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Annual Report

NIDTV

NIDTV

Annual Report 2006-07

Great Leap Forward

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Board of Directors:

Dr. Prannoy Roy

Chairman and Whole time Director

Mrs. Radhika Roy

Managing Director

Mr. K V L Narayan Rao

CEO and Executive Director

Mr. N R Narayana Murthy

Non Executive Independent Director
Chairman, Infosys Technologies Ltd.

Mr. Amal Ganguli

Non Executive Independent Director
Former Managing Partner PWC

Mr. Vijaya Bhaskar Menon

Non Executive Independent Director

Ms. Indrani Roy

Non Executive Independent Director

Audit Committee

Mr. Amal Ganguli - Chairman
Mr. Vijaya Bhaskar Menon
Ms. Indrani Roy
Mr. K V L Narayan Rao

Remuneration Committee

Mr. Vijaya Bhaskar Menon - Chairman
Mr. Amal Ganguli
Ms. Indrani Roy
Mrs. Radhika Roy
Mr. K V L Narayan Rao

Shareholder's and Investors Grievance Committee

Ms. Indrani Roy - Chairperson
Dr. Prannoy Roy
Mrs. Radhika Roy
Mr. K V L Narayan Rao

ESOP Committee

Mrs. Radhika Roy
Mr. Vijaya Bhaskar Menon
Ms. Indrani Roy

Company Secretary and Compliance Officer

Mr. Rajiv Mathur

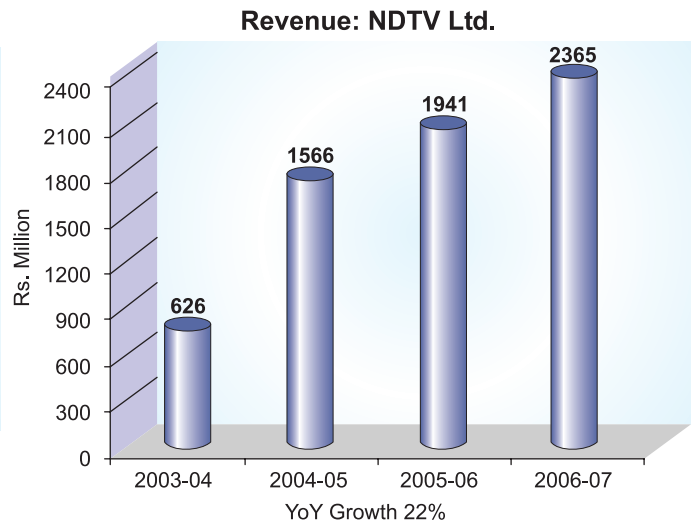
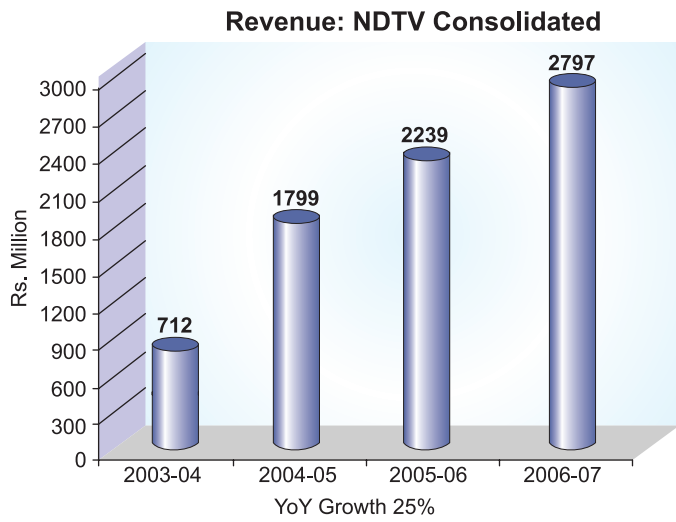
Auditors

Price Waterhouse
Building-8, 7th & 8th Floor,
Tower-B, DLF Cyber City, Gurgaon-122002, Haryana
Phone +91 124 462 0000
Fax +91 124 462 0620

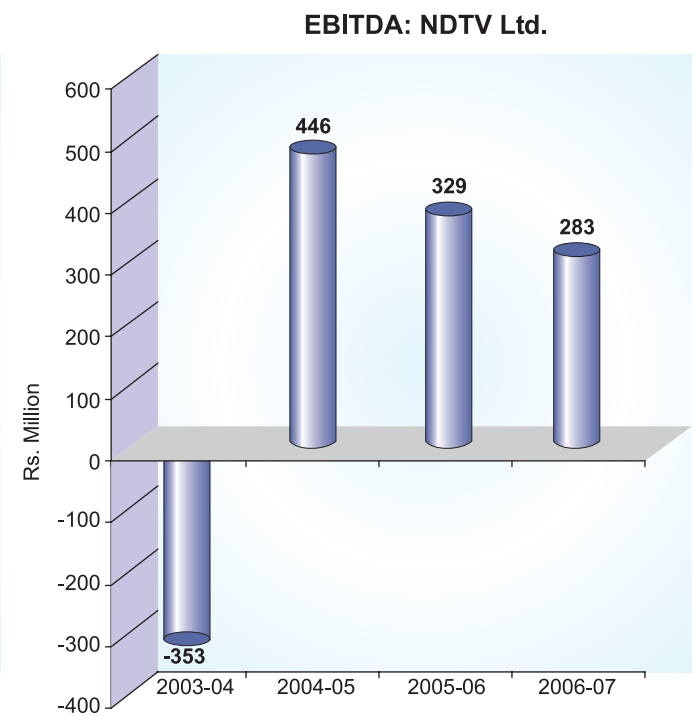
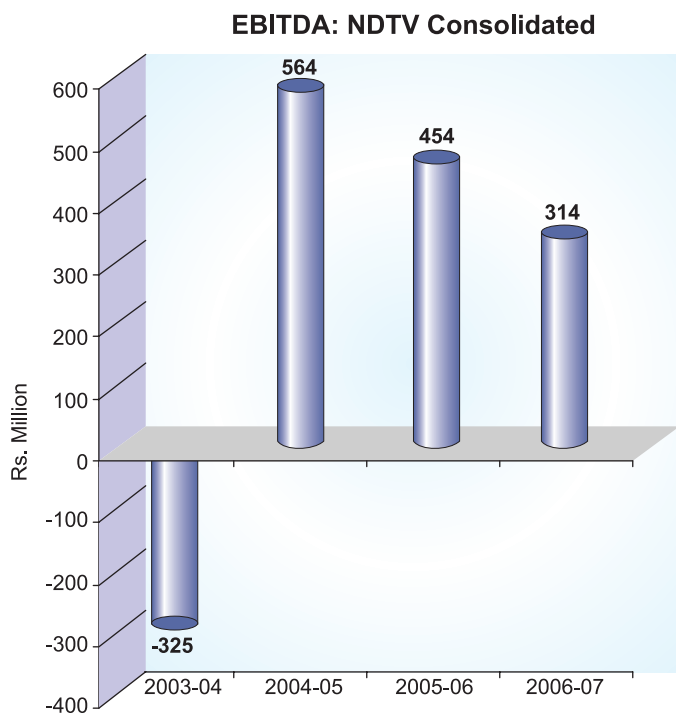
Registered Office

207, Okhla Industrial Estate, Phase-III,
New Delhi-110020
Phone +91 11 4157 7777, 2644 6666
Fax +91 11 2923 1740, 4173 5110

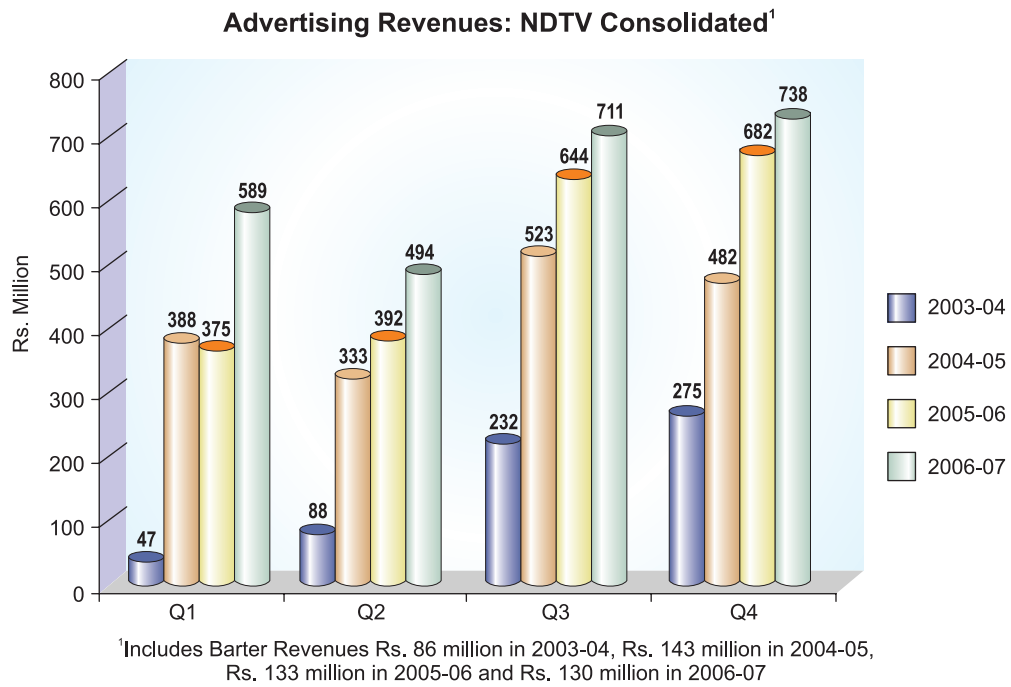
REVENUE



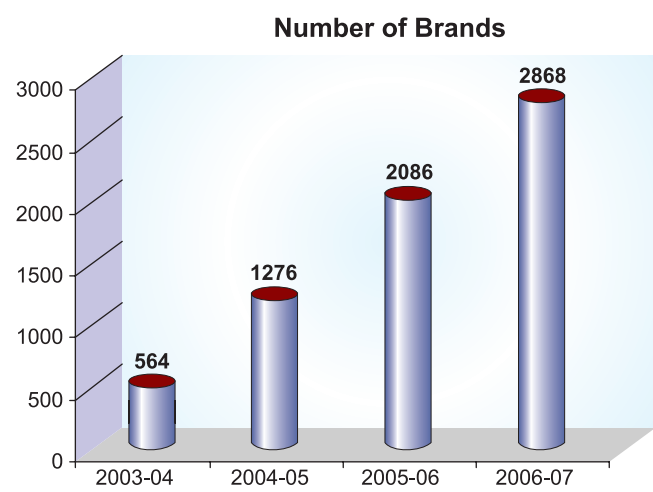
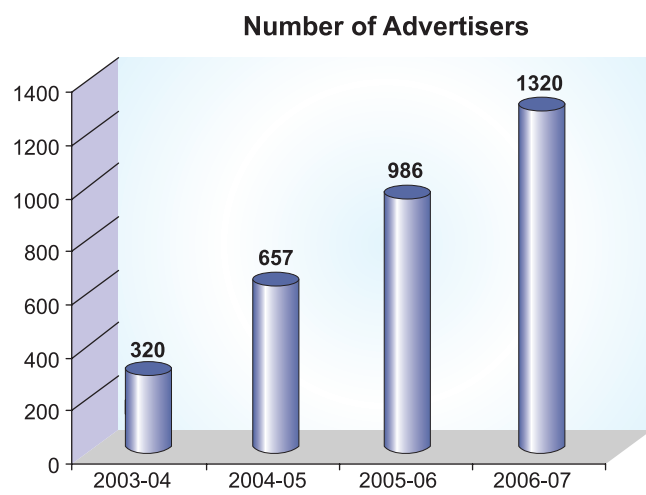
EBITDA



ADVERTISING REVENUES



ADVERTISING BASE



Awards during the last year

Asian Television Award

"Runner Up"

Best Current Affairs Presenter-Barkha Dutt
The Big Fight- Vikram Chandra

Best News Story

Hunger Deaths in Gorakhpur-Shikha Trivedy

"Highly Commended" Best Infotainment Programme

Spectacular Spas

Hero Honda ITA Awards

Best Anchor

We The People-Barkha Dutt

Best Anchor for News & Current Affairs

Sreenivasan Jain

Best Talk & Chat Show

Muqabla

Best Lifestyle Show

Tejas Patel

Indian Telly Awards

Best News Channel

NDTV 24x7

Best TV Cameraman

Forces of Nature-Vinod Pandey

Best Ad Sales Head

Raj Nayak

Best TV Documentary

Special Report-Kanishka Tragedy

Best TV Current Affairs Programme

India Report

Best News Show

The Nation Tonight

Best TV Packaging

NDTV Profit

Best Edutainment/Science/Knowledge Based Show

Just Books

Best Current Affairs Programme

Jessica's Fight for Justice

Best Edutainment/Science/Knowledge Based Show

India Innovates

Best News Show

Witness-Vidarbha Farmers-Suicide Tourism

Best Entertainment News Show

Gustakhi Maaf

Best Videography

Saving Congo-Manvendra Gautam

Best Editor (Non-Fiction)

Jatin Gupta

New York Festival 2007

Best Coverage-On-Going News Story

Witness Farmers Suicide Team-Silver World Medal

Finalist Certificate

Bribe for Corpse Teams-Inserts Investigative Report

EU India Award

Special Report on HIV Aids-Mohuya Chaudhuri

Promax World 2006-Promo

Silver Award of NDTV Indian of the Year

CNN Awards

Young Journalist Award

Tejasvi Pratima & Poonam Aggarwal (Runner Up)

Indian Science Congress Association Award

Best Science Writer-Pallav Bagla

Dear Shareholder

First and foremost, we would like to thank you for your support and your confidence in NDTV. We are proud to inform you that you are now owners of '**India's most respected media company**' according to a nationwide survey by a leading business magazine (Business World, April 2007).

This is in many ways a watershed year for NDTV. It is a year in which NDTV has shifted into its third major phase of development. In the first phase we were 'Content Producers' supplying programming to others. Four years ago NDTV transformed itself into a 'News Broadcaster'. Now, in this third phase NDTV, is morphing into a full-fledged 'media network'. From now on NDTV will be more than news: we will be an 'Entertainment House', an internet and convergence player, a 'Technology Centre', a 'Lifestyle Broadcaster', a 'Media Process Outsourcing (MPO)' hub and more. In addition, we are breaking major new ground in our News operations.

We see this as a "watershed" year because we believe it is the beginning of NDTV becoming one of India's largest media conglomerates.

And, NDTV will achieve this transformation with, as always, the highest ethics, the strongest code of conduct and adhering to the finest world-class corporate and environmental standards.

It is this that has made NDTV "India's Most Respected Media Company". In the survey, NDTV is rated above every other media company – print, television and radio – on every single criteria, from ethics and standards to finance and human resources.

NDTV's transformation in this watershed is beginning. In *entertainment and movies* we have what is widely accepted to be, the most talented team led by India's leading and most successful entertainment CEO. The immediate task is to launch a popular general entertainment channel. Work on this entertainment channel is progressing well and the launch of the channel is on schedule.

In addition, NDTV will be launching a slew of '*Lifestyle channels*' – travel, food, health and wellness - a major and lucrative niche area around the world that has not been filled in India. The first of these lifestyle channels is set to launch ahead of schedule.

NDTV's technology team has, for four of the last five years, won the major international technology award by the Commonwealth Broadcasting Association. The team, '*NDTV Labs*' is now leading a new enterprise focused on going global with technology and solutions for systems innovation and integration. We are merely trying to follow the lead set by India's remarkable computer software giants. This is an exciting new profit centre for NDTV.

In the core existing News operations our three channels are doing well in the face of competition. The English news channel NDTV 24x7 and the business channel NDTV Profit are the clear leaders both in terms of eyeballs as well as 'mind-space' and respect. The Hindi news channel is now India's *only* news channel, since all other Hindi channels have chosen the downhill path to sensationalizing sex, crime/violence and trivia. NDTV India is today the only non-tabloid Hindi news channel in the country and we're proud of it – we are certain that once the phase of tabloid-Hindi-TV news is over, NDTV India will be India's favorite channel of record and trust.

NDTV's international experience in news has been hugely positive. Our channel in Indonesia is already breaking-even financially and the Malaysian channel is set to take off soon. We are looking at several new countries around the world to replicate this exciting model of launching news channels in other countries. In addition to 'going global' in this core news area, NDTV is also 'going local' too with set of 'city news channels' planned. The first of these city channels is Delhi ... under the brand name: MetroNation.

Our *internet and convergence* properties are among the most promising of NDTV's new ventures. NDTV's highly competent existing team – the team that has made NDTV.com one of India's leading sites – has now been joined by a dynamic young CEO, who has set his sights high. We see internet/convergence as a major growth area for NDTV in the near future.

In order to take this great leap forward from a pure news broadcaster into a total media network, we established a new 100% subsidiary of NDTV called NDTV Networks. In order to begin the journey towards globalization and to tap into global funding, NDTV Networks PLC is incorporated in the United Kingdom. 'Networks PLC' has four subsidiaries and two Joint Ventures, each focusing on a new growth path: Entertainment, Convergence, Lifestyle, Technology, Media Process Outsourcing and 'launching news channels in other countries'.

After a successful global exercise we are happy to say we raised funds which will ensure that all these new businesses are financed and work can begin on each one immediately. As part of this fund-raising exercise, NDTV has been able to garner a substantial one hundred and twenty million US dollars to ensure that the growth of these new businesses are pushed/ supported in every way.

Consequently, this is a year of 'the great leap forward' for your company. We look forward to your continuous support and encouragement as we move to areas beyond news and head towards being one of India's largest media networks.

Prannoy Roy
Chairman

Place : New Delhi
Date : June 12, 2007

Radhika Roy
Managing Director

New Delhi Television Limited

DIRECTORS' REPORT

To The Members,

Your Directors have pleasure in presenting the Nineteenth Annual Report and Audited Accounts of the Company for the Financial Year ended March 31, 2007.

Financial Results

The summarized Financial Results for the year ended March 31, 2007 are as follows -

	Year ended 31.03.2007 (Rs. in Crores)	Year ended 31.03.2007 (Rs. in Crores)	Year ended 31.03.2006 (Rs.in Crores)	Year ended 31.03.2006 (Rs.in Crores)
	Standalone	Consolidated	Standalone	Consolidated
Business Income	235.38	278.44	191.29	221.00
Miscellaneous Income	1.09	1.24	2.85	2.89
Total Income	236.47	279.68	194.14	223.89
Profit/(Loss) before Tax	9.47	11.50	17.95	30.00
Employee Stock Compensation Expense	29.47	35.61	26.16	27.87
Provision for Tax / Others	(13.11)*	(9.66)*	(1.96)*	2.47
Share of Minority and Profit of Associate		(0.27)		(1.63)
Net Profit/(Loss) after Tax	(6.89)	(14.72)	(6.25)	(1.97)
Balance brought forward from Previous Year	30.09	41.42	41.88	48.93
Appropriation:				
Transfer to General Reserve	NIL	NIL	NIL	NIL
Proposed Dividend on Equity Shares	5.00	5.00	4.86	4.86
Tax on Dividend	0.85	0.85	0.68	0.68
Profit carried to Balance Sheet	17.35	20.85	30.09	41.42

* Includes provision for Deferred Tax

The Year Under Review

During the year under review, the Company achieved turnover of Rs. 235.38 Crores and PBDIT of Rs. 28.31 Crores. The Company's profit before tax and ESOP cost was Rs. 9.47 Crores; Loss after tax Rs. 6.89 Crores and earning per share Rs. (1.13.) The details of the Company's operations have been provided in the management's discussion and analysis report, which forms a part of this document.

Audited Consolidated Financial Statements for the year ended 31st March 2007 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 of Re.0.80 per share amounting to Rs. 5.00 Crores from the past profits represented in the Profit and Loss Account of the Company in terms of Section 205 of the Companies Act, 1956.

