005 Amount (Rs. '000)
Deferred tax assets		
Accumulated Losses	23,635	-
Provision for Expenses	11,795	5,991
Total deferred tax assets	35,430	5,991
Deferred tax liability		
Depreciation	(99,320)	(107,694)
Total deferred tax liability	(99,320)	(107,694)
Net Deferred Tax Asset/(Liability)	(63,890)	(101,703)

12. Segment Reporting

The Group operates in a single primary segment of television media as disclosed in the respective financial statements of the group companies, accordingly there are no separate reportable segments in accordance with AS 17 – "Segment Reporting" issued by The Institute of Chartered Accountants of India.

13. Related Party Disclosures

I. Names of related parties with whom transactions were carried out during each year and description of relationship as identified and certified by the Group as per the requirements of Accounting Standard – 18 issued by the Institute of Chartered Accountants of India and where control exists:

Key Management Personnel and their relatives

Dr. Prannoy Roy	Director
Radhika Roy	Managing Director
K.V.L. Narayan Rao	Director
Renu Rao	Wife of a Director
L.S Nayak	CEO of NDTV Media Limited

II. Disclosure of Related Party Transactions:

(Amount in Rs.'000)

Nature of relationship / transaction	Key Management Personnel	Relatives	Total
Remuneration Paid during 2005-06	59,226[9]	2,909	62,135
Remuneration Paid during 2004-05	38,654	2,196	40,850
Services Availed during 2005-06	-	-	-
Services Availed during 2004-05	40,412	-	40,412

[9] Includes Remuneration amounting to Rs. 17,352 thousand paid to Directors that exceeds the minimum remuneration payable in case of inadequacy of profits, subject to Central Government's Approval. Also includes Rs 5,846 thousand being the cost of stock options granted subject to approval by the remuneration committee and the shareholders.

III. Amount due to/ from related parties

(Amount in Rs.'000)

Nature of relationship / transaction	Key Management Personnel	Relatives	Total
Outstanding Payables as on March 31, 2006	18,882	115	18,997
Outstanding Payables as on March 31, 2005	9,579	-	9,579
Outstanding Advances as on March 31, 2006	-	-	-
Outstanding Advances as on March 31, 2005	5,433	120	5,553
Outstanding Receivable as on March 31, 2006	-	60	60
Outstanding Receivable as on March 31, 2005	-	-	-

14. Earnings / (Loss) per share (EPS):

Description	Year Ended March 31,2006	Year Ended March 31,2005
Number of equity shares outstanding at the beginning of the year (Nos.)	60,802,632	51,142,140
Add: Fresh issue of equity shares (Previous Year May 19, 2004) (Nos.)	-	9,660,492
Number of equity shares outstanding at year end (Nos.)	**60,802,632**	**60,802,632**
Weighted average number of Equity Shares outstanding during the year (Nos.)	60,802,632	59,192,550
Profit / (loss) attributable to Equity Shareholders (Rs.)	(19,694,593)	353,799,311
Basic and Diluted Earnings / (loss) per Equity Share (Rs.)	(0.32)	5.98
Nominal Value per share (Rs)	4	4