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)

The Company instituted the Employee Stock Option Plan – ESOP 2004 to grant equity-based incentives to all its eligible employees. The ESOP 2004, as finally approved by the shareholders on September 19, 2005, provides for grant of 4,057 thousand options to employees of the Company by the ESOP Committee at an exercise price of Rs. 4 each, representing one share for each option upon exercise. The maximum tenure of these options granted is 7 years from the date of grant. The balance options available for grant as at March 31, 2007 is 355 thousand (previous year 639 thousand). The details as per the requirements of SEBI guidelines are annexed and form part of this report.

Subsidiary Companies and Growth

The Company has during the year, set up a legal entity in the UK under the name NDTV Networks Plc. Further, legal entities have been set up in India, which house the businesses of Entertainment, Lifestyle, Convergence and Labs and are direct subsidiaries of the UK Company. These subsidiaries have commenced operations and are pursuing the business earlier incubating in the Company, in addition to exploring independent business opportunities outside.

NDTV Imagine Limited is in the process of commencing business of up-linking and operating a non-news Hindi mass entertainment channel, to be distributed both in India and internationally. NDTV Imagine has received the approval from Foreign Investment Promotion Board and is in the process of making an application to the Ministry of Information and Broadcasting for up-linking of non-news and current affairs channel.

NDTV Lifestyle Limited is in the process of commencing the business of establishing, up-linking and operating a television channel dedicated to travel, food, fashion, shopping and health & wellness both in India and abroad. NDTV Lifestyle has received the approval from Foreign Investment Promotion Board and is in the process of making an application to the Ministry of Information and Broadcasting for up-linking of the channel.

NDTV Labs is engaged in developing technology and software solutions for television broadcasting, software development, and sale of this software in domestic and international markets.

NDTV Convergence is engaged in the activity of owning and operating websites and content production for mobile and internet users and convergence of technologies thereof including development of a collaborative user interface that incorporates both voice and video as communication forms. NDTV Convergence Limited houses NDTV.com, which is used and visited most by internet users from USA, Australia and UK. Over 70% of traffic generated on the website is international.

Further, the Company had also set up legal entities in the Netherlands, under the names NDTV Networks BV and Emerging Markets 24x7 BV. NDTV Networks BV is a 100% subsidiary of the Company and has further set up a subsidiary in the UK, NDTV Networks Plc. Emerging Markets 24x7 BV is a 50:50 Joint Venture between the Company and NDTV Networks Plc.

NGEN Media Services Private Limited, the joint venture of the company with Genpact, has commenced operations in the areas of post production services and digital asset management and has received enthusiastic response from global media companies.

The Annual Accounts of the Subsidiary Companies and related informations are not attached with the Annual Report of the Company in terms of the provisions of section 212(8) of the Companies Act, 1956.

Any member desirous of obtaining the Annual Accounts may write to the Company or may visit the Registered office of the Company to inspect the same.

Agreements

During the year your Company has entered into Agreements with TATA SKY and DISH TV for distribution of its Channels on DTH Platform.

Directors

In accordance with the provisions of the Articles of Association of the Company, Mr. N R Narayana Murthy and Mr. Amal Ganguli retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

Director's Responsibility Statement

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

1. that in the preparation of the annual accounts for the financial year ended March 31, 2007 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, 2007 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. 78.39 Million (Previous Year Rs.40 Million). The Foreign Exchange outgo on Subscription, Uplinking and News Service charges, Traveling, Consultancy, Software Expenses, Website expenses, Repairs and Maintenance and other expenses amounted to Rs. 221.26 Million (Previous Year Rs. 96.83 Million). Outgo on account of capital goods and others was Rs. 179.20 Million (Previous Year Rs.146.11 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 Director's 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: May 22, 2007

Dr. Prannoy Roy
Chairman

EMPLOYEE STOCK OPTION PLAN (NDTV 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 was finally approved by the shareholders on September 19, 2005 provides for grant of 4,057 thousand options to employees of the Company by the ESOP Committee at an exercise price of Rs. 4 each, representing one share for each option upon exercise. The maximum tenure of these options granted is 7 years from the date of grant. The balance options available for grant as at March 31, 2007 is 355 thousand (previous year 639 thousand). The details of options granted to employees under the ESOP 2004 is set out below.

Particulars	Details
1. Options Granted	3,99,020
2. The Pricing Formula	Rs.4/- per share
3. Options Vested	1654375
4. Options Exercised	1654375
5. Total number of shares arising as a result of exercise of Options	1654375
6. Options lapsed	Nil
7. Variation of terms of options	During the year the ESOP Committee of the Company decided to accelerate the vesting of the Options
8. Money realized by exercise of Options	66,17,500
9. Total number of Options in force	17,77,170
10. Employee wise details of Options Granted to (a) Senior Management Personnel (b) Any other employee who receives a grant in any one year of Option amounting to 5% or more of Option granted during that 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.	<p>During the year under review 188040 Options were granted to the senior management personnel of the Company.</p> <p>No employee is in receipt of the grant in any one year of Option amounting to 5% or more of Option granted during the year.</p> <p>There is no employee who has been granted during one year, equal to or exceeding 1% of the issued Capital.</p>
11. Diluted Earning Per Share (EPS) pursuant to issue of shares on exercise of Option calculated in accordance with International Accounting Standard (IAS) 33	(1.13)
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. 1.37 Million. Consequently the Loss would have been Rs. 7.28 Million instead of the current loss of Rs. 68.92 Million and the EPS of the Company would have been –1.15 instead of –1.13.

	4 th Grant	5 th Grant	6 th Grant	7 th Grant
	April 20, 2006	April 20, 2006	July 01, 2006	August 01, 2006
13. Weighted average exercise prices	Rs. 4/-	Rs. 4/-	Rs. 4/-	Rs. 4/-
weighted average fair value of Options	Rs. 259.20	Rs. 259.20	Rs. 173.90	Rs. 156.35
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				
Risk Free interest rate	6.72 to 7.06	6.72	6.57 to 7.09	7.49 to 7.98
Expected life	7 years	7 years	7 years	7 years
Expected volatility	47.69	47.69	52.72	52.40
Expected Dividends	0.54%	0.54%	0.54%	0.54%

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, 2007, 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: May 22, 2007

CORPORATE GOVERNANCE REPORT

Company's Philosophy on Corporate Governance

The Corporate Governance philosophy of the Company is based on the following principles:

- The highest ethical corporate values, clearly defined.
- Transparent corporate structure and dealings with high degree of disclosures.
- Management as trustees of stakeholders.
- Effective system of risk management and internal control.
- Strict compliance with all governance codes, Listing Agreements, other applicable laws and regulations

At NDTV, Corporate Governance is not merely about adhering to the letter of the law to comply with the statutory obligations, but also centres around following the spirit underlying the same.

The Corporate Governance practices followed by the Company include the corporate structure, its culture, policies and practices, personal belief, timely and accurate disclosure of information, commitment to enhancing the shareholder value while protecting the interests of all the stakeholders.

The Company has the full support of the Board for its Corporate Governance practices. The Board of Directors have a central role in implementing the Corporate Governance philosophy of the Company. The Board reviews all information, details and transactions relating to significant business decisions, including strategic and regulatory matters and also monitors the effectiveness and transparency of the Managerial decisions.

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 7 Directors, and its composition is as under:

Name of the Director	Position	Directorship held as on March 31, 2007*	Committee membership in all companies***	Chairmanship in committees where they are members***
Dr. Prannoy Roy	Chairman and Whole-time Director (Promoter)**	10	1	0
Mrs. Radhika Roy	Managing Director (Promoter)**	10	1	0
Mr. K V L Narayan Rao	CEO and Whole-time Director	13	2	0
Mr. Amal Ganguli	Non-Executive Independent Director	13	9	5
Mr. N R Narayana Murthy	Non-Executive Independent Director	5	0	0
Mrs. Indrani Roy	Non-Executive Independent Director	3	2	1
Mr. Vijaya Bhaskar Menon	Non-Executive Independent Director	5	1	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 Shareholder's and Investors Grievance Committee have not been taken into account.

Mr. Tarun Das ceased to be a Director with effect from 23rd August, 2006.

Meetings & Attendance

The Board met 5 times during the financial year under review on April 17, 2006, July 18, 2006, October 17, 2006, January 17, 2007 and February 16, 2007.

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	5	5	Yes
Mrs. Radhika Roy	5	5	Yes
Mr. K V L Narayan Rao	5	5	Yes
Mr. Amal Ganguli	5	4	Yes
Mr. Tarun Das*	2	2	Yes
Mr. N R Narayana Murthy	5	5	Yes
Mrs. Indrani Roy	5	4	Yes
Mr. Vijaya Bhaskar Menon	5	4	Yes

* Mr. Tarun Das ceased to be a Director with effect from 23rd August, 2006.

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.
- Review of Management Discussion and Analysis of financial condition and results of operations.
- Review of statement of significant related party transactions, submitted by management.

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.

During the year, Mr. Tarun Das, a member of the Committee resigned as a Director from the Board of the Company on 23rd August, 2006 and hence ceased to be a member of the Committee. The Audit Committee was thereafter reconstituted on October 17, 2006 and Mr. Vijaya Bhaskar Menon and Mr. K V L Narayan Rao were appointed as members of the Committee.

The Audit Committee of the Company consists of 4 members. The Chairman of the Committee is an Independent Director. The composition of the Audit Committee is as under:

Name of the Director	Category	Position
Mr. Amal Ganguli	Non- Executive Independent Director	Chairman
Mr. Vijaya Bhaskar Menon	Non- Executive Independent Director	Member
Mrs. Indrani Roy	Non- Executive Independent Director	Member
Mr. K V L Narayan Rao	CEO and Whole-time Director	Member

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

4 meetings of the Audit Committee were held during the year on April 17, 2006, July 18, 2006, October 17, 2006 and January 17, 2007

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. Vijaya Bhaskar Menon*	2	2
Mr. K V L Narayan Rao*	2	2
Mr. Tarun Das**	2	2
Mrs. Indrani Roy	4	4

* After the reconstitution of the Committee two meetings of the Committee were held and were attended by Mr. Vijaya Bhaskar Menon and Mr. K V L Narayan Rao.

**Mr. Tarun Das ceased to be a Director with effect from 23rd August, 2006.

CEO/CFO Certification

The Company is fully cognizant of the need to maintain adequate internal control to protect the assets and interests of the Company and for integrity and fairness in financial reporting and is committed to laying down and enforcing such controls. Towards this the CEO and the CFO have certified to the Board by placing a certificate thereof on the Financials of the Company for the Financial Year ended 31st March, 2007.

Remuneration Committee

The Remuneration Committee of the Company reviews, approves and recommends to the Board the matters connected with fixation and periodic revision of the remuneration packages of the Managing Director and Whole time Directors.

During the year Mr. Tarun Das, Chairman of the Committee resigned as a Director from the Board of the Company on 23rd August, 2006 and hence ceased to be the Chairman of the Committee. The Remuneration Committee was thereafter reconstituted and Mr. Vijaya Bhaskar Menon, Mrs. Radhika Roy and Mr. K V L Narayan Rao were appointed as members of the Committee with Mr. Vijaya Bhaskar Menon as the Chairman.

At present the Composition of the Remuneration Committee is as follows:

Name of the Director	Category	Position
Mr. Vijaya Bhaskar Menon	Non- Executive Independent Director	Chairman
Mrs. Radhika Roy	Managing Director	Member
Mr. K V L Narayan Rao	CEO and Whole-time Director	Member
Mr. Amal Ganguli	Non- Executive Independent Director	Member
Mrs. Indrani Roy	Non- Executive Independent Director	Member

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

During the year under review only one meeting of the Committee was held on April 17, 2006 and was attended by all the members at that time.

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

Name of the Director	No. of Committee meetings held during the year	No. of committee meetings attended
Mr. Vijaya Bhaskar Menon*	0	0
Mr. Amal Ganguli	1	1
Mr. Tarun Das	1	1
Mrs. Indrani Roy	1	1
Mrs. Radhika Roy*	0	0
Mr. K V L Narayan Rao*	0	0

*After the reconstitution no meeting of the Committee was held.

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	Cost attributable to ESOP	Total
Dr. Prannoy Roy	36,90,192	24,22,431	–	61,12,623
Mrs. Radhika Roy	36,90,192	24,22,431	–	61,12,623
Mr. K V L Narayan Rao	36,90,192	33,03,877	61,19,781	1,31,13,850

Salary includes allowances, perquisites and contribution towards provident fund.

Non-Executive Directors are paid sitting fees for attending meetings of the Board and any Committee thereof. The details of the sitting fee paid to the Non-Executive Directors during the year, is as under:

(Amount in Rs.)

1. Mr. N R Narayana Murthy: : 60,000
2. Mr. Amal Ganguli : 1,15,000
3. Mr. Tarun Das : 35,000
4. Mrs. Indrani Roy : 1,40,000
5. Mr. Vijaya Bhaskar Menon : 1,00,000

Further, during the year, the Company made an application with the Central Government for payment of increased remuneration to the Non-Executive Directors of the Company, for the Financial Year ended 31st March, 2006, for a sum of Rs. 25.00 Lacs as per the break up mentioned below. The Central Government, vide its letter dated 25th April, 2007 has granted its approval to the aforesaid application subject to the approval of shareholders, a resolution for which is placed before the shareholders at the Annual General Meeting of the Company. The break up of the increased remuneration proposed to be paid to the Non-Executive Directors is as follows:

(Amount in Rs.)

1. Mr. N R Narayana Murthy	:	5,00,000
2. Mr. Amal Ganguli	:	7,50,000
3. Mr. Tarun Das*	:	5,00,000
4. Mrs. Indrani Roy	:	2,50,000
5. Mr. Vijaya Bhaskar Menon	:	5,00,000

* Mr. Tarun Das was Director on the Board of the Company for the relevant period to which the payment pertains.

Stock Options to Mr. K V L Narayan Rao

During the last financial year the Company had granted 75,000 stock options to Mr. KVL Narayan Rao, CEO and Executive Director of the Company. Out of these, 50% i.e. 37,500 stock options vested during the financial year under review and were exercised by him.

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 Shareholder's and Investors Grievance Committee. The composition of Shareholders and Investors Grievance Committee is as follows:

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	CEO and Whole-time Director	Member

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

The Company attaches great 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 shareholder's grievances like transfer of shares, non- receipt of balance sheet etc. The Committee oversees the performance of Registrars and share transfer agents and recommends measures for overall improvement in the quality of investor's service.

During the year 25 meetings of the Shareholders and Investors' Grievance Committee were held.

The number of shareholders complaints received during the year were 31 and all the complaints were resolved. There were no pending complaints as on March 31, 2007.

In pursuance of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulation, 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. 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
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
2005-06	July 18, 2006	3.30 P.M.	Air Force Auditorium, Subroto Park, New Delhi

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

No Special Resolution was put through postal ballot at the last Annual General Meeting.

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 2006-07.

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 19th Annual General Meeting of the Company will be held on -

Date : July 17, 2007

Time : 3.30 pm

Venue : Air Force Auditorium, Subroto Park, New Delhi-110010

Financial Calendar

The next financial year of the Company is April 1, 2007 to March 31, 2008

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

For the Quarter ending	Time period
June 30, 2007	3 rd week of July 2007
September 30, 2007 (results for the quarter as well as Half year)	3 rd week of October 2007
December 31, 2007	3 rd week of January 2008
March 31, 2008 (year ending)	3 rd week of April 2008

Book Closure

The book closure period is from July 10, 2007 to July 17, 2007 (both days inclusive).

Dividend Payment Date

On or about August 10, 2007

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

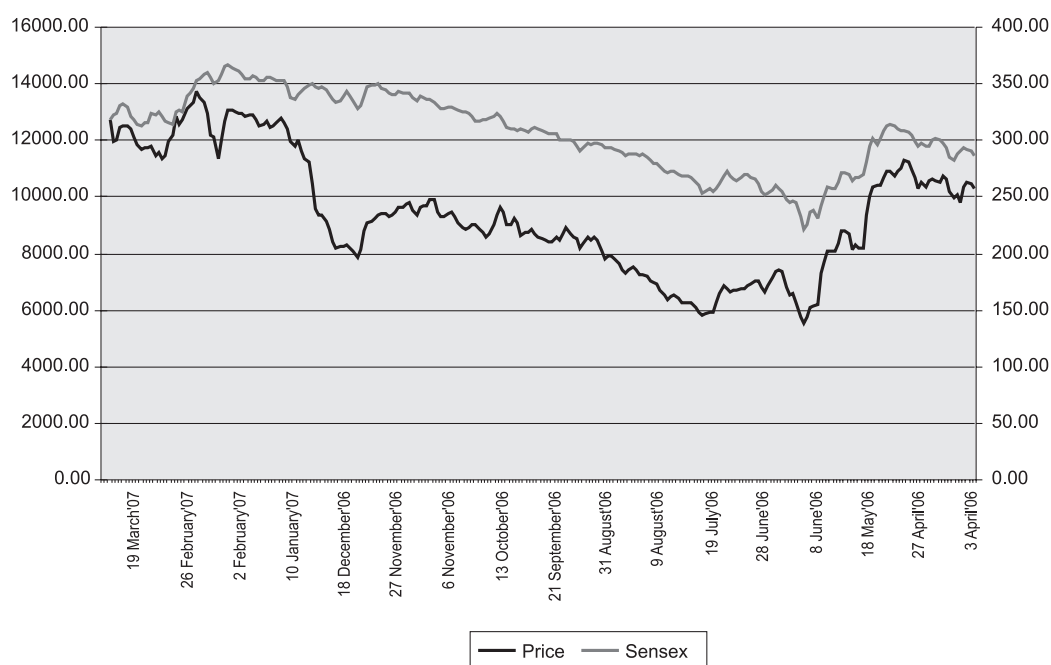
The Stock Codes allotted by these Stock Exchanges are as follows:

Name	Code
The Stock Exchange, Mumbai	532529
National Stock Exchange of India	NDTV EQ
De-mat 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 2006	280.00	236.25	279.95	242.55
May 2006	287.70	175.00	287.90	157.00
June 2006	210.00	128.65	213.00	128.35
July 2006	178.25	143.00	179.05	143.00
August 2006	206.50	154.00	205.40	153.10
September 2006	226.20	189.10	226.20	189.05
October 2006	244.00	207.50	244.20	205.90
November 2006	253.80	216.00	254.80	215.10
December 2006	242.00	184.00	241.80	170.00
January 2007	332.50	228.25	332.80	229.05
February 2007	354.10	282.00	354.10	277.20
March 2007	337.00	267.00	337.00	267.05

Performance in comparison to BSE Sensex



Shareholding Pattern:

The shareholding pattern of the Company as on March 31, 2007 is as under:

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
(A)	Shareholding of Promoter and Promoter group					
1	Indian					
(a)	Individuals/ Hindu Undivided Family	2	3,33,06,600	3,33,06,600	53.33	53.33
(b)	Central Government/ State Government(s)	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-
(d)	Financial Institutions/ Banks	-	-	-	-	-
(e)	Any other (specify)	-	-	-	-	-
	Sub-Total (A)(1)	2	3,33,06,600	3,33,06,600	53.33	53.33
2	Foreign					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-
(c)	Institutions	-	-	-	-	-
(d)	Any other (specify)	-	-	-	-	-
	Sub-Total (A)(2)	-	-	-	-	-

Category Code	Category of Shareholder	Number of Shareholders	Total Number of Shares	Number of shares held in dematerialized form	Total Shareholding as a percentage of total number of shares	
					As a percentage of (A+B)	As a percentage of (A+B+C)
	Total Shareholding of Promoter and Promoter Group (A)=(A)(1)+(A)(2)	2	3,33,06,600	3,33,06,600	53.33	53.33
(B)	Public Shareholding					
1	Institutions					
(a)	Mutual Funds/ UTI	41	1,16,03,891	1,16,03,891	18.58	18.58
(b)	Financial Institutions/ Banks	7	2,68,988	2,68,988	0.43	0.43
(c)	Central Government/ State Government(s)	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-
(f)	Foreign Institutional Investors	2	15,87,952	15,87,952	2.54	2.54
(g)	Foreign Venture Capital Investors	-	-	-	-	-
(h)	Any other (specify)	-	-	-	-	-
	Sub-Total (B)(1)	50	1,34,60,831	1,34,60,831	21.55	21.55
2 (a)	Non-institutions					
	Bodies Corporate	716	98,81,422	98,81,422	15.82	15.82
(b)	Individuals- (i) Individual shareholders holding nominal share capital up to Rs. 1 lakh*	17,730	45,20,681	44,53,111	7.24	7.24
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	9	7,55,449	7,55,449	1.21	1.21
(c)	Any other (specify)	0	0	0	0.00	0.00
	-Trusts	6	2,71,502	2,71,502	0.43	0.43
	-Clearing Members	105	2,60,522	2,60,522	0.42	0.42
	Sub-Total (B)(2)	18,566	1,56,89,576	1,56,22,006	25.12	25.12
	Total Public Shareholding (B)=B(1) + B(2)	18,616	2,91,50,407	2,90,82,837	46.67	46.67
	TOTAL (A) + (B)	18,618	6,24,57,007	6,23,89,437	100.00	100.00
(C)	Shares held by Custodians and against which Depository Receipts have been issued					
		-	-	-	-	-
	GRAND TOTAL (A)+(B)+(C)	18,618	6,24,57,007	6,23,89,437	100.00	100.00

Distribution of Shareholding

Category	Folios		Share of Rs. 4/-paid up	
	Numbers	%	Numbers	%
1-5000	17,909	96.19%	24,75,266	3.96
5001 - 10000	282	1.51%	6,41,259	1.03
10001 - 20000	202	1.09%	8,95,037	1.43
20001 - 30000	45	0.24%	2,80,573	0.45
30001 - 40000	34	0.18%	3,32,523	0.53
40001 - 50000	16	0.09%	1,77,507	0.28
50001 - 100000	53	0.29%	9,71,005	1.55
100001 & Above	77	0.41%	5,66,83,837	90.76
Total	18,618	100%	6,24,57,007	100%

Dematerialization of Shares and Liquidity

As on March 31, 2007 only 67,570 shares constituting 0.10% 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, as finally approved by the shareholders on September 19, 2005, provides for grant of 4,057 thousand options to employees of the Company by the ESOP Committee at an exercise price of Rs. 4 each, representing one share for each option upon exercise. The maximum tenure of these options granted is 7 years from the date of grant. The balance options available for grant as at March 31, 2007 is 355 thousand (previous year 639 thousand).

Registrar and Share Transfer Agents

Registrar and Share Transfer agents 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 and 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
207, Okhla Industrial Estate, Phase III,
New Delhi-110020

For and on behalf of the Board

Place : New Delhi
Date : May 22, 2007

Dr. Prannoy Roy
Chairman

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Company

This is a year of another 'great leap forward' for NDTV. We are in the process of transforming the company from being a pure news broadcasting organization into a 'total media' network.

It is also a year in which NDTV begins on its path to build a truly global enterprise.

To achieve both these goals - of moving beyond news into a full-fledged media company as well as turning global – a new company called NDTV Networks Plc, a 100% subsidiary of NDTV Ltd., was incorporated in the UK.

The aim of NDTV Networks Plc is both to create new business areas for NDTV as well as to unlock value of existing operations and skills.

NDTV Networks Plc has a total of four subsidiaries and two Joint Ventures, each focused on a different genre of media: Entertainment; Internet and Convergence; Lifestyle channels; technology innovation and integration services; Media Process Outsourcing; and establishing news channels in other countries.

In our major thrust into the world of entertainment television, a subsidiary called 'NDTV Imagine Ltd' has been established with the aim of launching a Hindi general mass entertainment channel in the near future. In addition NDTV Imagine will enter the movie business as well as several other areas in the field of entertainment.

In order to unlock value as well as create a whole new genre of channels, 'NDTV Lifestyle Ltd' has been created which will act as a specialist 'lifestyle' subsidiary of NDTV Networks Plc.

NDTV Lifestyle Ltd is aimed at the media space that generates lifestyle programming and channels such as travel, fashion, food, health and fitness, luxury, environment and other similarly targeted channels. The aim of these channels will be to capture the growing retail market in India and to tap the aspirations of the new urban Indian. The first of these lifestyle channels under NDTV Lifestyle Ltd is a 'composite' lifestyle channel covering a wide range of programming ideas and concepts.

Following in the example of software giants in India like Infosys, TCS and Wipro, we have created a subsidiary, NDTV Labs, that is aimed at capturing a major new business area in the field of media software and technology. While this business may take some time to develop, it has enormous potential and can be scaled up into a major enterprise over the years ahead.

A fourth subsidiary of NDTV Networks Plc that will further unlock value is our new media initiative NDTV Convergence Ltd. which will build upon the strong existing internet property, NDTV.com, that NDTV has developed over the years. NDTV Convergence Ltd. will focus on triple-play extending NDTV.com further into mobile telephone and video-streaming as well as pod-casting and other new media areas. NDTV.com is already among the top five internet portals in India and we plan to grow this business significantly over the next few years.

Emerging Markets 24x7 BV is a 50:50 Joint venture between the Company and NDTV Networks Plc, created to capitalize on the success of NDTV's foray into launching news-plus-lifestyle channels in other countries. NDTV, in partnership with the Malaysian media company Astro, has already launched a channel in Indonesia, which is breaking even after six months of operations. Another channel is to be launched soon in Malaysia. New channels are planned in other countries around the world over the years ahead. These channels are aimed at the local population (not at the Indian diaspora) and are generally in the local language to ensure the widest possible viewership.

The move into media process outsourcing through NGEN Media Services Pvt. Ltd., a joint venture between NDTV Networks Plc and India's largest outsourcing company Genpact Ltd. is well underway and promises to be a major new business opportunity.

The establishment of NDTV Networks Plc with these six business heads is perhaps NDTV's biggest step forward into the exciting new world beyond news and should create significant shareholder value.

NDTV: India's Most Respected Media Company

The great leap forward into becoming a 'total media company' has only been possible because of the 18 years of NDTV's track record of innovation, credibility and media leadership in news and related areas. It is of immense satisfaction that the entire teams for NDTV Lifestyle, NDTV Labs, NDTV Convergence have been built step by step over the years and are now in a position to stand on their own feet and create channels and enterprises of their own.

As a result of its 18 years of media leadership, this year NDTV is rated to be 'India's most respected media company' (by a nationwide business survey by Business World, April 2007)

Over these 18 years NDTV has moved from being a programme producer of a single show called 'The World This Week'; to the first private producer in India of daily news on Doordarshan; to the first Indian producer of a 24 hour news channel, Star News; to becoming a broadcaster of three of our own news and business channels; and now moving beyond news into a conglomerate

media network with a series of Entertainment and Lifestyle channels.

And this is still just the beginning.

NDTV is on the road to building a global media business.

Industry Structure and Developments

This year has been an important year for India's media and the Indian television industry in particular. Distribution has so far been a bottleneck in the distribution of channels across the country. As all cable systems used analog systems, each cable head-end could carry only about 80 channels at a maximum (while there are over 200 channels looking for distribution). In addition each cable operator is effectively a local area monopoly as any colony or region tends to have only one operator. This combination of monopolies and analog capacity constraints makes India's cable network a bottleneck – a bottleneck that finally shows some signs of gradually being eliminated. The early signs of change – of moving from analog to digital, and from monopoly to competition - began this year. In the end this is seen to benefit both the cable operators as they can now graduate into an organized, profitable and sustainable business as well as broadcasters and content producers as the bottlenecks are removed.

Analog to Digital

Two new modes of digital distribution took some first tentative steps this year. Digital cable, otherwise known as CAS, was introduced in some areas of the major cities of Delhi, Mumbai and Kolkatta. And DTH came of age this year with several new players entering, or announcing their intention to enter the market.

DTH promises to have a greater impact on the distribution landscape than merely the digital delivery of content. It provides the consumer with an additional source of content delivery and undermines the existing monopoly of cable operators. The competition between DTH and cable will benefit the consumer, who at last has a choice in the delivery system as well as the broadcaster who has an alternative distribution channel for content.

For the near future though, cable is likely to dominate the landscape accounting for over 80 per cent of last mile delivery to homes across India. Consequently, the transformation of cable systems from analog to digital is likely to have an even more profound impact on the media broadcast industry. Not only is it possible for cable operators to distribute hundreds of channels (instead of only 80) ... cable operators will be able to charge and collect subscription fees per pay-channel from consumers. This will help make the cable industry more viable and organized as its income rise and the number of subscriber households will be more accurate than it is today ... as well as help broadcasters collect legitimate subscription income for their channels. As a result of these new digital developments, the subscription revenues for TV channels (at under 10% of total revenues today) are likely to rise in the years ahead (some forecasts suggest it will rise to 40-45% of total revenues). Subscription revenues from DTH and CAS are therefore slated to a major new source of income in the future, like it is in most developed markets around the world.

The government is looking at digital distribution through CAS in 35 cities of India by 2010. As a result, the broadcasting industry will finally be able to solve the addressability issue efficiently in areas going digital, resulting in cable operators declaring much higher numbers of subscribers (today this is an unreasonably meager 5-6 per cent, as under-declaration is widespread).

According to a study conducted by Media Partners Asia, an independent research firm based in Hong Kong, in the next four years - by 2011

- The market for pay-TV could reach 112.5 million subscribers versus 73.5 million at end of December 2006. Of this cable's share will be 86.5%; DTH, 12.6%; and IPTV, less than 1%.
- The Indian pay TV market will generate a turnover of \$ 8.6 bn up from the \$4.2bn in 2006, at a CAGR or compounded annual growth rate of 15%. (it is assumed that with greater addressability and higher declarations, these subscription revenues will be shared to a much greater extent with broadcasters than they are today).

These numbers will essentially translate into potentially high subscription revenues for broadcasters of pay channels, who are slated to get a 45% of the share of revenues from subscribers as per the government (TDSAT) ruling. Pre-CAS, hardly 5-10% of the total revenue collected made its way to the broadcaster.

While the industry is expected to be dominated by advertising revenues in the immediate future, a movement towards global standards of a more equitable share between subscription and advertising (60:40) are beginning to look possible in a few years from now.

The switch from analog to digital and the resultant end of distribution bottlenecks, should end the current practice of charging fees (widely known as "carriage fees") for distribution. This is currently a significant cost for many broadcasters who can now perhaps look forward to an era of lower costs without carriage fees and higher revenues with digital subscription revenues.

The Consumer Rules, Finally

Digital distribution tends to be consumer friendly ... as monopolies break down, multiple channel distribution becomes possible, selection of specific channels becomes a reality and the customer has greater choice.

In the pre-CAS analog scenario, the consumer pays a fee for all channels being distributed ... many of which they do not want but are forced to accept. Under digital distribution, consumers can choose which channels they want and reject the channels they do not want ... in addition each consumer is able to select which particular distribution technology they want (DTH or CAS).

Going forward, customized, competitive channel packages and superior service levels will drive retention and new customer acquisitions, whether it is through CAS or DTH.

Convergence

The world, it is widely believed, is entering its second internet and convergence boom. Web 2.0 and user generated content along with monetizing search engines is transforming the world of convergence. A major new trend is video on the web, with companies like You Tube and others providing users with a new experience. NDTV is well positioned to take advantage of this new ability to monetize video over the web. Unlike in the past where the internet did not generate revenues, today Google and Yahoo have led the way in the generation of revenues and profits and as a result very high valuations and market capitalization.

NDTV.com is one of India's leading web portals and is gearing up to play a crucial role in the expansion of NDTV in the near future. In addition NDTV's leadership role in the sphere of content over mobile telephony is a major advantage the company is focusing on. In India, with the growth of mobile phones at an explosive 6 million handsets sold every month, no media is complete without a major mobile strategy. NDTV plans to move swiftly and deep into this area along with the internet and television – widely known as 'triple play'.

The move by television companies to become dominant player in the Internet space makes for a strong business case. Currently at Rs1.6 billion, the Internet advertising industry is poised to grow at a CAGR of 43 per cent to reach Rs 9.5 billion by 2010. With a 59 million PC literate individuals in the country, the options are only growing for the industry (PWC FICCI Focus 2007 Report)

Outlook – Key Industry Financials (Source: PWC – FICCI Focus 2007)

- The current size of the Television industry is estimated at Rs 191 billion, with a projected figure of Rs 519 billion by 2011 at a CAGR of 22 per cent.
- Television advertising is expected to grow significantly in this period, though its subscription revenues which will be the key driver over the next 5 years
 - The TV Advertising market is expected to grow from the present size of Rs 66 billion to Rs. 123 billion, which is a cumulative growth of 13% up till 2011.
 - Total Television subscription revenues are projected to rise 26% compounded annually to touch Rs. 378 bn in 2011.

Issues Impacting the Industry and the Company

The Digital Challenge

If the government has to meet its target of rolling out CAS in 35 cities across the country, experts say a more holistic approach is needed. Currently the ARPU (average revenue per user) has settled around Rs 250 per month. The mandatory 5 rupee per channel pricing has worked well in the initial phases of CAS roll out by making it affordable to consumers and lowering the initial resistance.

This cap on pricing though, is not conducive to growth in the long run and many believe this cap will be lifted. Fixed pricing prevents broadcasters and content producers from delivering quality and premium programming. Digital platforms including taking last mile digital requires estimated investments to the tune of \$500-600 million by the distribution industry. The cap on what distributors can charge makes the investment unviable and hence a disincentive for the move to digital distribution across the country.

Proposed Broadcasting Bill, 2006

The proposed broadcasting bill 2006 has clauses, which are looked upon by the industry as restrictive and curbing freedom of the press. The draft bill allows for government to take over the functioning of any private channel in event of war and natural calamity. If this provision is misused by the government it could be extremely detrimental for private news channels.

The Broadcasting Services Regulation Bill, 2006 also provides for punishment like revocation of license and fines on those who violate the proposed broadcast guidelines, including the new Content Code under preparation. It provides for the setting up of a Broadcasting Regulatory Authority of India (BRAI), which analysts say lacks independence and will be constituted from within government civil servants of Additional secretary level and above. The industry has already petitioned to the government for a review of the bill.

One of the immediate challenges that face television industry is the lack of "Convergence" Bill which addresses the issue of distributing television content over broadcasting/cable platforms and telecommunication channels. Analysts argue that the proposed Broadcasting Services Regulation Bill 2006 fails to address this technological advancement.

Competition from New Channels

While the robust industry growth estimates suggest enough room for new channels with quality content, in the short term a rush of new launches could exert pressure on advertising rates. In the news space, the English, Hindi and Business segments in which the company operates, last year was the very competitive, with several new launches. The company has been able to maintain its leadership position in English and Business news segments.

In the next 18 months, competition is expected from existing companies like Star, Zee TV, TV 18 group who have announced plans to launch several regional news channels. An additional worrying trend is the tabloid nature of many news channels which cater to the lowest common denominator through sex and crime shows. It is hoped that this is a transitory phenomenon, and as advertisers become more discerning and do not want to see their products associated with crime and sex, this tabloid trend may wither away. An additional concern is that several new news channels are being launched by owners who have other 'motivations' - like power and political propaganda - rather than provide honest unbiased news.

The entertainment and Lifestyle segments in which the company is launching channels may also face increased competition

Human Resource Challenges

The phenomenal growth of Indian media and entertainment in the last couple of years has led to an enormous demand for talent in the sector.

For a television channel to succeed in the increasingly crowded market, it's imperative to have high quality, differentiated content. From journalists to anchors, camera people and producers, there is a need to increase the supply of high quality talent.

This need for talent is felt not just at the content level, but also in business development. With large investments lined up in the industry there's a surge in the demand for talent in areas of operations, distribution, sales and strategy.

While there is an expansion in the number of mass media education institutes in the country, it is clear that this in an area which needs even greater focus for the demand and supply to match in the media sector.

Strategies to Control Risk and Minimise It

The NDTV group's strategy of building a global business is not only exciting in itself, it is also a major strategy for de-risking a media business model. Apart from moving into areas beyond news NDTV is also moving into news and other media in the international market – both moves are major steps to generating additional revenues and de-risking the business model.

The company has recognized the need to reduce its dependence on the business of television news only in India and move into news in other countries as well as the more lucrative and profitable segments like Entertainment and Lifestyle.

The company's business model is further de-risked by its strong presence in non-television businesses. NGEN (Media outsourcing), NDTV Labs (Media technology) and NDTV Convergence all leverage company's extensive expertise in the media space, at the same time as diversifying the business.

In January 2006, the company, in partnership with Astro and Value labs had entered the FM radio space. The 3 RED FM stations in Kolkatta, Delhi and Mumbai have performed well, validating the company's strategy to enter into related but diversified businesses.

On the human resource front, NDTV recognizes the need for creating and preparing the right talent for successful growth. The company has set up a full-fledged training centre. With some of the best trainers (including international trainers) to bring the fresh recruits at par with the high NDTV standards. The training centre also organizes regular programs to equip the technical staff with the latest practices and advancements in media technology.

NDTV remains committed to investing in technology up-gradation. The company's news acquisition operations have been made completely tape-less using digital chips rather than tapes. The company has also invested in upgrading the centralized editing system to AVID ISIS and up-grading vision mixers to the best in the class in the world, KAHUNA from Snell and Wilcox.

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

The following discussion is based on the audited financial statements, which have been prepared in compliance with the requirements of 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

The Company's authorized capital is Rs. 275 million divided into 68.75 million equity shares of Rs. 4/- each. At present there is only one class of shares - equity shares. During the year 286 employees exercised 1,654,375 equity shares issued under "Employee Stock Option Plan - 2004". Consequently the issued, subscribed and paid capital of the Company increased by 1,654,375 equity shares. Details of options granted, outstanding and vested are given elsewhere in the report. A statement of movement in the share capital is given below:

	2007		2006	
	Equity Shares (No.)	Rs. in million	Equity Shares (No.)	Rs. in million
Balance at the beginning of the fiscal year	60,802,632	243.21	60,802,632	243.21
Shares issued upon conversion of options issued under "Employee Stock Option Plan-2004"	1,654,375	6.62	-	-
Balance at the end of the fiscal year	62,457,007	249.83	60,802,632	243.21

Employee Stock Options Outstanding

During the year, the Company has granted from time to time options to its eligible employees under "Employee Stock Option Plan - 2004". For details please refer note B-1 on schedule 19.

Reserves & Surplus

a. Securities Premium Account

The addition to the securities premium account of Rs. 355.19 million during the year is due to the premium credited on issue of 1,654,375 equity shares, on exercise of options under "Employee Stock Option Plan - 2004". A statement of movement in the securities premium is given below:

Rs. in million	2007	2006
Balance at the beginning of the fiscal year	1,189	1,189
Add: Amount credited on exercise of employee stock options issued under "Employee Stock Option Plan - 2004"	355	-
Balance at end of the fiscal year	1,544	1,189

b. General Reserve

The balance as of March 31, 2007 amounted to Rs. 52.70 million, same as in previous year.

c. Profit & Loss Account

The balance retained in the profit and loss account as of March 31, 2007, after providing for dividend, is Rs. 173.52 million. A statement of movement in profit and loss account is given below:

Rs. in million	For the year ended March, 31	
	2007	2006
Profit & Loss Account at the beginning of the year	300.90	418.85
Add: Profit/(Loss) for the year	(68.92)	(62.49)
Less: Proposed Dividend	49.97	48.64
Less: Corporate Dividend Tax	8.49	6.82
Profit Carried forward to balance sheet	173.52	300.90

Secured Loans

The Company borrowed Rs. 99.52 million during the year for funding working capital requirements. The Company has also availed a secured loan of Rs. 75.23 million for buying property in Delhi and for acquiring plant & machinery for its new metro channel.

Fixed Assets

The additions to fixed assets in the current year consisted of expense incurred for Installation of ticker at BSE and for new plant & machinery acquired for supporting expanded operations.

The capital work in progress of Rs. 145.02 million as of March 31, 2007 mainly comprises assets acquired for the new metro channel. It also includes capital advances of Rs. 92.66 million for metro channel and a property in Delhi.