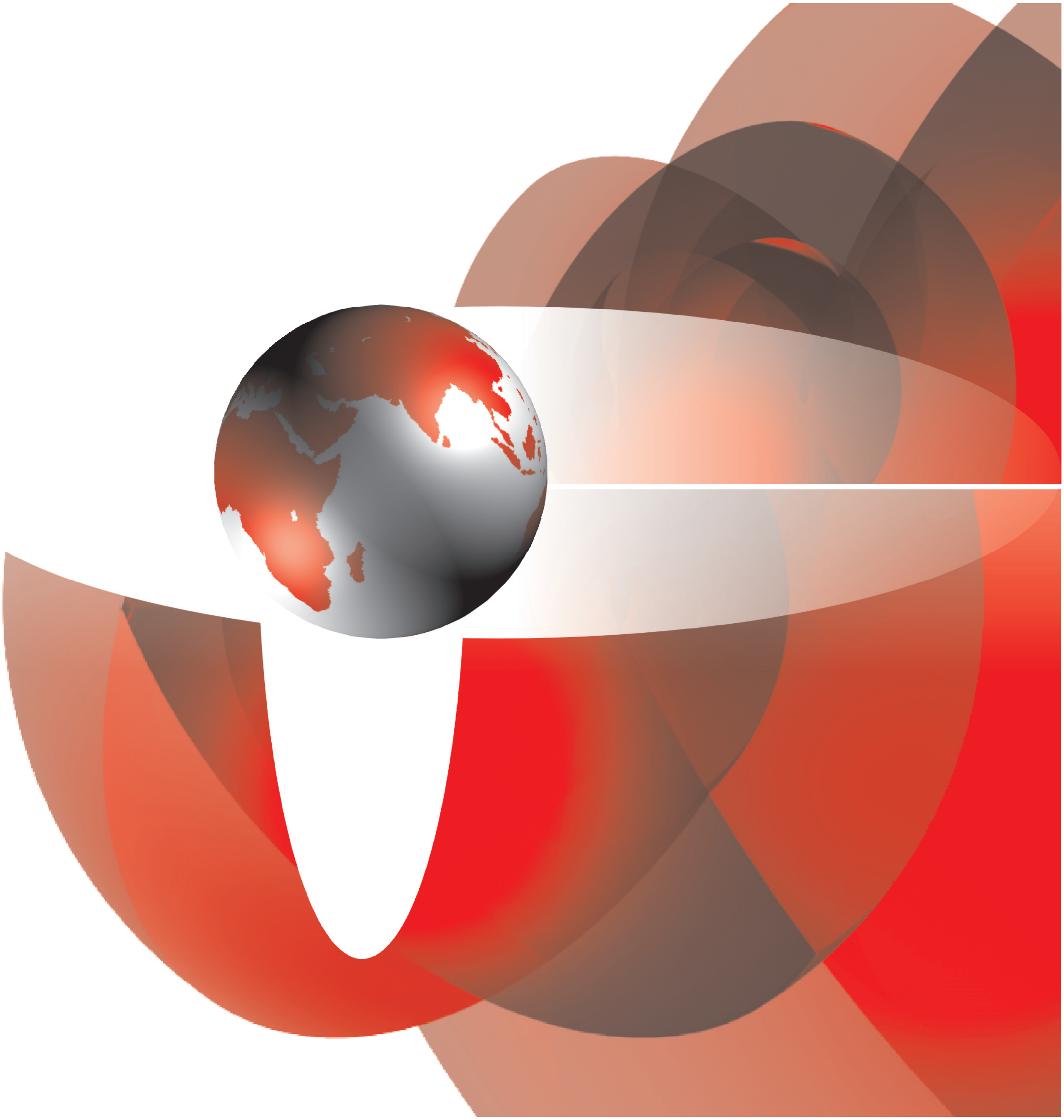
15. Operating Leases

i) The group has taken various residential/commercial premises under cancelable operating leases. These lease agreements are normally renewed on expiry.

ii) The rental expense for the current year in respect of operating leases was Rs 69,242 thousand (Previous Year Rs 62,476 thousand)

16. NDTV Media Limited had allotted 150,000 equity shares of Rs. 10 each to the Chief Executive Officer as 'Sweat Equity' on January 31, 2004 as consideration for the director providing know how including resources and knowledge to NDTV Media Limited in connection with setting up of the distribution set up and development of the channel partners for the broadcasting business. Accordingly, the same had been capitalized in these accounts as 'Technical Know-how' and is being amortized over a period of 5 years from the date of allotment of the shares.

17. Figures pertaining to the subsidiary companies have been reclassified wherever necessary to bring them in line with the Parent Company's financial statements. Figures of the previous year have been restated, regrouped or reclassified wherever necessary to conform current year's grouping and classification.



NDTV

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IPP

NEW DELHI TELEVISION LIMITED

NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF NEW DELHI TELEVISION LIMITED WILL BE HELD ON TUESDAY, JULY 18, 2006 AT 3.30 PM AT AIRFORCE AUDITORIUM, SUBROTO PARK, NEW DELHI-110010 TO TRANSACT THE FOLLOWING BUSINESS : -

ORDINARY BUSINESS :

1. To receive, consider and adopt the audited Profit and Loss Account of the Company for the financial year ended March 31st, 2006 and the Balance Sheet as at that date together with the Reports of the Auditors and Directors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Tarun Das, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mrs. Indrani Roy, who retires by rotation and being eligible, offers herself for re-appointment.
5. To appoint M/s. Price Waterhouse, Chartered Accountants, as Statutory Auditors of the Company to hold office from the conclusion of this meeting till the conclusion of the next Annual General Meeting of the Company and to fix their remuneration.

   "RESOLVED that M/s. Price Waterhouse, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting on such remuneration as may be determined by the Board of Directors in consultation with the Auditors."