Investments

The Company has during the year, set up a legal entity in UK under the name NDTV Networks Plc. Further, legal entities have been set up in India, which house the businesses of Entertainment, Lifestyle, Convergence and Labs and are direct subsidiaries of the UK Company. These subsidiaries have commenced operations and are pursuing the business earlier incubating in the Company, in addition to exploring independent business opportunities outside.

NDTV Imagine Limited is in the process of commencing business of up-linking and operating a non-news Hindi mass entertainment channel, to be distributed both in India and internationally. NDTV Imagine has received the approval from Foreign Investment Promotion Board and is in the process of making an application to the Ministry of Information and Broadcasting for up-linking of non-news and current affairs channel.

NDTV Lifestyle Limited is in the process of commencing the business of establishing, up-linking and operating a television channel dedicated to travel, food, fashion, shopping and health & wellness both in India and abroad. NDTV Lifestyle has received the approval from Foreign Investment Promotion Board and is in the process of making an application to the Ministry of Information and Broadcasting for up-linking of the channel.

NDTV Labs is engaged in developing technology and software solutions for television broadcasting, software development, and sale of this software in domestic and international markets.

NDTV Convergence is engaged in the activity of owning and operating websites and content production for mobile and internet users and convergence of technologies thereof including development of a collaborative user interface that incorporates both voice and video as communication forms. NDTV Convergence Limited houses NDTV.com, which is used and visited most by internet users from USA, Australia and UK. Over 70% of traffic generated on the website is international.

Further, the Company had also set up legal entities in the Netherlands, under the names NDTV Networks BV and Emerging Markets 24x7 B.V. NDTV Networks BV is a 100% subsidiary of the Company and has further set up a subsidiary in the UK, NDTV Networks Plc. Emerging Markets 24x7 B.V. is also a subsidiary of the Company.

NGEN Media Services Private Limited, the joint venture of the NDTV Network Plc. with Genpact, has commenced operations in the areas of post production services and digital asset management and has received enthusiastic response from global media companies.

A statement of movement in Investments is given below:

Rs. in million	As at March, 31	
	2007	2006
Investments in subsidiaries		
NDTV News Limited	10.38	10.38
NDTV Media Limited	8.50	8.50
NDTV Networks B.V.	5.75	0.00
NDTV Convergence Limited	0.10	0.00
Emerging Market 24x7 B.V.	0.52	0.00
Share Application Money		
NDTV News Limited	100.00	100.00
Associate Company		
Astro Awani Network Limited	9.89	0.00
	135.14	118.88

Results of operations

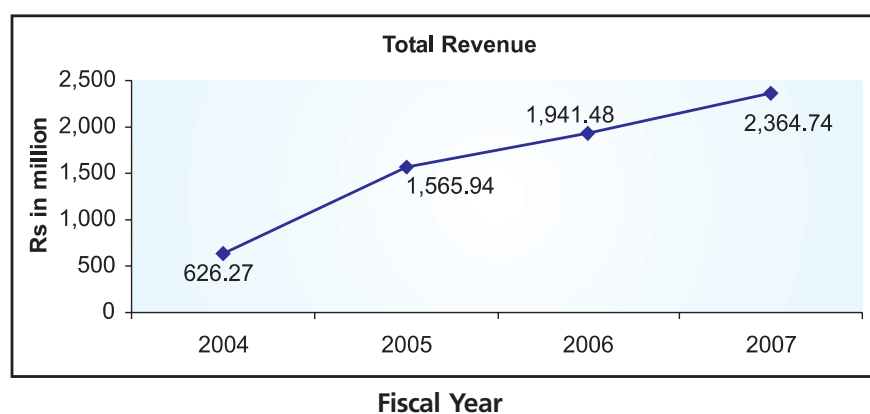
Revenues

The Company's advertising revenue comprises advertising revenue from the channels, NDTV 24X7, NDTV India and NDTV Profit. Business Income primarily comprises revenue from national and international subscription for pay channels, sale of television software in the news and current affairs and entertainment segments.

Revenue from other news delivery avenues mainly consists of income from the website and Mobile Value Added Services upto December 31, 2006. With Effect from 1st January 2007, the Company has transferred its Web business to its subsidiary NDTV Convergence Limited.

Total Income

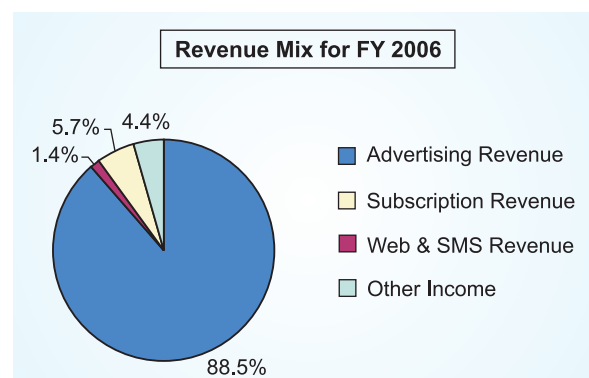
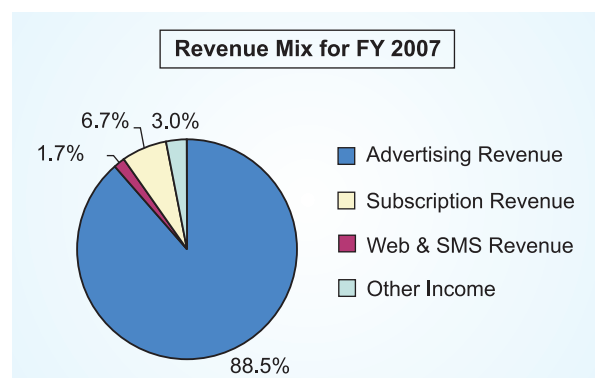
Total revenue grew by 22% from Rs. 1,941.48 million in the previous year to Rs. 2,364.74 million in the current year.



The following table sets forth the contribution of the different components of revenue and of other income towards total income for the year ended March 31, 2007 and March 31, 2006.

Income for the year ended March, 31	Rs. in million				
	2007	%	2006	%	Growth %
Advertisement Income					
Advertising Sales (net of commission)	2,027.89	85.7%	1,656.26	85.3%	22%
Barter Income (Net)	65.66	2.8%	62.47	3.2%	5%
	2,093.55	88.5%	1,718.73	88.5%	22%
Business Income					
Subscription Revenue	158.56	6.7%	109.88	5.7%	44%
Other News Delivery Avenues	40.78	1.7%	27.59	1.4%	48%
Sales of Television Software	4.86	0.2%	2.76	0.1%	76%
Equipment Hire	9.43	0.4%	8.48	0.4%	11%
Other Business Income	46.59	2.0%	45.50	2.4%	2%
	260.22	11.0%	194.21	9.9%	34%
Other Income	10.96	0.5%	28.54	1.5%	-62%
	2,364.73	100%	1,941.48	100%	22%

The pie charts below depict the contribution of income from major revenue streams as discussed above:



Advertising Revenue

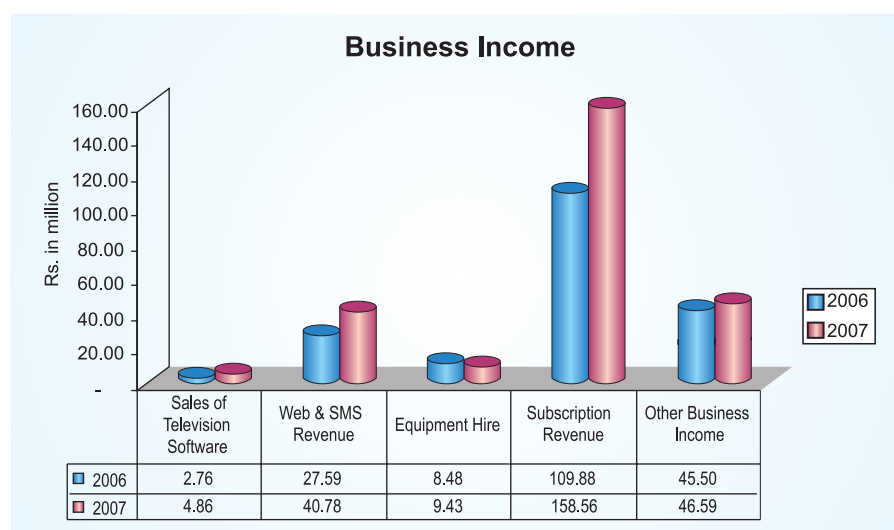
Net advertisement revenue for the year ended March 31, 2007 was Rs. 2093.56 million as against Rs. 1718.73 million last year i.e. an increase of 22%, after netting off the advertising sales commission of Rs. 375.08 million to the subsidiary NDTV Media Limited, and media commission to other agencies of Rs. 31.51 million and after including net barter sales of Rs. 65.66 million.

Business Income

Business Income for the year ended March 31, 2007 increased by 34% to Rs. 260.21 million from Rs. 194.21 million last year.

The increase in Business Income is primarily on account of increase in subscription revenue by Rs. 48.68 million (44%). The subscription income rose to Rs. 158.56 million in comparison to Rs. 109.87 million last year. During the year domestic subscription income includes Rs. 11.21 million from DTH operators. Also, Income from international distribution increased by Rs. 19.80 million or 70% to touch Rs 48.25 million, from Rs. 28.45 million last year.

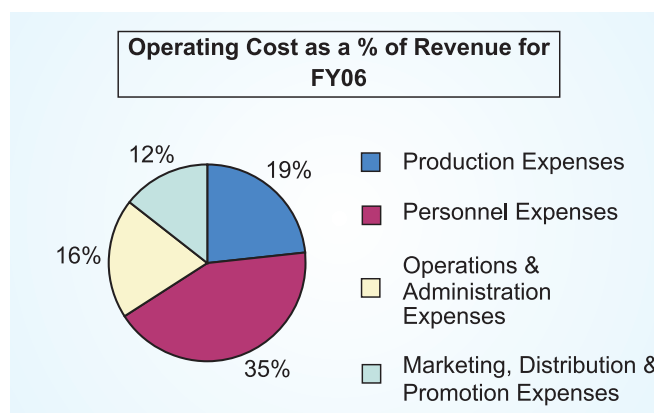
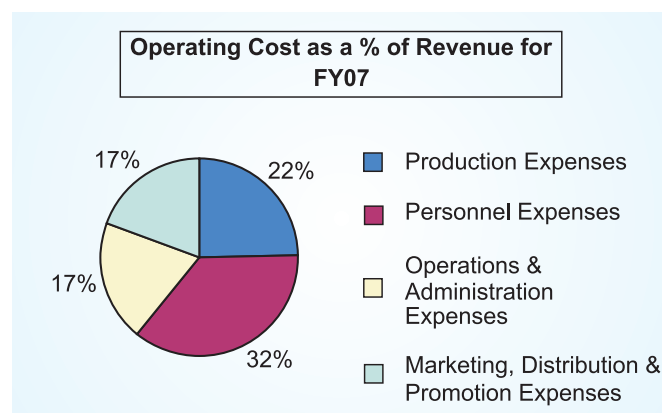
Other news delivery avenues generated Rs. 40.78 (nine months only) million this year as compared to Rs. 27.59 million in the previous year, which is an increase of Rs. 13.19 million equivalent to 48% increase.



Operating Cost

The total operating cost for the year ended March 31, 2007 increased by 29% from Rs. 1612.55 million in the previous year to Rs. 2,081.60 million. This is mainly attributable to distribution costs, which have gone up by 76%. Reasons for the increase in these costs are discussed separately. The following table & pie charts depict the different components of operating cost:

Operating expenses for the year ended March, 31	Rs. in million				
	2007	%	2006	%	Growth %
Total Revenue	2,364.73	100%	1,941.48	100%	22%
Production Expenses	516.42	22%	377.96	19%	37%
Personnel Expenses	751.58	32%	683.39	35%	10%
Operations & Administration Expenses	406.42	17%	320.13	16%	27%
Marketing, Distribution & Promotion Expenses	407.18	17%	231.07	12%	76%
	2,081.60	88%	1,612.55	83%	29%



As a proportion of total income, Marketing & Distribution expenses have gone up by 5% from 12% in the previous year to 17% in the current year. On the other hand, Personnel cost has decreased by 3% from 35% in the previous year to 32% in the current year.

Production Cost

Production Cost for the year ended March 31, 2007 increased by 37% from Rs. 377.96 million in the previous year to Rs. 516.42 million in the current year.

Production expenses for the year ended March, 31					Rs. in million
	2007	%	2006	%	Growth %
Total Revenue	2,364.73	100%	1,941.48	100%	21.8%
Transmission & Uplinking	112.41	4.8%	80.67	4.2%	39.4%
Consultancy & Professional Fee	112.40	4.8%	75.56	3.9%	48.7%
Travelling	106.30	4.5%	80.50	4.1%	32.0%
Subscription, Footage & News Service	61.51	2.6%	48.01	2.5%	28.1%
Hire Charges	18.66	0.8%	9.18	0.5%	103.4%
Stores & Spares	17.17	0.7%	15.45	0.8%	11.1%
Website Hosting & Streaming	15.75	0.7%	17.05	0.9%	-7.7%
Helicopter Running & Maintenance	9.57	0.4%	6.50	0.3%	47.4%
Other Production Expenses	62.65	2.6%	45.03	2.3%	39.1%
	516.42	21.8%	377.96	19.5%	36.6%

The increase is mainly attributable to:

- Transmission & Uplinking charges increased by Rs. 31.75 million that corresponds to 39.4% increase in comparison to last year. The increase is mainly on account of:
 - a) License fees paid to DOT on account of increased bandwidth.
 - b) Transponder fees paid for transmission of channels for full year in USA, United Kingdom and Canada, as against 3 months last year. The increase is also due to commitment charges incurred to book satellite space for metro channels.
 - c) Uplinking charges for football world cup (FIFA) and elections.
- Consultancy fees increased by Rs. 36.84 million mainly on account of increase in payment to sports persons appearing on sports related interactive programmes and for payments made for various events organized during the year like Business Leadership Awards and Power Summit.
- Travel spend increased by Rs. 25.80 million on account of ICC Cricket World Cup, new programmes and events.
- Subscription, footage and news service expense rose by 28.1% from Rs. 48 million previous year to 62 million current year. The increase is primarily on account of expense incurred on events such as elections and opinion polls.
- Hire charges for equipment increased by Rs. 9.5 million due to events like Elections in six states, ICC World Cup.
- Other production expenses rose by 39.1% from Rs. 45 million previous year to Rs. 63 million current year. The increase is primarily on account of expenses incurred on events such as elections and opinion polls and new shows added during the year.

Employees Cost

Employees cost for the year ended March 31, 2007 increased by 10 % (net of cost transferred to the new initiatives) from Rs. 683.39 million in the previous year to Rs. 751.58 million in the current year. The increase is primarily on account of;

- Net addition of 37 employees, after transfer of employees to new businesses on December 31, 2006. Total staff strength increased to 1205 in the current year from 1168 in the previous year
- Annual increments in salaries.

Administrative and Other Expenses

Administrative and other expenses increased by 27% from Rs. 320.13 million in the previous year to Rs. 406.42 million in the current year. The major components are:

Operating & administration expenses for the year ended March, 31					Rs. in million
	2007	%	2006	%	Growth %
Total Revenue	2,364.73	100.0%	1,941.48	100.0%	21.8%
Rent	78.99	3.3%	64.56	3.3%	22.4%
Communication	44.87	1.9%	39.26	2.0%	14.3%
Local Conveyance & taxi hire	42.54	1.8%	34.92	1.8%	21.8%
Electricity and water	28.76	1.2%	19.88	1.0%	44.7%
Vehicle	26.29	1.1%	16.09	0.8%	63.4%
Repair & Maintenance	46.41	2.0%	47.99	2.5%	-3.3%
Legal & Professional	19.05	0.8%	5.28	0.3%	260.9%
Insurance	16.52	0.7%	11.99	0.6%	37.8%
Loss on Sale/write off of Fixed Assets	10.64	0.4%	0.00	0.0%	100.0%
Others	92.35	3.9%	80.15	4.1%	15.2%
	406.42	17.2%	320.11	16.5%	27.0%

The major reasons for increase in operating & administration cost are:

- Increase in rent by Rs. 14.43 million on account of additional premises taken on rent in Mumbai and the regular annual increase.
- Increase in local conveyance expenses by Rs. 7.61 million due to higher cost of fuel and increase in number of employees.
- Increase in vehicle expenses by Rs. 10.20 million due to increase in number of vehicles and increase in rates of fuel.
- Increase in legal expense by Rs. 13.77 million on account of restructuring exercise undertaken during the year.
- Increase in electricity and water charges by Rs. 8.88 million mainly due to increase in rates.
- Increase in insurance expenses by Rs. 4.53 million due to increase in number of employees and addition to fixed assets.
- Loss on sale of assets of Rs. 10.64 million mainly comprises of assets discarded due to change in technology.

Marketing, Distribution and Promotional Cost

Marketing and distribution expenses for the year ended March 31, 2007 increased by 76 % from Rs. 231.09 million in the previous year to Rs. 407.18 million in the current year. This has resulted from:

- Increase in distribution and promotional expenses by Rs. 164.46 million for increasing the territorial reach of channels and to make them available on prime bands.
- Increase in carriage fees rates by cable operators due to launch of numerous channels.
- The advertisement expenses for brand building increased by Rs. 11.65 million during the current year to Rs. 27.67 million as compared to Rs. 16.02 million last year.

Finance Charges

The term loan of Rs. 174.75 million outstanding as on March 31, 2007, resulted in finance charges of Rs. 10.29 million for the year.

Depreciation

The increase in depreciation by Rs. 28.67 million was caused by additions to fixed assets made during the current and previous year.

Income Tax

During the year based on the competent professional advice, the Company has recognized the employee stock compensation expense as tax deductible. Consequently, the current tax expense for the earlier year was re-estimated, resulting in reversal of MAT Credit Entitlement of Rs. 15.15 million.

Financial Ratios

Ratio	FY 2007 (%)	FY 2006 (%)
EBITDA to Total Income	11.97	16.94
PBT to Total Income	4.00	9.24
Production expenses to Total Income	21.84	19.47
Employee Cost to Total Income	31.78	35.20
Operating & Administration Expenses to Total Income	17.19	16.49
Marketing, Distribution & Promotion Expenses to Total Income	17.22	11.90
Total Operating Expenses to Total Income	88.03	83.06

Related party transactions

These have been discussed in detail in the notes to the financial statements. Please refer note B-12 on schedule 19.

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.

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, 2007, 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 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, 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.
- x). The Company has no accumulated losses as at March 31, 2007 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi). According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
- xii). The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii). The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/societies are not applicable to the Company.
- xiv). In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
- xv). 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.
- xvi). In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans have been applied for the purposes for which they were obtained.
- xvii). 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.
- xviii). 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.
- xix). 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 19) and the same has been verified by us.
- xx). 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.
- xxi). The clause 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 on B-13(i) of Schedule 19 regarding managerial remuneration amounting to Rs.3,369 thousand paid to the directors, is subject to approval by the Central Government.

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.66,135 thousand (as against the reported figure of Rs.68,919 thousand), Reserves and Surplus to be Rs.1,773,144 thousand (as against the reported figure of Rs.1,770,360 thousand), Net Current Assets to be Rs.898,873 thousand (as against the reported figure of Rs.897,134 thousand), Employee Stock Options Outstanding to be Rs.230,461 thousand (as against the reported figure of Rs.232,091 thousand) and the Deferred tax Asset to be Rs.83,350 thousand (as against the reported figure of Rs.83,935 thousand).

5. Further to our comments in paragraph 3 & 4 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, 2007 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2007 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, 2007;
 - (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.

Place: New Delhi
Date: May 22, 2007

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

New Delhi Television Limited

Balance Sheet as at March 31, 2007

	Schedule	As at March 31,2007 Amount (Rs.)	As at March 31,2006 Amount (Rs.)
Sources of Funds			
Shareholders' Funds			
Capital	1	249,828,028	243,210,528
Employee Stock Options Outstanding	2	232,091,987	261,608,135
Reserves & Surplus	3	<u>1,770,360,352</u>	<u>1,542,550,379</u>
		2,252,280,367	2,047,369,042
Deferred Tax Liability -Net (Note B-7 on Schedule-19)		–	62,947,998
Secured Loans	4	<u>174,748,224</u>	<u>–</u>
		<u>2,427,028,591</u>	<u>2,110,317,040</u>
Application of Funds			
Fixed Assets			
Gross Block	5	1,948,163,774	1,744,059,128
Less : Depreciation		<u>782,369,314</u>	<u>727,686,214</u>
Net Block		1,165,794,460	1,016,372,914
Capital Work in Progress		<u>145,026,475</u>	<u>50,961,266</u>
		1,310,820,935	1,067,334,180
Investments	6	<u>135,138,045</u>	<u>118,880,300</u>
Deferred Tax Asset (Net) (Note B-7 on Schedule-19)		83,935,437	–
Current Assets, Loans and Advances			
Inventories	7	23,093,367	36,395,983
Sundry Debtors	8	1,001,692,295	928,626,307
Cash and Bank Balances	9	108,275,875	236,198,496
Other Current Assets , Loans and Advances	10	<u>339,755,247</u>	<u>222,457,675</u>
		1,472,816,784	1,423,678,461
Less : Current Liabilities and Provisions			
Current Liabilities	11	497,622,250	431,638,900
Provisions	12	<u>78,060,360</u>	<u>67,937,001</u>
		575,682,610	499,575,901
Net Current Assets		<u>897,134,174</u>	<u>924,102,560</u>
		<u>2,427,028,591</u>	<u>2,110,317,040</u>
Significant Accounting Policies and Notes to the Accounts			
	19		

This is the Balance Sheet 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 : May 22, 2007

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

For and on behalf of the Board

Dr. Prannoy Roy Chairman	Radhika Roy Managing Director
Rajiv Mathur Company Secretary	Saurav Banerjee Chief Financial Officer

New Delhi Television Limited**Profit and Loss Account for the year ended March 31, 2007**

	Schedule	For the year ended March 31, 2007 Amount (Rs.)	For the year ended March 31, 2006 Amount (Rs.)
Income			
Business Income			
- Advertising Revenue	13	2,093,559,818	1,718,730,135
- Other	14	260,214,789	194,211,614
Other Income	15	10,962,340	28,540,612
		2,364,736,947	1,941,482,361
Expenditure			
Production Expenses	16	516,422,682	377,956,253
Personnel Expenses	17	751,577,729	683,389,779
Operations & Administration Expenses	18	406,418,897	320,113,806
Marketing, Distribution & Promotion Expenses		407,177,675	231,090,986
		2,081,596,983	1,612,550,824
Profit Before Interest, Depreciation, Tax and Employee Stock Compensation Expense		283,139,964	328,931,537
Interest to bank		10,291,210	-
Depreciation	5	178,143,856	149,471,179
Profit Before Tax & Employee Stock Compensation Expense		94,704,898	179,460,358
Employee Stock Compensation Expense (Note B-1 on Schedule 19)		294,738,914	261,608,135
Tax Expense			
- Current Tax		-	15,145,965
- MAT Credit Entitlement		-	(15,145,965)
- Tax for Earlier Years written back		(1,161,370)	-
- Deferred Tax (Note B-7 on Schedule 19)		(146,883,435)	(37,738,883)
- Fringe Benefits Tax		16,930,093	18,083,716
		(68,919,304)	(62,492,610)
Net Profit/ (Loss) After Tax		(68,919,304)	(62,492,610)
Previous Year Balance Brought Forward		300,895,630	418,852,401
Amount available for appropriations		231,976,326	356,359,791
Appropriations			
General Reserve		-	-
Proposed Dividend		49,965,606	48,642,106
Corporate Dividend Tax		8,491,655	6,822,055
Profit Carried Forward		173,519,065	300,895,630
		231,976,326	356,359,791
Earnings Per Share - Basic and Diluted (Note B-15 on Schedule 19)		(1.13)	(1.03)
Significant Accounting Policies and Notes to the Accounts	19		

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
Place : New Delhi
Date : May 22, 2007

Dr. Prannoy Roy
Chairman

Rajiv Mathur
Company Secretary

Radhika Roy
Managing Director

Saurav Banerjee
Chief Financial Officer

New Delhi Television Limited**Cash flow statement for the year ended March 31, 2007**

	For the year ended March 31, 2007 Amount (Rs)	For the year ended March 31, 2006 Amount (Rs)
A. Cash flow from operating activities:		
Net (loss)/profit before tax after Employee Stock Compensation Expenses	(200,034,016)	(82,147,777)
Adjustments for:		
Depreciation	178,143,856	149,471,179
Interest Expense	10,291,210	-
Interest Income	(6,290,348)	(25,794,243)
Employee Stock Compensation Expense	294,738,914	261,608,135
(Profit)/Loss on sale / write off of Fixed Assets	10,637,048	(837,739)
Debts / Advances Written off	5,392,929	739,108
Provision for Bad & Doubtful Debts/ advances	4,000,000	4,080,581
Provision for Gratuity & Leave Encashment	6,592,766	9,964,164
Liability no longer required written back	-	(1,516,992)
Unrealised Foreign exchange (Loss)	299,312	-
Barter Income	(129,810,305)	(132,983,362)
Barter Expenditure	64,147,412	70,515,289
TDS on service Income	(35,827,644)	(18,946,969)
Operating profit before working capital changes	202,281,134	234,151,374
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	(82,458,917)	(252,766,394)
- (Increase)/Decrease in Other Receivables	(65,355,278)	(40,062,631)
- (Increase)/Decrease in Inventories	13,302,616	(31,236,875)
- Increase/(Decrease) in Trade and Other Payables	50,117,814	178,303,551
Cash generated from operations	117,887,369	88,389,025
- Taxes (Paid) / Received (Net of TDS)	(17,506,828)	(1,148,266)
- Fringe Benefit Tax (Paid)/ Received	(16,392,600)	(17,325,040)
Net cash from operating activities	83,987,941	69,915,719
B. Cash flow from Investing activities:		
Purchase of fixed assets	(385,417,223)	(260,181,235)
Proceeds from Sale of fixed assets	34,614,818	10,962,624
Interest Received	8,843,900	32,714,686
Purchase of investments	(16,257,745)	(100,000,000)
Net cash used in investing activities	(358,216,250)	(316,503,925)

New Delhi Television Limited**Cash flow statement for the year ended March 31, 2007**

	For the year ended March 31, 2007 Amount (Rs)	For the year ended March 31, 2006 Amount (Rs)
C. Cash flow from financing activities:		
Proceeds form fresh issue of Share Capital	6,617,500	-
Employee Stock Compensation expense reimbursed by subsidiaries (Note B-1 on Schedule 19)	30,994,647	-
Loan given to subsidiaries	(93,038,900)	-
Loan received back from subsidiaries	93,038,900	-
Receipt of Term Loan from Bank	174,748,224	-
Interest Paid	(10,291,210)	-
Dividend Paid	(48,642,106)	(48,642,106)
Dividend Tax Paid	(6,822,055)	(6,819,623)
Net cash generated/ (used) in financing activities	146,605,000	(55,461,729)
Net Increase/(Decrease) in Cash & Cash Equivalents	(127,623,309)	(302,049,935)
Opening Cash and cash equivalents	236,198,496	538,248,431
Closing Cash and cash equivalents ⁵	108,575,187	236,198,496
Cash and cash equivalents comprise ⁵		
Cash in hand	838,994	1,225,299
Balance with Scheduled Banks on Current and Deposit accounts	107,436,881	234,973,197
Unrealised Foreign exchange (Loss)	299,312	-
	108,575,187	236,198,496

Notes :

- 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.
- Figures in brackets indicate cash outflow.
- Following non cash transactions have not been considered in the cash flow statement.
 - Tax deducted at source (on income)
 - Barter Transactions
- Figures of the previous year have been restated, regrouped or reclassified wherever necessary to conform to current year's figures.
- Includes fixed deposits under lien Rs 4,500,000 (Previous Year Rs 12,161,600) against letters of credit issued and Rs 9,190,500 (Previous Year Rs. 75,041,000) pledged against bank guarantees.

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

Saurav Banerjee
Chief Financial Officer

Place : New Delhi
Date : May 22, 2007

New Delhi Television Limited

Schedules to the Balance Sheet

	As at March 31,2007 Amount (Rs.)	As at March 31,2006 Amount (Rs.)
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Schedule - 1

Capital

Authorised :

68,750,000 Equity Shares of Rs.4/- each (Previous Year 68,750,000 Equity Shares of Rs 4/- each)	<u>275,000,000</u>	<u>275,000,000</u>
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Issued , Subscribed & Paid Up : ¹

62,457,007 Equity Shares of Rs.4/- each (Previous Year 60,802,632 Equity Shares of Rs 4/- each)	249,828,028	243,210,528
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	<u>249,828,028</u>	<u>243,210,528</u>
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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.
- (d) 1,654,375 (Previous Year Nil) Equity shares of Rs. 4/- each allotted to employees of the company on exercise of the vested stock options under Employee Stock Option Plan - ESOP 2004 of the Company (Note B-1 on Schedule 19)

Schedule - 2

Employee Stock Options Outstanding

(Note B-1 on Schedule 19)

Stock options outstanding	452,239,597	733,506,800
Less: Deferred employee compensation expense	<u>220,147,610</u>	<u>471,898,665</u>
	<u>232,091,987</u>	<u>261,608,135</u>

Schedule - 3

Reserves & Surplus

Securities Premium Account		
Opening Balance	1,188,953,179	1,188,953,179
Additions during the year ²	<u>355,186,538</u>	-
Closing Balance	1,544,139,717	1,188,953,179
General Reserve	52,701,570	52,701,570
Profit and Loss Account	<u>173,519,065</u>	<u>300,895,630</u>
	<u>1,770,360,352</u>	<u>1,542,550,379</u>

² On exercise of employee stock options

Schedule - 4

Secured Loans

From a Bank		
- Term Loans ^{3,5}	75,231,000	-
- Working Capital Loan ^{4,5}	<u>99,517,224</u>	-
	<u>174,748,224</u>	-

³ Out of the above:

- Rs 22,131,000 secured by the hypothecation of specific Plant and machinery acquired / to be acquired against the aforesaid loan and also against existing plant and machinery.

- Rs 53,100,000 secured by charge created on building acquired against the aforesaid loan

⁴ Secured by way of charge created on all current and future book-debts of the Company

⁵ Further the loans are also secured by way of charge created over the specified properties of the Company situated at New Delhi & Mumbai

New Delhi Television Limited
Schedules to the Balance Sheet

Schedule - 5 Fixed Assets

(Note A-2,3,4 & 8 on Schedule 19)

Particulars	Amount (Rs.)									
	Gross Block				Depreciation				Net Block	
	As at April 01, 2006	Additions During the Year	Deletions/ Adjust-ments ⁹	As at March 31, 2007	As at April 01, 2006	Provided During the Year	On Deduct-ions ⁹	As at March 31, 2007	As at March 31, 2007	As at March 31, 2006
<u>Intangible assets</u>										
Website	21,346,327	–	21,346,327	–	18,055,408	2,468,189	20,523,597	–	–	3,290,919
Computer Software	11,517,888	7,157,669	1,198,467	17,477,090	1,848,445	2,479,139	274,037	4,053,547	13,423,543	9,669,442
<u>Tangible assets</u>										
Building ¹	56,793,803	17,067,510	–	73,861,313	6,468,204	1,781,513	–	8,249,717	65,611,596	50,325,599
<u>Plant & Machinery²</u>										
- Plant & Machinery (Main) ³	1,191,075,182	215,532,915	83,179,342	1,323,428,755	480,295,984	111,087,189	56,503,649	534,879,524	788,549,231	710,779,198
- Plant & Machinery (Other)	53,822,470	9,563,723	3,212,242	60,173,951	24,843,536	4,940,894	2,791,621	26,992,809	33,181,142	28,978,934
Computers ⁴	128,823,537	26,309,669	8,986,018	146,147,188	85,330,489	13,944,283	7,791,923	91,482,849	54,664,339	43,493,047
Office Equipment ⁵	29,672,042	6,408,042	5,951,732	30,128,352	21,317,246	4,349,914	5,063,410	20,603,750	9,524,602	8,354,796
Furniture & Fixtures	108,755,574	6,348,738	30,497,324	84,606,988	64,627,112	11,440,238	26,624,777	49,442,573	35,164,415	44,128,463
Vehicles ⁶	122,252,305	84,429,006	14,341,174	192,340,137	21,923,906	24,534,855	3,887,742	42,571,019	149,769,118	100,328,400
Helicopter ⁷	20,000,000	–	–	20,000,000	2,975,884	1,117,642	–	4,093,526	15,906,474	17,024,116
TOTAL	1,744,059,128	372,817,272	168,712,626	1,948,163,774	727,686,214	178,143,856	123,460,756	782,369,314	1,165,794,460	1,016,372,914
Previous Year	1,490,608,500	273,491,567	20,040,939	1,744,059,128	588,131,089	149,471,179	9,916,054	727,686,214	1,016,372,914	–
Capital Work in Progress⁸	–	–	–	–	–	–	–	–	145,026,475	50,961,266

¹ Includes land appurtenant to the buildings acquired.

² Includes foreign exchange fluctuation loss of Rs. 197,571 (Previous Year loss of Rs. 114,825)

³ Gross Block includes assets aggregating Rs. 5,059,621 (Previous Year Rs. 5,113,542) purchased under barter arrangements during the year

⁴ Gross Block includes assets aggregating Rs.Nil (Previous Year Rs. 2,100,010) purchased under barter arrangements during the year

⁵ Gross Block includes assets aggregating Rs. 848,972 (Previous Year Rs. Nil) purchased under barter arrangements during the year

⁶ Gross Block includes assets aggregating Rs. 70,287,289 (Previous Year Rs. 49,890,096) purchased under barter arrangements during the year

⁷ Title and ownership is as confirmed by Deccan Aviation Limited.

⁸ Includes an amount of Rs. 92,662,659 (Previous Year Rs. 4,182,067) towards Capital Advances and assets aggregating Rs. Nil (Previous Year Rs. 531,771) purchased under barter arrangements during the year.

⁹ Includes assets having a Gross Block of Rs 108,596,847 and Accumulated Depreciation of Rs. 76,990,173 sold to the subsidiaries at cost plus applicable taxes.

New Delhi Television Limited

Schedules to the Balance Sheet

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
Schedule - 6		
Investments		
(Note A-13 on Schedule 19)		
(Long Term, Trade, Unquoted, at Cost)		
Subsidiary Companies		
NDTV News Limited	10,380,300	10,380,300
- 5,000 Equity Shares (Previous Year - 5,000 Equity Shares) of Rs. 100/- each fully paid up		
- Share Application Money (Note B-2 on schedule-19)	100,000,000	100,000,000
NDTV Media Limited	8,500,000	8,500,000
850,000 Equity Shares of Rs. 10/- Each Fully Paid Up (Previous Year - 850,000 Equity Shares of Rs. 10/- each)		
NDTV Networks B.V.	5,745,960	-
980 Equity Shares of Euro 100/- Each Fully Paid Up (Previous Year - Nil)		
NDTV Convergence Limited	102,410	-
10,241 Equity Shares of Rs. 10/- Each Fully Paid Up (Previous Year - Nil)		
Emerging Market 24X7 B.V.	517,500	-
90 Equity Shares of Euro 100/- Each Fully Paid Up (Previous Year - Nil)		
Associate Company (Note B-4 on Schedule 19)		
Astro Awani Network Limited	9,891,875	-
2,12,500 Equity Shares of USD 1/- each (Previous Year - Nil)		
	135,138,045	118,880,300
Schedule - 7		
Inventories		
(Note A-6 on Schedule 19)		
Stores & Spares	1,564,042	4,209,376
Video Tapes	1,757,934	1,630,356
Television Programmes under production and finished programmes	19,771,391	30,556,251
	23,093,367	36,395,983
Schedule - 8		
Sundry Debtors		
(Unsecured, Considered Good unless otherwise specified)		
Debts Outstanding for a period exceeding six months		
Considered good	89,394,397	80,997,371
Considered doubtful	14,905,125	19,533,201
Other Debts		
Considered good ¹	912,297,898	847,628,936
Less: Provision for Doubtful Debts	(14,905,125)	(19,533,201)
	1,001,692,295	928,626,307
¹ Includes Rs.Nil/- (Previous Year Rs 3,130,130) from subsidiary companies		
Schedule - 9		
Cash and Bank Balances		
Cash In Hand	838,994	1,225,299
Balance With Scheduled Banks on		
Current Accounts		
- Rupee Accounts	59,588,706	33,796,200
- EEFC Accounts	1,174,253	225,320
Fixed Deposits ¹	46,673,922	200,951,677
	108,275,875	236,198,496
¹ Includes fixed deposits under lien Rs 4,500,000 (Previous Year Rs 12,161,600) against letters of credit issued and Rs 9,190,500 (Previous Year Rs. 75,041,000) pledged against bank guarantees.		

New Delhi Television Limited

Schedules to the Balance Sheet

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
Schedule - 10		
Other Current Assets, Loans and Advances		
(Unsecured, Considered Good)		
Advances recoverable in cash or kind or for value to be received	25,774,746	23,485,314
Security Deposits	34,759,375	28,933,280
Interest Accrued But Not Due	241,790	4,175,466
Advances & Imprest to Employees ¹	79,595,264	29,770,321
Prepaid Expenses	61,554,031	83,711,528
Advance to Subsidiaries	21,347,982	9,079,912
Barter Assets (Net) ²	17,304,235	-
Advance Income Tax {Net of Provision for Income Tax of Rs 27,609,350 (Previous Year Rs 96,679,873)}	99,177,824	28,155,889
MAT Credit Entitlement (Note B-8 on Schedule 19)	-	15,145,965
	<u>339,755,247</u>	<u>222,457,675</u>

¹ Includes Rs 959,416 due from Directors (Previous Year Rs. Nil). Maximum balance outstanding during the year Rs 1,360,748 (Previous Year Rs 5,432,792)

² Includes Rs. 64,442,415 (Previous Year Rs. 50,104,612) due to parties on account of barter transactions.

Schedule - 11

Current Liabilities

Sundry Creditors ^{3,4}	415,101,770	353,217,100
Other Liabilities	78,069,856	68,619,859
Barter Liabilities (Net)	-	3,523,717
Advances from Customers	4,450,624	6,278,224
	<u>497,622,250</u>	<u>431,638,900</u>

³ The Company does not owe any amount to small scale undertakings or to enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006.

⁴ Includes Rs 251,042,647 (Previous Year Rs 214,274,394) payable to NDTV Media Limited, a subsidiary.