SPECIAL BUSINESS :

6. To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

   "RESOLVED that pursuant to the provisions of sections 198, 269, 309, 310, and 311 read with Schedule XIII of the Companies Act, 1956 and all other applicable provisions of the Companies Act, 1956, the Articles of Association of the Company and other approvals as may be necessary, the consent of the Company be and is hereby accorded for the grant of 75,000 Stock Option @ Rs. 4/- each (for any monetary value attached thereto) to Mr. K V L Narayan Rao, Whole time Director under the Company's Stock Option Plan "ESOP-2004" as approved by the Shareholders at the General Meeting held on September 22, 2004.

   "RESOLVED FURTHER that the Board of Directors or a Committee thereof be and is hereby authorized to grant further Stock Options to Mr. Rao , pursuant to the said Scheme to the extent the Board of Directors or the Committee thereof may consider appropriate, as may be permitted or authorized in accordance with the provision(s) under the Companies Act, 1956 or re-enactment thereof and / or any rules or regulations thereunder.
7. To consider and if thought fit, to pass with or without modification the following resolution as Ordinary Resolution:

   "RESOLVED that pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956 and other applicable provisions if any, the Board of Directors of the Company be and is hereby authorized to contribute to charitable or other funds, not directly related to the business of the Company or welfare of its employees, such amount or amounts, the aggregate of which in the Financial Year 2006-07 shall not exceed Rs 1 Crore."

   "RESOLVED FURTHER that pursuant to the provisions of Section 293(1)(e) of the Companies Act, 1956, the Board of Directors of the Company be and is hereby also authorized to contribute to charitable and other funds not directly related to the business of the Company or welfare of its employees in any financial year subsequent hereto, such amount or amounts the aggregate of which shall not exceed Rs. 1 Crore in any one Financial Year."

By Order of the Board
For New Delhi Television Limited

Rajiv Mathur
Company Secretary

June 15, 2006
Registered Office:
W-17, Greater Kailash-I,
New Delhi-110048.

NOTES:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy who need not be a member of the Company.
2. The Proxy Form must reach the office of the Company at least 48 hours before the meeting.
3. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the Item No.6 and 7 is annexed.
4. The Register of Members and Share Transfer Books of the Company will remain closed from July 15, 2006 to July 18, 2006 (both days inclusive) in connection with the Annual General Meeting.
5. In case members wish to ask for any information about accounts or operations of the Company, they are requested to send their queries in writing at least 7 days before the date of the meeting so that the information can be made available at the time of the meeting.
6. Members are requested to bring their copy of the Annual Report for the Meeting.
7. **Due to security reasons Mobile phones, bags and other accessories are not allowed to be carried inside the Auditorium.**

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT,1956.

ITEM NO. 6:

Mr. K.V.L.Narayan Rao was re-appointed as the Whole time Director of the Company w.e.f. June 11, 2003 for a period of five years at the Annual General Meeting held on September 26, 2003.

The remuneration currently being paid to Mr. K V L Narayan Rao, was approved by the Remuneration Committee and the Board of Directors at their respective meetings held on July 18, 2005. The said remuneration was subsequently approved by the shareholders of the Company at the Annual General Meeting held on September 19, 2005.

The Company after requisite approvals, had implemented the Employees Stock Option Plan 2004 for the grant of 40,57,000 stock options to the eligible employees and Directors of the Company in compliance with the SEBI (Employees Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999. Under the aforesaid scheme Mr. Rao has been granted 75,000 options in July 2005.

The details of the grant are as under:

No. of options granted on July 01, 2005	:	75,000 options with graded vesting over four years
Cost at which granted	:	Rs. 4/- per option

As the options granted to Mr. Rao in July 2005, vest in him in July 2006, resulting in the increase in the remuneration being paid to Mr. Rao, it is proposed to ratify and confirm the aforesaid grant/s subject to requisite approvals.

Mr. K V L Narayan Rao, Whole time Director, has been with NDTV since 1995 and is responsible for the Human Resources, Administration and Operations of the Company. Previously, he has served the Indian Government as an Indian Revenue Service officer from 1979 to 1994 in different roles including Deputy Commissioner of Income Tax, Representative on the Income tax Appellate Tribunal and Deputy Secretary in the Ministry of Defence.

Mr. Rao is an English literature graduate from the Madras University and Masters in English literature from Himachal Pradesh University. He is also a graduate of the National Academy of Direct Taxes and has a Management Diploma in Public Finance from IIAP, Paris.