Schedule - 12

Provisions

Provision for Gratuity (Note B-20 on Schedule 19)	18,306,930	11,714,164
Proposed Dividend	49,965,606	48,642,106
Corporate Dividend Tax	8,491,655	6,822,055
Provision for Fringe Benefit Tax {Net of advance fringe benefit tax of Rs 33,717,640 (Previous Year Rs 17,325,040)}	1,296,169	758,676
	<u>78,060,360</u>	<u>67,937,001</u>

New Delhi Television Limited Schedules to the Profit and Loss Account

	For the year ended March 31, 2007 Amount (Rs.)	For the year ended March 31,2006 Amount (Rs.)
Schedule - 13		
Advertising Revenue		
Sales	2,434,484,430	1,960,732,309
Barter Sales		
- ICICI	-	7,100,251
- Others	129,810,305	125,883,111
	<u>129,810,305</u>	<u>132,983,362</u>
Less: Barter Expenses - Advertisement	(64,147,412) 65,662,893	(70,515,289) 62,468,073
Less : Media commission payable to NDTV Media Limited	(375,075,279)	(304,470,247)
Less : Commission payable to Other Agencies	(31,512,226)	-
	<u>2,093,559,818</u>	<u>1,718,730,135</u>
Schedule - 14		
Other Business Income		
Sale of Television Software	4,855,776	2,757,389
Other News Delivery Avenues ¹	40,784,396	27,594,233
Equipment Hire Revenue	9,426,990	8,484,620
Subscription Revenue	158,556,935	109,875,411
Others ²	46,590,692	45,499,961
	<u>260,214,789</u>	<u>194,211,614</u>
¹ Includes Barter Income of Rs 1,953,286/- (Previous Year Rs 1,605,000)		
² Includes income of Rs15,000,000 from NDTV Media Limited on account of Management Fees (Previous Year Rs. 15,000,000)		
Schedule - 15		
Other Income		
Interest earned:		
- On Fixed Deposits {Gross of tax deducted at source Rs 1,380,124 (Previous Year Rs 5,184,269)}	6,290,348	24,943,481
- On Income Tax Refund	828,053	831,102
- On Inter Corporate Deposits	998,134	-
Profit on sale of fixed assets	-	837,739
Foreign Exchange Fluctuation - Net	-	43,711
Miscellaneous Income	2,845,805	1,884,579
	<u>10,962,340</u>	<u>28,540,612</u>
Schedule - 16		
Production Expenses		
Consultancy & Professional Fee ³	112,399,747	75,563,025
Hire Charges	18,662,549	9,176,735
Graphic, Music And Editing	5,957,675	4,644,760
Video Cassettes	7,580,223	8,797,591
Subscription , Footage & News Service	61,509,403	48,013,680
Software Expenses	4,412,043	5,030,364
Transmission & Uplinking	112,411,344	80,665,327
Sets Construction	982,850	563,004
Panelist Fee	4,740,966	5,139,430
Website Hosting & Streaming	15,746,325	17,054,508
Helicopter Running & Maintenance	9,573,570	6,495,070
Travelling	106,299,660	80,503,823
Stores & Spares	17,165,832	15,449,174
Other Production Expenses	38,980,495	20,859,762
	<u>516,422,682</u>	<u>377,956,253</u>
³ 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, 2007 Amount (Rs.)	For the year ended March 31,2006 Amount (Rs.)
Schedule - 17		
Personnel Expenses¹		
Salary, Wages & Other Benefits	682,868,323	620,953,207
Contribution to Provident Fund & other Funds	45,620,270	41,004,482
Staff Welfare	23,089,136	21,432,090
¹ Net of costs recovered from subsidiaries - Rs 22,072,611 (Previous year Nil) (Note B-12(ii) on Schedule 19)		
	751,577,729	683,389,779
Schedule - 18		
Operations & Administration Expenses		
Rent (Note B- 16 on Schedule 19)	78,990,494	64,557,587
Rates and taxes	1,744,575	1,435,524
Electricity and water	28,764,989	19,880,232
Bank charges	5,220,703	2,389,236
Printing and stationery	5,721,906	4,277,590
Postage and courier	2,411,262	2,523,922
Books, periodicals and news papers	26,434,221	20,490,695
Local conveyance & taxi hire	42,536,331	34,924,298
Business promotion	4,447,799	7,746,464
Repair and Maintenance		
- Plant & Machinery	25,670,626	28,300,167
- Building	20,741,393	19,691,676
Charity and donations	1,105,801	1,036,800
Auditor's Remuneration (Note B- 14 on Schedule 19)	2,918,104	2,880,910
Insurance	16,517,650	11,985,307
Communication	44,867,331	39,259,030
Vehicle	26,287,959	16,088,880
Medical	9,532,218	9,539,818
Generator hire and running	7,759,403	13,503,858
Security	4,410,158	3,541,965
Staff training	1,676,232	187,205
Provision for doubtful debts/ advances	4,000,000	4,080,581
Bad Debts & doubtful advances written off	5,392,929	739,108
Legal & Professional	19,054,022	5,279,138
Loss on Sale/write off of Fixed Assets	10,637,048	-
Foreign Exchange Fluctuation - Net	2,965,034	-
Miscellaneous	6,610,709	5,773,815
	406,418,897	320,113,806

New Delhi Television Limited

Schedules to the Accounts

Schedule 19

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 and impairment.

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 rateably over the period during which services have been provided based on valid contracts.

Revenues from production arrangements are recognised 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 equipment given out on lease is accounted for on accrual basis for the period of use of equipment 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 realisable 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. Post Employment Benefits

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

The Company provides for long term defined benefit schemes of gratuity on the basis of actuarial valuation on the Balance Sheet date based on the Projected Unit Credit Method. In respect of gratuity, the Company funds the benefits through annual contributions to 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. The actuarial valuation of the liability towards the Gratuity Retirement benefits of the employees is made on the basis of assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on contributions to LIC, discount rate, future salary increases. The Company recognise the actuarial gains and losses in the Profit & Loss account as income and expense in the period in which they occur.

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 outside India 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 realised.

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 realised.

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 was finally approved by the shareholders on September 19, 2005 provides for grant of 4,057 thousand options to employees of the Company by the ESOP Committee at an exercise price of Rs. 4 each, representing one share for each option upon exercise. The maximum tenure of these options granted is 7 years from the date of grant. The balance options available for grant as at March 31, 2007 is 355 thousand (previous year 639 thousand). The details of options granted to employees under the ESOP 2004 is set out below.

	First Grant	Second Grant	Third Grant	Fourth Grant	Fifth Grant	Sixth Grant	Seventh Grant
Date of Grant	June 30, 2005	Sept 19, 2005	Dec 1, 2005	Apr 20, 2006	Apr 20, 2006	July 1, 2006	Aug 1, 2006
Market value on date of grant of the underlying equity shares	212.75	235.20	179.50	259.20	259.20	173.90	156.35
Exercise Price	Rs. 4	Rs. 4	Rs 4	Rs 4	Rs 4	Rs 4	Rs 4
Vesting Period	1 to 4 Years ¹	1 to 4 Years ¹	1 to 4 Years ¹	1 to 4 Years ¹	1 Year	1 to 4 Years ¹	1 to 4 Years ¹

	First Grant	Second Grant	Third Grant	Fourth Grant	Fifth Grant	Sixth Grant	Seventh Grant
Options outstanding at the beginning of the year	2,491,000	914,000	12,500	–	–	–	–
Options granted	–	–	–	270,000	94,020	10,000	25,000
Options forfeited	94,000	20,375	–	–	600	–	–
Options exercised	1,200,750	447,375	6,250	–	–	–	–
Options expired	–	–	–	–	–	–	–
Options outstanding at the year end ²	1,196,250	446,250	6,250	–	93,420	10,000	25,000
Options Exercisable at the year end	–	–	–	–	–	–	–

¹ 25% to vest each year over a period of 4 years.

² weighted average remaining contractual life of 2.32 years.

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. 294,738 thousand (previous year Rs. 261,608 thousand), net of costs recovered from subsidiaries Rs. 30,994 thousand (Previous Year Rs Nil) as an expense during the year. Further the cost for the year includes Rs. 25,426 thousand (net of costs recovered from subsidiaries Rs 2,588 thousand), being the charge consequent to accelerated vesting of 825 thousand options out of 2nd tranche of First, Second and Third grants.

Further, the liability outstanding as at the March 31, 2007 in respect of Employee Stock Options outstanding is Rs. 232,091 thousand (previous year Rs. 261,608 thousand). The balance deferred compensation expense Rs. 220,147 thousand (previous year Rs 471,899 thousand) will be amortised over the remaining vesting period of options.

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	Fourth Grant	Fifth Grant	Sixth Grant	Seventh Grant
Date of Grant	June 30, 2005	Sept 19, 2005	Dec 1, 2005	Apr 20, 2006	Apr 20, 2006	July 1, 2006	Aug 1, 2006
Weighted average share price on the grant date	Rs. 212.75	Rs 235.20	Rs 179.50	Rs.259.20	Rs. 259.20	Rs.173.90	Rs. 156.35
Volatility (%)	50.20 to 64.49 ¹	50.12 to 63.15 ¹	49.05 to 60.13 ¹	47.69	47.69	52.72	52.40
Risk free rate ² (%)	6.33 to 6.60	6.39 to 6.79	6.32 to 6.81	6.72 to 7.06	6.72	6.57 to 7.09	7.49 to 7.98
Exercise Price	Rs 4	Rs 4	Rs 4	Rs 4	Rs 4	Rs 4	Rs 4
Time to Maturity (years) ³	2.50 to 5.50	2.50 to 5.50	2.50 to 5.50	2.50 to 5.50	2.50	2.50 to 5.50	2.50 to 5.50
Dividend Yield	0% ⁴	0% ⁴	0% ⁴	0.54%	0.54%	0.54%	0.54%
Life of options	7 years	7 years	7 years	7 years	4 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	Rs. 250.63	Rs. 252.35	Rs. 167.14	Rs. 150.08

¹ 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.

² Being the interest rate applicable for maturity equal to the expected life of options based on zero-coupon yield curve for Government Securities.

³ Vesting period and volatility of the underlying equity shares have been considered for estimation.

⁴ 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, 2007 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)	
	Current year	Previous year
Profit/(Loss) after tax as per Profit and Loss Account (a)	(68,919)	(62,493)
Add : Employee Stock Compensation Expense (Net) as per Intrinsic Value Method	294,738	261,608
Less : Employee Stock Compensation Expense (Net) as per Fair Value Method	296,102	262,713
Profit/(Loss) after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	(70,283)	(63,598)
Basic and diluted Earnings per Share as computed on earnings as per (a) above (Rs)	(1.13)	(1.03)
Basic and diluted Earnings per Share as computed on earnings recomputed as per (b) above (Rs)	(1.15)	(1.05)

2. Investment in NDTV News Limited

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 have 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 negative net asset value 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.

Particulars	Amount (Rs '000)
Net Asset Value of Radio Today (Mumbai) Broadcasting Limited as at December 31, 2005	(702,131)
Net Asset Value of Radio Today (Delhi) Broadcasting Limited as at December 31, 2005	(233,574)
Net Asset Value of Radio Today (Calcutta) Broadcasting Limited as at December 31, 2005	(33,204)
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	400,362¹

The profits/ (losses) of the radio companies post acquisitions is as below:

Particulars	Amount (Rs. '000)	
	For the year ended March 31, 2007¹	For three months ended March 31, 2006²
Radio Today (Mumbai) Broadcasting Limited	(46,944)	(10,776)
Radio Today (Delhi) Broadcasting Limited	42,016	(9,951)
Radio Today (Calcutta) Broadcasting Limited	8,261	(1,808)
Total	3,333	(22,535)
NDTVN's share (31%)	1,033	(6,985)

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.

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

² Has been recomputed during the current year based on audited financial statements for the year ended March 31, 2006

3. New Business Initiatives

During the year, in order to create the corporate structure for the global media and non-news media related businesses, the Company on November 30, 2006 incorporated NDTV Networks Plc (NNPLC), a public limited company in the United Kingdom. NNPLC became a subsidiary of a newly created intermediate holding company, NDTV Networks BV (NNBV), incorporated in the Netherlands on December 28, 2006 the Netherlands Company being a 100% subsidiary of the Company.

NNPLC has raised USD 20 Million through Investments by ComVentures V.I., L.P in preferred stock and warrants with an option to purchase preferred stock. The preferred stock would automatically convert to common stock at a specified rate in case NNPLC decides for an Initial Public Offering (IPO). The IPO should be at one of the internationally recognised stock exchanges. In case the preferred stock is totally converted, the shareholding of NNPLC through NNBV would be diluted by not below 4.87% from currently 100%.

Further, subsequent to the year end NNPLC has proposed to raise funds by issuing \$100m convertible bonds due 2012. In connection with this, the Company has given an undertaking to provide a corporate guarantee for and on behalf of NNPLC, as and when required, in accordance with the terms of the Contracts and the Supplemental Trust Deed to be executed by the Company. The potential dilution on conversion is likely to be between 20% to 30%

NNPLC is the holding Company of subsidiaries NDTV Imagine Limited, NDTV Lifestyle Limited, NDTV Labs Limited, NDTV Convergence Limited, which are incorporated in India.

NDTV Imagine Limited, a subsidiary of NNPLC (subject to the approval of the Ministry of Information & Broadcasting) intends to commence the business of up-linking and operating a Hindi mass entertainment channel.

NDTV Lifestyle Limited, a 100% subsidiary of NNPLC (subject to the approval of the Ministry of Information & Broadcasting) intends to commence the business of establishing, up-linking and operating a television channel dedicated to travel, food, fashion, shopping and health & wellness both in India and abroad.

NDTV Convergence Limited, a subsidiary in which NNPLC holds 83% and the Company directly holds 17% will be engaged in the activity of incubating and operating businesses in the internet and mobile VAS arena together with the convergence of technologies thereof.

NDTV Labs Limited, a 100% subsidiary of NNPLC is engaged in developing technology and software solutions for television broadcasting, software development, satellite uplink operations and related services.

Additionally NNPLC has an investment in a 50% joint venture with Genpact India Holdings, NGEN Media Services Private Limited (NMSPL), which is engaged in the business of media process outsourcing services ("MPO").

Further, through a 50% Dutch joint venture with NNPLC, the Company has incorporated Emerging Markets 24x7 BV ("EMBV) (formerly NDTV Global BV ("NGBV")) to establish international television channels either itself or in partnership with global media companies.

4. Joint Venture with Astro All Asia Entertainment Networks Limited

The Company has invested Rs 9,892 thousand towards its 20% share in the Joint Venture Company, Astro Awani Networks Limited on July 4, 2006, subsequent to the 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.

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

Particulars	As at March 31, 2007 Amount (Rs.' 000)	As at March 31, 2006 Amount (Rs.' 000)
On Letters of credit	97,874	40,675
On Others	134,939	19,636
Total	232,813	60,311

6. 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. 8,966 thousand (Previous Year Rs 63,147 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.

7. Deferred Taxes

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

	Amount (Rs.'000)		
	As at March 31, 2007	For the Year	As at March 31, 2006
Deferred tax assets			
Accumulated Losses	82,911	59,276	23,635
Provision for Expenses	79,644	68,311	11,293
Total deferred tax assets	162,555	127,627¹	34,928
Deferred tax liability			
Depreciation	(78,620)	19,256	(97,876)
Total deferred tax liability	(78,620)	19,256	(97,876)
Net Deferred Tax Asset/ (Liability)	83,935	146,883	(62,948)

¹ Includes benefit of Rs 80,836 on account of cost of Stock Options for the previous year considered as tax deductible for computing tax expense based on legal opinion.

8. The Company during the year based on the legal opinions, has recognized the employee stock compensation expense as tax deductible. Consequently, the current tax expense for the earlier year was re-estimated, resulting in reversal of MAT Credit Entitlement of Rs 15,146 thousand.

9. Quantitative details for Video tapes

	Year ended March 31, 2007		Year ended March 31, 2006	
	Quantity (in No's)	Amount (Rs.'000)	Quantity (in No's)	Amount (Rs.'000)
Opening Stock				
BETACAM	86	45	24	14
DVC	3,731	1,585	1,635	774
Purchases				
BETACAM	50	53	414	316
DVC	17,616	7,616	23,260	9,273
Consumed				
BETACAM	91	77	352	285
DVC	17,986	7,464	21,164	8,462
Closing Stock				
BETACAM	45	21	86	45
DVC	3,361	1,737	3,731	1,585

10. Consumption Details

For the year ended March 31, 2007

Particulars	Indigenous		Imported		Total	
	Quantity (Nos)	Amount (Rs.'000)	Quantity (Nos)	Amount (Rs.'000)	Quantity (Nos)	Amount (Rs.'000)
Tapes	1,485	384	17,112	7,196	18,597	7,580
Stores & Spares	10,452	8,542	2,682	2,913	13,134	11,455

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

11. Segment Reporting

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

12. Related Party Transactions

- I. Names of related parties, where control exists or 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:

Subsidiaries

NDTV Media Limited

NDTV News Limited.

Emerging Market 24X7 BV

NDTV Networks BV
 NDTV Networks PLC
 NDTV Convergence Limited
 NDTV Imagine Limited
 NDTV Labs Limited
 NDTV Lifestyle Limited

Joint Venture

NGEN Media Services Private Limited

Associate

Astro Awani Networks 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, 2007**

Amount (Rs. '000)

S.No	Nature of relationship / transaction	Subsidiary Companies	Associate	Key Management Personnel	Relatives	Total
1	Rendering of services	16,551	11,305	–	–	27,856
2	Interest Received	998	–	–	–	998
3	Trade Mark / Royalty Received	220	–	–	–	220
4	Services Availed of	380,601 ¹	–	–	–	380,601
5	Remuneration Paid (Refer Note 13 (i) below)	–	–	25,339	4,284	29,623
6	Payment made on behalf of others	17,241	4,143	–	–	21,384
7	Reimbursement of expenses incurred on our behalf	1,274	–	–	–	1,274
8	Management Cost Recovered ²	58,049	–	–	–	58,049
9	Other costs Recovered ²	12,710	–	–	–	12,710
10	Assets purchased	795	–	–	–	795
11	Assets sold	35,304	–	–	–	35,304
12	Current Assets transferred	1,350	–	–	–	1,350
13	Liabilities transferred	3,401	–	–	–	3,401
14	Loan given	93,039	–	–	–	93,039
15	Loan Received back	93,039	–	–	–	93,039
16	Equity contribution	6,365	9,891	–	–	16,256

Details of transactions in the ordinary course of business for the year ended March 31, 2006**Amount (Rs. '000)**

S.No	Nature of relationship / transaction	Subsidiary Companies	Associate	Key Management Personnel	Relatives	Total
1	Rendering of services	15,861	–	–	–	15,861
2	Services Availed of	305,370 ¹	–	–	–	305,370
3	Remuneration Paid (Refer Note 13 (i) below)	–	–	33,081	3,936	37,017
4	Payment made on behalf of others	6,503	–	–	–	6,503
5	Equity Contribution	100,000	–	–	–	100,000

¹ Includes commission to NDTV Media Limited Rs. 375,075 thousand (Previous year Rs. 304,470 thousand)² Being Management and other direct costs recovered from subsidiaries towards new business initiatives.**III. Amount due to/from related parties****Amount due to/from related parties as on March 31, 2007****Amount (Rs. '000)**

S.No	Nature of relationship / transaction	Subsidiary Companies	Associate	Key Management Personnel	Relatives	Total
	Debit balances outstanding as on 31 March 2007					
1	Outstanding Advances	21,348	5,846	959	44	28,197
2	Outstanding Receivable	–	2,759	–	–	2,759
	Credit balances outstanding as on 31 March 2007					
1	Outstanding Payable	251,043	–	–	–	251,043

Amount due to/from related parties as on March 31, 2006**Amount (Rs. '000)**

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

IV. Other Key Agreements

The Company in order to leverage the existing resources and ensuring economies of scale has entered into agreements with NDTV Networks Plc (NNPLC), NDTV Imagine Limited (Imagine), NDTV Convergence Limited (Convergence), NDTV Labs Limited (Labs) and NDTV Lifestyle Limited (Lifestyle). The key agreements that the Companies have entered into are :

- a) **Co-operation agreement** under which the Companies have mutually agreed to grant exclusive royalty free license to use any program footage or news content whether created or owned by other Company for up to three minutes subject to the same being used in a NDTV branded Channel and has also granted right of first refusal to the others with respect to licensing of distribution rights to any program or news content except for programs which are made specifically for a third party. Further all Companies have agreed to allocate a specified time for promotion of each other at no consideration.
- b) **Shared Services Agreements** under which the Company has agreed to provide specified shared services on an arms' length basis. Further separate service level agreements (SLA) have been entered with all the Companies for providing Finance and accounting, MIS, Legal and regulatory compliance, Human Resource, Satellite Up linking services etc, at a consideration to be ascertained for each specific service.

13. Directors' Remuneration

- (i) Wholetime Directors' Remuneration

	Amount (Rs.'000)	
	Year ended March 31, 2007	Year ended March 31, 2006
Salary and Other Allowances	17,477	17,064
Reimbursement	–	413
Contribution to Provident and Other Funds	1328	1,328
Ex gratia	75	75
Perquisites	338	355
Incentive	–	8,000
Employee Stock Compensation Expense	6,119	5,846
Total ²	25,339 ¹	33,081

¹ Includes Remuneration amounting to Rs. 3,369 thousand paid to Directors that exceeds the minimum remuneration payable in case of inadequacy of profits, subject to Central Government's Approval.

² Includes Rs. 4,400 thousand, being cost transferred to NDTV Networks PLC as management cost for setting up the Company.