Mr. Rao had been instrumental in the successful launch of Company's business channel NDTV Profit which is today among the best business channels in the country. His other accomplishments had been his contribution towards the Company's IPO in 2004, setting up a performance management system and the implementation of the Employees Stock Option Plan.

The proposed ratification for Stock Options granted / to be granted to Mr. K V L Narayan Rao is in line with the industry standards.

The Board recommends the resolution for your approval.

None of the Directors, except Mr. K V L Narayan Rao, are in any way concerned or interested in this resolution.

ITEM No. 7:

Your Company usually donates or makes contributions to charitable and other funds, which are not directly related to the business of the Company or welfare of its employees. Section 293(1)(e) of the Companies Act, 1956 regulates such contributions being made by the Company. As stipulated under Section 293(1)(e) of the Companies Act, 1956 the powers of the Board of Directors of the Company to make such contributions is restricted to Rs. 50,000/- in any financial year or five percent of its average net profits as determined in accordance with the provisions of Section 349 and 350 of the Companies Act, 1956 during three financial years, immediately preceeding, whichever is greater.

During the year 2005-06 the profits earned by your Company are inadequate having a bearing on the amount of contribution to be made in the Financial Year 2006-07. Your Company contemplates a higher contribution than what is available to it under Section 293(1)(e) of the Companies Act, 1956.

The Board recommends the resolution for your approval.

None of the Directors are in any way concerned or interested in this resolution.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreement)

Mr. Tarun Das

Mr. Tarun Das is the Chief Mentor of Confederation of Indian Industry.

Mr. Tarun Das has spent his entire working career in industry associations, starting with the predecessor body of CII in November 1963 and has been the Chief Executive of the permanent secretariat since April 1974 when CII (formerly AIEI) was formed.

He is an Honours Graduate in Economics and Commerce. He was educated at Calcutta University, India and Manchester University, UK. Mr. Das has been awarded an Honorary Degree of Doctorate in Science by The University of Warwick, UK and has been conferred an Honorary CBE by Her Majesty for his contribution to the Indo-British Partnership. He is also recipient of the 'Blackwill Award' by US India Business Council for his contribution to Indo-US Economic Co-operation. Mr. Das has also been conferred with Singapore National Award (Public Service Medal) in 2004 by Singapore Government for his contribution to strengthening economic ties between India and Singapore. Mr. Das has been awarded (2006) Padma Bhushan, one of the highest Civilian Government Awards, for his contribution in the field of Trade and Industry from the President of India.

Mr. Das is also the non-executive Chairman of Haldia Petrochemicals Ltd and non- executive Director on the Board of GIVE Foundation Limited.

Mrs. Indrani Roy

Mrs. Indrani Roy is M.A. in English from Calcutta University. She has worked as a Teacher in Kinderland, a K.G. school from 1977 to1987. She was Secretary and Head of Administration, Institute of Cerebral Palsy (IICP) from 1987 to 2002. Mrs. Indrani Roy is also a Peace Works Co-ordinator, Seagull Foundation for the Arts from 2003. She is also a Member, Managing Committee of International Institute for Poverty Awareness & Education. Mrs. Roy is Trustee, Lilabati Day Memorial Trust and also the Vice Chairperson of the Board of Trustees, International Deaf Children Society.

By Order of the Board
For New Delhi Television Limited

Rajiv Mathur
Company Secretary

June 15, 2006
Registered Office:
W-17, Greater Kailash-I,
New Delhi-110048.

NEW DELHI TELEVISION LIMITED

Registered Office : W-17,Greater Kailash-I,

New Delhi-110 048

PROXY FORM

I/We...of
....
being member/s of NEW DELHI TELEVISION LIMITED hereby appoint ....
....of...
....or failing
him..of..as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the members of the Company to be held on Tuesday, July 18, 2006 and at any adjournment thereof.

In witness whereof, I/We have set my/our hand/hands this............................day of ....2006.

Signed by the said...

DP Id...

Client Id...

Number of shares held.......................................

NOTE : 1. The proxy must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid meeting. Proxy need not be a member of the company.

2. Please affix Re 1.00 revenue stamp on this form and the member should sign across the stamp.

NEW DELHI TELEVISION LIMITED

Registered Office : W-17,Greater Kailash-I,

New Delhi-110 048

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE MEETING VENUE.

DP Id____________________________________ Client ID ________________

NUMBER OF SHARES HELD____

NAME OF THE SHAREHOLDER____

ADDRESS OF THE SHAREHOLDER____

____

I hereby record my presence at the Annual General Meeting of the Company held on Tuesday, July 18, 2006.

____

Signature of the Shareholder / Proxy