	Amount (Rs.'000)	
	Year ended March 31, 2007	Year ended March 31, 2006
(ii) Sitting fees	450	260
(iii) Non- Executive Directors' Remuneration	2,500 ³	–

³ Company has obtained Central Government approval for payment of Rs. 2500 thousand to Non-Executive Directors for the year ended March 31, 2006, subject to shareholders' approval.

14. Auditor's Remuneration

Description	Year ended March 31, 2007 Amount (Rs.'000)	Year ended March 31, 2006 Amount (Rs.'000)
As Auditors, including quarterly audits ¹	2,900	2,800
Out-of-pocket-expenses	18	81
Total	2,918	2,881

¹ Excluding service tax

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

Description	Year Ended March 31, 2007	Year Ended March 31, 2006
Number of equity shares outstanding at the beginning of the year (Nos.)	60,802,632	60,802,632
Add: Fresh issue of equity shares	1,654,375	–
Number of equity shares outstanding at year end (Nos.)	62,457,007	60,802,632
Weighted average number of Equity Shares outstanding during the year (Nos.)	61,173,572	60,802,632
Profit / (loss) attributable to Equity Shareholders (Rs.)	(68,919,304)	(62,492,610)
Basic and Diluted Earnings / (loss) per Equity Share (Rs.)	(1.13) ²	(1.03) ²
Nominal Value per share (Rs)	4	4

² 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 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. 78,990 thousand (Previous Year Rs 64,558 thousand).

17. Earnings in Foreign Currency (On Cash Basis)

Particulars	Year ended March 31, 2007 Amount (Rs.'000)	Year ended March 31, 2006 Amount (Rs.'000)
Ad sales	30,780	11,785
Subscription Revenue	31,928	17,254
Other Business Income – Consultancy fees etc.	15,689	10,961
Total	78,397	40,000

18. CIF value of imports

Particulars	Year ended March 31, 2007 Amount (Rs.'000)	Year ended March 31, 2006 Amount (Rs.'000)
Capital Goods	166,477	134,466
Equipments stores and spares	6,658	3,722
Video Tapes	6,062	7,917
Total	179,197	146,105

19. Expenditure in Foreign Currency (On cash basis)

Particulars	Year ended March 31, 2007 Amount (Rs.'000)	Year ended March 31, 2006 Amount (Rs.'000)
Subscription, Uplinking and news service charges	70,313	49,441
Travelling expenses	22,462	19,057
Consultancy and Professional fees	93,909	14,806
Other expenses (including production expenses, hire charges etc)	34,581	13,533
Total	221,265	96,837

20. The Company has during the year complied with the Accounting Standard – 15 (Revised 2005) on employee benefits issued by the Institute of Chartered Accountants of India. As a result of the adoption of this standard, there has been no impact on the liability as on April 1, 2006 and the charge for the year ended March 31, 2007.

The Company has accounted for the long term defined benefits and contribution schemes as under :

(A) Defined Benefits Scheme

The Company provides for long term defined benefit schemes of gratuity on the basis of actuarial valuation on the Balance Sheet date based on the Projected Unit Credit Method. In respect of gratuity, the Company funds the benefits through annual contributions to Life Insurance Corporation of India (LIC). The actuarial valuation of the liability towards the Gratuity Retirement benefits of the employees is made on the basis of certain assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on contributions to LIC. The Company recognise the actuarial gains and losses in the Profit & Loss account as income and expense in the period in which they occur.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

	Amount (Rs.'000)
	For the Year ended March 31, 2007
I Changes in the Present value of the Obligation:	
Obligations at year beginning	52,934
Service Cost – Current	7,996
Interest Cost	4,235
Actuarial (gain) / loss	(189)
Benefit Paid	(1,842)
Obligations at year end	63,134
II Change in plan assets:	
Plan assets at year beginning, at fair value	40,863
Expected return on plan assets	3,678
Actuarial gain / (loss)	(30)
Contributions	2,158
Benefits paid	(1,842)
Plan assets at year end, at fair value	44,82
III Reconciliation of present value of the obligation and the fair value of the plan assets:	
Present value of the defined benefit obligations at the end of the year	63,134

		For the Year ended March 31, 2007
	Fair value of the plan assets at the end of the year	44,827
	Liability recognised in the Balance Sheet	18,307
IV	Defined benefit obligations cost for the year	
	Service Cost – Current	7,996
	Interest Cost	4,235
	Expected return on plan assets	(3,678)
	Actuarial (gain) / loss	(159)
	Net defined benefit obligations cost	8,394
V	Investment details of plan assets	
	100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme.	
VI	The principal assumptions used in determining post-employment benefit obligations are shown below:	
	Discount Rate	8%
	Future salary increases	5.5%
	Expected return on plan assets	9%
	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The demographic assumptions were as per the published rates of "Life Insurance Corporation of India (1994-96) Mortality Table (ultimate), which is considered a standard table.	

(B) State Plans:

The Company deposits an amount determined at a fixed percentage of Basic pay every month to the state administered provident fund for the benefit of the employees. Accordingly, the Company's contribution during the year that has been charged to revenue amounts to Rs 45,620 thousand (Previous Year Rs. 41,004 thousand).

21. 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, 2007 Amount (Rs.'000)	Year ended March 31, 2006 Amount (Rs.'000)
Opening Balance of Unutilized Public Issue Proceeds in Deposits	100,000	350,006
Public Issue Proceeds	–	–
Less: For General Corporate Purposes	100,000	250,006
Unutilized Public Issue Proceeds in Deposits	–	100,000

22. 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 Limited	NDTV News Limited	NDTV Imagine Limited	NDTV Lifestyle Limited	NDTV Convergence Limited	NDTV Labs Limited	NDTV Networks Plc	NDTV Networks B.V.	Emerging Markets 24x7 B.V.
2	Financial year ended	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007	March 31, 2007
3	Holding Company's interest	75.20%	100%	96.33%	100%	100%	100%	100%	100%	100%
4	Shares held by the holding company in the subsidiary	850,000 Equity shares	5,000 Equity shares	3,625,206 Equity shares	5,560,102 Equity shares	60,243 Equity shares	50,002 Equity shares	500,000 Equity shares	980 Equity shares	180 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 b) not dealt with or provided for in the accounts of the holding Company	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		53,614,812	430,651	(11,558,721)	(14,402,275)	960,812	(5,928,319)	(113,207,602)	(539,213)	(592,288)
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 b) not dealt with or provided for in the accounts of the holding Company	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
		109,138,312	(2,751,658)	NIL	NIL	NIL	NIL	NIL	NIL	NIL

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 on behalf of the Board
 Dr. Prannoy Roy
 Chairman
 Rajiv Mathur
 Company Secretary

Radhika Roy
 Managing Director
 Saurav Banerjee
 CFO

Place : New Delhi
 Date : May 22, 2007

1	Name of the subsidiary	NDTV Media Limited	NDTV News Limited	NDTV Imagine Limited	NDTV Lifestyle Limited	NDTV Convergence Limited	NDTV Labs Limited	NDTV Networks Plc	NDTV Networks B.V.	Emerging Markets 24x7 B.V.
2	Capital	11,303,000	500,000	37,633,730	55,601,020	602,430	500,020	4,577,275	5,745,960	1,035,000
3	Reserves	263,982,860	10,086,080	-	-	960,812	-	867,345,750	-	-
4	Total Assets	423,631,283	119,761,060	156,225,579	66,023,836	31,742,494	18,423,418	927,470,822	6,480,278	1,386,433
5	Total Liabilities	423,631,283	119,761,060	156,225,579	66,023,836	31,742,494	18,423,418	927,470,822	6,480,278	1,386,433
6	Investments	-	100,000,000	-	-	-	-	245,237,020	4,358,891	-
7	Turnover	432,025,195	1,550,000	-	3,426,035	14,937,902	-	-	-	-
8	Profit before Taxation	104,801,473	795,862	(11,995,297)	(14,314,875)	1,445,629	(5,901,569)	(113,207,602)	(539,213)	(592,288)
9	Provision for Taxation	33,506,388	365,211	3,960	87,400	484,817	26,750	-	-	-
10	Profit after taxation	71,295,085	430,651	(11,999,257)	(14,402,275)	960,812	(5,928,319)	(113,207,602)	(539,213)	(592,288)
11	Proposed Dividend	-	-	-	-	-	-	-	-	-

For an on behalf of the Board

Dr. Prannoy Roy
Chairman
Rajiv Mathur
Company Secretary

Radhika Roy
Managing Director
Saurav Banerjee
CFO

Place : New Delhi
Date : May 22, 2007

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, 2007, 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 on B-10 (ii) of Schedule 19 regarding managerial remuneration amounting to Rs.6,440 thousand paid to the directors of the Company and its subsidiaries, is subject to approval by the Central Government.*

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. 141,382 thousand (as against the reported figure of Rs. 147,237 thousand), Reserves and Surplus to be Rs. 2,714,546 thousand (as against the reported figure of Rs. 2,708,691 thousand), Net Current Assets to be Rs. 1,823,946 thousand (as against the reported figure of Rs. 1,819,136 thousand), Employee Stock Options Outstanding to be Rs. 230,461 thousand (as against the reported figure of Rs. 232,091 thousand) and the Deferred tax Asset to be Rs. 81,005 thousand (as against the reported figure of Rs. 81,590 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, 2007;
 - (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.

Place: New Delhi
Date: May 22, 2007

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

New Delhi Television Limited

Consolidated Balance Sheet as at March 31, 2007

	Schedule	As at March 31,2007 Amount (Rs.)	As at March 31,2006 Amount (Rs.)
Sources of Funds			
Shareholders' Funds			
Capital	1	249,828,028	243,210,528
Employee Stock Options Outstanding	2	232,091,987	261,608,135
Reserves & Surplus	3	2,708,691,108	1,670,014,995
		3,190,611,123	2,174,833,658
Minority Interest		69,426,906	34,242,781
Deferred Tax Liability (Net) (Note B-7 on Schedule-19)		–	63,889,751
Secured Loans	4	174,748,224	
		<u>3,434,786,253</u>	<u>2,272,966,190</u>
Application of Funds			
Fixed Assets			
Gross Block	5	2,103,210,765	1,792,800,199
Less : Depreciation		846,884,914	739,818,430
Net Block		1,256,325,851	1,052,981,769
Capital Work in Progress		146,400,098	50,961,266
		1,402,725,949	1,103,943,035
Deferred Tax Asset (Net) (Note B-7 on Schedule-19)		81,590,802	–
Investments	6	131,333,196	100,000,000
Current Assets, Loans and Advances			
Inventories	7	23,093,367	36,395,983
Sundry Debtors	8	1,060,795,983	1,154,647,054
Cash and Bank Balances	9	807,598,685	250,347,276
Other Current Assets , Loans and Advances	10	479,877,538	226,812,434
		2,371,365,573	1,668,202,747
Less : Current Liabilities and Provisions			
Current Liabilities	11	468,933,598	529,327,913
Provisions	12	83,295,669	69,895,407
		552,229,267	599,223,320
Net Current Assets		1,819,136,306	1,068,979,427
Miscellaneous Expenditure (to the extent not written off or adjusted)		–	43,728
		<u>3,434,786,253</u>	<u>2,272,966,190</u>
Significant Accounting Policies and Notes to the Accounts	19		

This is the Consolidated Balance Sheet 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 : May 22, 2007

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

For and on behalf of the Board

Dr. Prannoy Roy Chairman	Radhika Roy Managing Director
Rajiv Mathur Company Secretary	Saurav Banerjee Chief Financial Officer

New Delhi Television Limited

Consolidated Profit and Loss Account for the year ended March 31, 2007

	Schedule	For the year ended March 31, 2007 Amount (Rs.)	For the year ended March 31, 2006 Amount (Rs.)
Income			
Business Income			
- Advertising Revenue	13	2,468,635,097	2,023,200,382
- Other	14	315,822,384	186,781,469
Other Income	15	12,413,713	28,978,247
		2,796,871,194	2,238,960,098
Expenditure			
Production Expenses	16	533,032,062	377,061,253
Personnel Expenses			
- Salaries & Other Benefits	17	890,383,556	740,867,928
- Sales Incentive		81,135,638	60,481,859
Operations & Administration Expenses	18	570,538,444	375,392,265
Marketing, Distribution & Promotion Expenses		407,177,675	231,090,986
Miscellaneous Expenditure Written Off		228,254	43,740
		2,482,495,629	1,784,938,031
Profit Before Interest, Depreciation, Tax and Employee Stock Compensation Expense		314,375,565	454,022,067
Interest on Loans		10,489,554	-
Depreciation	5	188,862,181	154,031,182
Profit Before Tax, Employee Stock Compensation Expense, Share Of Minority and Share In Profit Of Associate		115,023,830	299,990,885
Employee Stock Compensation Expense (Note B-2 on Schedule 19)		356,138,062	278,763,135
Tax Expense			
- Current Tax		34,731,557	56,436,342
- MAT Credit Entitlement		-	(15,145,965)
- Tax for Earlier Years written back (Note B-8 On Schedule 19)		(6,777,610)	-
- Deferred Tax (Note B-7 on Schedule 19)		(145,480,553)	(37,813,327)
- Fringe Benefits Tax		20,906,049	21,178,506
		(96,620,557)	24,655,556
Net Profit/ (Loss) After Tax Before Share of Minority and Share In Profit Of Associate		(144,493,675)	(3,427,806)
Share of Minority (Note B-1(c) on Schedule 19)		(24,184,737)	(16,266,787)
Share In Profit/(Loss) of Associate		21,441,321	-
Net Profit/(Loss) After Tax		(147,237,091)	(19,694,593)
Previous Year Balance Brought Forward		414,228,037	489,386,791
Amount available for appropriations		266,990,946	469,692,198
Appropriations			
General Reserve		-	-
Proposed Dividend		49,965,606	48,642,106
Corporate Dividend Tax		8,491,655	6,822,055
Profit Carried Forward		208,533,685	414,228,037
		266,990,946	469,692,198
Earnings Per Share - Basic and Diluted (Note B-12 on Schedule 19)		(2.41)	(0.32)
Significant Accounting Policies and 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
Place : New Delhi
Date : May 22, 2007

Dr. Prannoy Roy
Chairman

Rajiv Mathur
Company Secretary

Radhika Roy
Managing Director

Saurav Banerjee
Chief Financial Officer

New Delhi Television Limited**Consolidated Cash flow statement for the year ended March 31, 2007**

	For the year ended March 31, 2007 Amount (Rs)	For the year ended March 31, 2006 Amount (Rs)
A. Cash flow from operating activities:		
Net (loss)/profit before tax , share of minority and share in profit of associate but after Employee Stock Compensation Expense	(241,114,232)	21,227,750
Adjustments for:		
Depreciation	188,862,181	154,031,182
Interest Expense	10,489,554	–
Interest Income	(8,617,069)	(26,199,194)
Employee Stock Compensation Expense	356,138,062	278,763,135
(Profit)/Loss on Fixed Assets sold / Assets written off	10,666,877	(819,265)
Debts / Advances Written off	5,417,275	739,108
Provision for Bad & Doubtful Debts/Advances	4,000,000	4,080,581
Liability no longer required written back	–	(1,516,992)
Provision for Gratuity & Leave Encashment	9,771,603	10,633,879
Unrealised Foreign exchange (Gain)	(773,825)	–
Barter Income	(129,810,305)	(132,983,362)
Barter Expenditure	64,147,412	70,515,289
Tax Deducted at Source on Service Income	(62,036,346)	(38,132,178)
Miscellaneous Expenditure	228,254	43,740
Operating profit before working capital changes	207,369,441	340,383,673
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	84,433,796	(480,092,594)
- (Increase)/Decrease in Other Receivables	(181,877,682)	(42,129,895)
- (Increase)/Decrease in Inventories	13,302,616	(31,236,875)
- Increase/(Decrease) in Trade and Other Payables	(70,990,482)	346,752,283
Cash generated from operations	52,237,689	133,676,592
- Taxes (Paid) / Received (Net of TDS)	(38,720,220)	(27,825,580)
- Fringe Benefit Tax (Paid)/ Received	(20,270,490)	(19,955,040)
Net cash used in operating activities	(6,753,021)	85,895,972
B. Cash flow from Investing activities:		
Purchase of fixed assets	(425,504,729)	(271,068,141)
Proceeds from Sale of fixed assets	3,388,638	10,975,374
Miscellaneous expenditure incurred	(184,514)	–
Interest Received (Revenue)	10,232,271	32,912,719
Purchase of investments	(9,891,875)	(100,000,000)
Net cash used in investing activities	(421,960,209)	(327,180,048)

New Delhi Television Limited**Consolidated Cash flow statement for the year ended March 31, 2007**

	For the year ended March 31, 2007 Amount (Rs)	For the year ended March 31, 2006 Amount (Rs)
C. Cash flow from financing activities:		
Proceeds from fresh issue of Share Capital (including Securities Premium)	873,963,250	-
Proceeds from Minority	2,433,055	470,000
Proceeds from term loan	174,748,224	-
Interest Paid	(10,489,554)	-
Dividend Paid	(48,642,106)	(48,642,106)
Dividend Tax Paid	(6,822,055)	(6,819,623)
Net cash generated/ (used) in financing activities	985,190,814	(54,991,729)
Net Increase/(Decrease) in Cash & Cash Equivalents	556,477,584	(296,275,805)
Opening Cash and cash equivalents	250,347,276	546,623,081
Closing Cash and cash equivalents	806,824,860	250,347,276
Cash and cash equivalents comprise		
Cash in hand	929,364	1,366,426
Balance with Scheduled Banks on Current and Deposit accounts {Includes fixed deposits under lien Rs.15,033,225 (Previous year Rs. 12,161,600) against letter of credit issued and Rs.91,90,500 (Previous Year Rs. 85,041,000) pledged against bank guarantees}	806,669,321	248,980,850
Unrealised Foreign exchange (Gain)	(773,825)	-
	806,824,860	250,347,276

Notes :

- 1 The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- 2 Figures in brackets indicate cash outgo.
- 3 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

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

Place : New Delhi
Date : May 22, 2007

For and on behalf of the Board

Dr. Prannoy Roy Chairman	Radhika Roy Managing Director
Rajiv Mathur Company Secretary	Saurav Banerjee Chief Financial Officer

New Delhi Television Limited

Schedules to the Consolidated Balance Sheet

	As at March 31,2007 Amount (Rs.)	As at March 31,2006 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)	<u>275,000,000</u>	<u>275,000,000</u>
Issued , Subscribed & Paid Up : ¹		
62,457,007 Equity Shares of Rs.4/- each(Previous Year 60,802,632 Equity Shares of Rs 4/- each)	249,828,028	243,210,528
	<u>249,828,028</u>	<u>243,210,528</u>
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.		
(d) 1,654,375 (Previous Year Nil) Equity shares of Rs. 4/- each allotted to employees of the company on exercise of the vested stock options under Employee Stock Option Plan - ESOP 2004 of the Company (Note B-2(a) on Schedule 19)		

Schedule - 2

Employee Stock Options Outstanding

(Note B-2 on Schedule 19)

Stock options outstanding	482,644,097	733,506,800
Less: Deferred employee compensation expense	<u>250,552,110</u>	<u>471,898,665</u>
	<u>232,091,987</u>	<u>261,608,135</u>

New Delhi Television Limited

Schedules to the Consolidated Balance Sheet

	As at March 31,2007 Amount (Rs.)	As at March 31,2006 Amount (Rs.)
Schedule - 3		
Reserves & Surplus		
Securities Premium Account		
Opening Balance	1,202,879,608	1,188,953,179
Additions during the year ¹	1,252,936,788	17,155,000
Less: Share of Minority	(8,566,323)	(3,228,571)
Closing Balance	<u>2,447,250,073</u>	<u>1,202,879,608</u>
General Reserve		
Opening Balance	52,701,570	52,701,570
Additions during the year	—	—
Closing Balance	<u>52,701,570</u>	<u>52,701,570</u>
Capital Reserve ²	205,780	205,780
Profit and Loss Account	208,533,685	414,228,037
	<u>2,708,691,108</u>	<u>1,670,014,995</u>

¹ Includes Rs 385,591,038 on exercise of employee stock options in New Delhi Television Limited & NDTV Media Limited and ; Rs 867,345,750 on issue of 25575 'A' Preference shares of GBP 0.10 each by NDTV Networks Plc.

² Being excess of the Company's share in the net assets in NDTV News Limited over its investments as at the date of acquisition.

Schedule - 4

Secured Loans

From a Bank		
- Term Loans ^{3,5}	75,231,000	—
- Working Capital Loan ^{4,5}	99,517,224	—
	<u>174,748,224</u>	<u>—</u>

³ Out of the above:

- Rs 22,131,000 secured by the hypothecation of specific Plant and machinery acquired / to be acquired against the aforesaid loan and also against existing plant and machinery

- Rs 53,100,000 secured by charge created on building acquired against the aforesaid loan.

⁴ Secured by way of charge created on all current and future book-debts of the Company.

⁵ Further the loans are also secured by way of charge created over the specified properties of the Company situated at New Delhi & Mumbai.

New Delhi Television Limited Schedules to the Consolidated Accounts

Schedule - 5 Fixed Assets

(Note A-3,4 & 5 on Schedule 19)

Particulars	Gross Block			Depreciation			Net Block		Amount (Rs.)	
	As at April 01, 2006	Additions During the Year	Deletions/ Adjustments	As at March 31, 2007	As at April 01, 2006	Provided During the Year	On Deductions	Up to March 31, 2007		As at March 31, 2007
<u>Intangible assets</u>										
Website	21,346,327	32,909	-	21,379,236	18,055,408	3,323,828	-	21,379,236	-	3,290,919
Computer Software	12,045,440	10,672,049	-	22,717,489	2,008,743	2,896,885	-	4,905,628	17,811,861	10,036,697
Technical Knowhow	1,500,000	-	-	1,500,000	672,950	300,000	-	972,950	527,050	827,050
<u>Tangible assets</u>										
Building ¹	75,007,393	17,067,510	-	92,074,903	9,820,901	2,239,800	-	12,060,701	80,014,202	65,186,492
Plant & Machinery ²										
Plant & Machinery (Main) ³	1,191,075,183	217,493,648	48,681,817	1,359,887,014	480,295,983	111,901,638	41,244,369	550,953,252	808,933,762	710,779,200
Plant & Machinery (Other)	55,116,054	12,165,248	3,212,242	64,069,060	25,043,998	5,225,051	2,954,646	27,314,403	36,754,657	30,072,056
Computers ⁴	138,115,223	41,116,736	3,924,802	175,307,157	87,851,477	17,034,218	3,703,296	101,182,399	74,124,758	50,263,746
Office Equipment ⁵	31,344,322	8,106,273	5,692,142	33,758,453	22,000,790	4,926,777	4,972,908	21,954,659	11,803,794	9,343,532
Furniture & Fixtures	114,035,522	13,355,183	30,497,324	96,893,381	65,602,098	13,017,402	26,634,355	51,985,145	44,908,236	48,433,424
Vehicles ⁶	133,214,735	86,252,222	3,842,885	215,624,072	25,490,198	26,878,940	2,286,123	50,083,015	165,541,057	107,724,537
Helicopter ⁷	20,000,000	-	-	20,000,000	2,975,884	1,117,642	-	4,093,526	15,906,474	17,024,116
TOTAL	1,792,800,199	406,261,778	95,851,212	2,103,210,765	739,818,430	188,862,181	81,795,697	846,884,914	1,256,325,851	1,052,981,769
Previous Year	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	-
Capital Work in Progress⁸	-	-	-	-	-	-	-	-	146,400,098	50,961,266

¹ Includes land appurtenant to the buildings acquired.

² Includes foreign exchange fluctuation loss of Rs. 197,571 (Previous Year loss of Rs. 114,825).

³ Gross Block includes assets aggregating Rs. 5,059,621 (Previous Year Rs. 5,113,542) purchased under barter arrangements during the year.

⁴ Gross Block includes assets aggregating Rs. Nil (Previous Year Rs. 2,100,010) purchased under barter arrangements during the year.

⁵ Gross Block includes assets aggregating Rs. 848,972 (Previous Year Rs. Nil) purchased under barter arrangements during the year.

⁶ Gross Block includes assets aggregating Rs. 70,287,289 (Previous Year Rs. 49,890,096) purchased under barter arrangements during the year.

⁷ Title and ownership is as confirmed by Deccan Aviation Limited.

⁸ Includes an amount of Rs. 93,862,659 (Previous Year Rs. 4,182,067) towards Capital Advances and assets aggregating Rs. Nil (Previous Year Rs. 531,771) purchased under barter arrangements during the year.

New Delhi Television Limited

Schedules to the Consolidated Balance Sheet

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
Schedule - 6		
Investments		
(Note A-14 & B-3, 4 on Schedule 19)		
(Long Term, Trade, Unquoted, at Cost)		
Asia Radio Broadcast Private Limited (1,000,000 equity shares of Rs 10 each)	10,000,000	10,000,000
Pioneer Radio Trading Services Private Limited (1,000,000 equity shares of Rs 10 each)	10,000,000	10,000,000
Optimum Media Services Private Limited (1,000,000 equity shares of Rs 10 each)	10,000,000	10,000,000
Share Application Money		
- Asia Radio Broadcast Private Limited	20,000,000	20,000,000
- Pioneer Radio Trading Services Private Limited	25,000,000	25,000,000
- Optimum Media Services Private Limited	25,000,000	25,000,000
Associate Company		
Astro Awani Network Limited	31,333,196	-
2,12,500 Equity Shares of USD 1/- each (Previous Year - Nil) (Capital Reserve on acquisition Rs. 127,78,201)		
	131,333,196	100,000,000
Schedule - 7		
Inventories		
(Note A-7 on Schedule 19)		
Stores & Spares	1,564,042	4,209,376
Video Tapes	1,757,934	1,630,356
Television Programmes under production and finished programmes	19,771,391	30,556,251
	23,093,367	36,395,983
Schedule - 8		
Sundry Debtors		
(Unsecured, Considered Good unless otherwise specified)		
Debts Outstanding for a period exceeding six months		
Considered good	89,394,397	77,866,563
Considered doubtful	14,905,125	104,299,522
Other Debts		19,533,201
Considered good	971,401,586	1,076,780,491
	1,075,701,108	1,174,180,255
Less: Provision for Doubtful Debts	(14,905,125)	(19,533,201)
	1,060,795,983	1,154,647,054
Schedule - 9		
Cash and Bank Balances		
Cash In Hand	929,364	1,366,426
Balance With Banks on Current Accounts		
- Rupee Accounts	123,317,921	37,803,853
- EEFC Accounts	1,174,253	225,320
Fixed Deposits ¹	682,177,147	210,951,677
	807,598,685	250,347,276

¹ Includes fixed deposits under lien Rs 15,033,225 (Previous Year Rs 12,161,600) against letters of credit issued and Rs 9,190,500 (Previous Year Rs. 85,041,000) pledged against bank guarantees.

New Delhi Television Limited

Schedules to the Consolidated Balance Sheet

	As at March 31, 2007 Amount (Rs.)	As at March 31, 2006 Amount (Rs.)
Schedule - 10		
Other Current Assets, Loans and Advances		
(Unsecured, Considered Good)		
Advances recoverable in cash or kind or for value to be received ¹	88,013,420	24,597,625
Security Deposits	103,060,695	31,740,789
Interest Accrued But Not Due	1,187,890	4,335,435
Advances & Imprest to Employees	82,993,554	31,599,688
Prepaid Expenses	66,194,466	87,750,586
Barter Assets (Net) ²	17,304,235	–
Advance Income Tax {Net of Provision for Income Tax of Rs 97,317,303 (Previous Year Rs 186,470,200)}	121,123,278	31,642,346
MAT Credit Entitlement	–	15,145,965
	479,877,538	226,812,434

¹ Includes Rs 56,221,586 paid in advance towards joining bonus to certain individuals for securing their services for the company which have been charged to expenditure subsequent to the year end on their joining.

² Includes Rs. 64,442,415 (Previous Year Rs. 50,104,612) due to parties on account of barter transactions.

Schedule - 11

Current Liabilities

Sundry Creditors ³	305,591,332	423,276,208
Other Liabilities	142,740,638	96,249,764
Barter Liabilities (Net)	–	3,523,717
Advances from Customers	20,601,628	6,278,224
	468,933,598	529,327,913

³ The Company does not owe any amount to small scale undertakings/ or to enterprises covered under Micro, Small and Medium Enterprises Development Act, 2006.

Schedule - 12

Provisions

Provision for Gratuity ⁴	22,979,383	13,207,780
Proposed Dividend	49,965,606	48,642,106
Corporate Dividend Tax	8,491,655	6,822,055
Provision for Fringe Benefit Tax {Net of advance tax of Rs 40,225,530 (Previous Year Rs 19,955,040)}	1,859,025	1,223,466
	83,295,669	69,895,407

⁴ Net of Rs. 1,614,200, being funding of plan which is yet to be formulated (Note B-14 on Schedule 19)

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

	For the year ended March 31, 2007 Amount (Rs.)	For the year ended March 31,2006 Amount (Rs.)
Schedule - 13		
Advertising Revenue		
Sales	2,434,484,430	1,960,732,309
Barter Sales		
- ICICI	-	7,100,251
- Others	129,810,305	125,883,111
	<u>129,810,305</u>	<u>132,983,362</u>
Less: Barter Expenses - Advertisement	(64,147,412)	(70,515,289)
Less : Commission payable to Other Agencies	(31,512,226)	-
	<u>2,468,635,097</u>	<u>2,023,200,382</u>
Schedule - 14		
Other Business Income		
Sales of Television Software	4,855,776	2,757,389
Other News Delivery Avenues ¹	59,441,547	27,594,233
Equipment Hire	9,426,990	8,484,620
Subscription Revenue	158,556,935	109,875,411
Others	83,541,136	38,069,816
	<u>315,822,384</u>	<u>186,781,469</u>
¹ Includes Barter Income of Rs 1,953,286/- (Previous Year Rs 1,605,000)		
Schedule - 15		
Other Income		
Interest earned:		
- On Fixed Deposits {Gross of tax deducted at source Rs 1,532,343 (Previous Year Rs 5,279,551)}	7,789,016	25,368,092
- On Income Tax Refund	828,053	831,102
Profit on sale of fixed assets	-	819,265
Foreign exchange gain - Net	2,491,044	42,199
Miscellaneous Income	1,305,600	1,917,589
	<u>12,413,713</u>	<u>28,978,247</u>
Schedule - 16		
Production Expenses		
Consultancy & Professional Fee	117,170,039	74,668,025
Hire Charges	18,512,899	9,176,735
Graphic, Music And Editing	5,957,675	4,644,760
Video Cassettes	7,580,223	8,797,591
Subscription , Footage & News Service	61,839,545	48,013,680
Software Expenses	4,412,043	5,030,364
Transmission & Uplinking	117,214,035	80,665,327
Sets Construction	982,850	563,004
Panelist Fee	4,740,966	5,139,430
Website Hosting & Streaming	20,658,747	17,054,508
Helicopter Running & Maintenance	9,573,570	6,495,070
Travelling	111,569,178	80,503,823
Stores & Spares	17,165,832	15,449,174
Other Production Expenses	35,654,460	20,859,762
	<u>533,032,062</u>	<u>377,061,253</u>

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

	For the year ended March 31, 2007 Amount (Rs.)	For the year ended March 31,2006 Amount (Rs.)
Schedule - 17		
Personnel Expenses		
Salary, Wages & Other Benefits	812,017,889	674,095,830
Contribution to Provident Fund & other Funds	54,380,879	44,942,022
Staff Welfare	23,984,788	21,830,076
	890,383,556	740,867,928
Schedule - 18		
Operations & Administration Expenses		
Rent (Note B- 13 on Schedule 19)	97,123,242	69,406,370
Rates and taxes	5,757,950	1,540,620
Electricity and water	30,705,309	20,755,647
Bank charges	5,618,624	2,524,492
Printing and stationery	7,196,899	5,052,860
Postage and courier	3,925,507	3,269,560
Books, periodicals and news papers	31,272,154	21,958,972
Local conveyance & taxi hire	73,990,620	46,863,530
Business promotion	26,239,363	24,826,413
Repair and Maintenance		
- Plant & Machinery	27,243,924	30,409,934
- Building	25,002,050	21,481,004
Charity and donations	1,106,301	1,036,800
Auditors Remuneration (Note B-11 on schedule 19)	4,462,608	3,486,560
Insurance	17,532,695	12,712,124
Communication	51,900,354	43,144,447
Vehicle	29,700,636	17,497,174
Medical	11,416,056	10,234,569
Generator hire and running	7,782,221	13,519,177
Security	4,936,085	3,726,569
Staff training	1,716,232	253,205
Provision for doubtful debts / advances	4,000,000	4,080,581
Bad Debts & doubtful advances written off	5,417,275	739,108
Legal & Professional (Note B - 1(b) and (d) on Schedule 19)	75,431,233	6,214,971
Loss on Sale of Fixed Assets /Asset Written off	10,666,877	-
Subscription fees	1,218,171	1,487,617
Miscellaneous	9,176,058	9,169,961
	570,538,444	375,392,265

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) of the company, its subsidiaries, associate and joint venture are prepared in accordance with Accounting standard (AS) 21- "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India (ICAI). The CFS are prepared 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 Consolidated Financial Statements include the share of profit/loss of the associate companies which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of each of the associate companies from the date of acquisition has been added to / deducted from the cost of investments. An Associate is an enterprise in which the investor has significant influence and which is neither a Subsidiary nor a Joint Venture of the investor.
- (c) 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.
- (d) 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.
- (e) 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

Subsidiaries

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.

Associates

Goodwill / Capital reserve arising on the date of acquisition is included in the cost of investments.

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 rateably over the period during 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 equipment given out on lease is accounted for on accrual basis for the period of use of equipment by the customers.

Revenue from Interest Income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from the display of graphical advertisements ("display advertising") is recognized on the website as "impressions" are delivered. An "impression" is delivered when an advertisement appears in pages viewed by users.

Revenue from the display of text based links to the websites of its advertisers ("search advertising") is recognized for those display's which are placed on the website. Search advertising revenue is recognized as "clickthroughs" occur. A "click-through" occurs when a user clicks on an advertiser's listing.

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.

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 realisable 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. Post Employment Benefits

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

The Group provides for long term defined benefit schemes of gratuity on the basis of actuarial valuation on the Balance Sheet date based on the Projected Unit Credit Method.

In the Group, NDTV funds the benefits through annual contributions to 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. The actuarial valuation of the liability towards the Gratuity Retirement benefits of the employees is made on the basis of certain assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on contributions to LIC, discount rate, future salary increases.

For other companies, the actuarial valuation of the liability towards gratuity benefits of the employees is made on the basis of certain assumptions with respect to the variable elements like discount rate, future salary increases, etc affecting the valuation

The Company recognises the actuarial gains and losses in the Profit & Loss account as income and expense in the period in which they occur.

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. 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 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 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.

12. 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/or the applicable local tax laws and based on expected outcome of the assessment.

Deferred tax is recognised 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 realised.

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 realised.

13. 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.

14. 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.

15. 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.

16. Employee stock based compensation

The Group calculates the employee stock compensation expense based on the intrinsic value method wherein the excess of, market price of underlying equity shares in case of listed entities or value determined by an independent valuer in case of other entities, 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. The Company's direct subsidiaries include subsidiaries NDTV News Limited, NDTV Networks BV, a partly owned subsidiary NDTV Media Limited (NDTVM) with 75.2% shareholding (Previous Year 81%).

New Business Initiatives

- b). During the year, in order to create the corporate structure for the global media and non-news media related businesses, the Group has on 30 November 2006 incorporated NDTV Networks Plc (NNPLC), a public limited company in the United Kingdom. NNPLC became a subsidiary of a newly created intermediate holding company, NDTV Networks BV (NNBV), incorporated in the Netherlands on December 28, 2006 the Netherlands Company being a 100% subsidiary of the Company. NNPLC has incurred direct cost amounting to Rs. 32,789 thousand relating to the setting up of the structure and has been debited to the Profit and Loss account.

NNPLC is the holding Company of subsidiaries NDTV Imagine Limited, NDTV Lifestyle Limited, NDTV Labs Limited, NDTV Convergence Limited, which are incorporated in India.

NDTV Imagine Limited (Imagine), a subsidiary of NNPLC (subject to the approval of the Ministry of Information & Broadcasting) intends to commence the business of up linking and operating a Hindi mass entertainment channel.

NDTV Lifestyle Limited (Lifestyle), a 100% subsidiary of NNPLC (subject to the approval of the Ministry of Information & Broadcasting) intends to commence the business of establishing, up-linking and operating a television channel dedicated to travel, food, fashion, shopping and health & wellness both in India and abroad.

NDTV Convergence Limited (Convergence), a subsidiary in which NNPLC holds 83% and NDTV directly holds 17% will be engaged in the activity of incubating and operating businesses in the internet and mobile VAS arena together with the convergence of technologies thereof.

NDTV Labs Limited (Labs), a 100% subsidiary of NNPLC is engaged in developing technology and software solutions for television broadcasting, software development, satellite uplink operations and related services.

Additionally NNPLC has an investment in a 50% joint venture with Genpact India Holdings, NGEN Media Services Private Limited (NMSPL), which is engaged in the business of media process outsourcing services ("MPO").

Further, through a 50% Dutch joint venture with NNPLC, the Company has incorporated Emerging Markets 24x7 BV ("EMBV") (formerly NDTV Global BV ("NGBV")) to establish international television channels either itself or in partnership with global media companies.

Accordingly the following subsidiary companies are considered in the consolidated financial statements:

Name of the Company	Country of Incorporation	Date of becoming a part of group	Shareholding as on March 31, 2007	Shareholding as on March 31, 2006
NDTV Media Limited (NDTVM)	India		75.2%	81%
NDTV News Limited (NDTVN)	India		100%	100%
Emerging Markets 24x7	Netherlands	February 19, 2007	100%	–
NDTV Networks BV (NNBV)	Netherlands	December 28, 2006	100%	–
NDTV Networks Plc (NNPLC)	United Kingdom	November 30, 2006	100%	–
NDTV Imagine Limited	India	May 21, 2006	96.3%	–
NDTV Labs Limited	India	December 13, 2006	100%	–
NDTV Convergence Limited	India	December 13, 2006	100%	–
NDTV Lifestyle Limited	India	December 13, 2006	100%	–
Joint Venture				
NGEN Media Services Private Limited	India	August 29, 2006	50%	–
Associate				
Astro Awani Networks Limited	Malaysia	July 4, 2006	20%	–

- c). NDTVM Limited has during the year issued 83,300 (Previous Year 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 5.8% (Previous Year 4%), amounting to Rs 8,683 thousand (Previous Year Rs 7,219 thousand) has been charged to the Profit and Loss Account and included under share of minority interest.
- d). During the period ComVentures V.L., L.P. (referred to as CV) has invested US \$20 million in NNPLC, in the form of 25,575 Class A preferred stock and 2,557 warrants attached to preferred stock at a price of US \$782 per preferred stock and US \$0.01 (Rs 4.34) per warrant. The warrants issued equal 10% of the total number of preferred stock acquired by CV. Each warrant shall provide for an exercise price equal to the original issue price of the preferred stock of US \$782 (Rs 33,922), will be for a period of five years and shall have net exercise rights in favour of the holder. The preferred stock would be entitled to a 6% non-cumulative dividend payable half yearly when and if declared. The preferred stock would automatically convert to common stock at a specified rate in case the company decides for an Initial Public Offering (IPO). The IPO should be at one of the internationally recognised stock exchanges and should be of a value not less than US \$80 million. Accordingly, an amount of Rs 867,346 thousand being excess of amount received over the par value of shares has been credited to Securities Premium. The direct costs amounting to Rs 15,346 thousand related to the issue / subscription of shares has been debited to the Profit and Loss account. In case the preferred stock is totally converted, the shareholding of NNPLC through NNBV would be diluted not below 4.87% from currently 100%.

- e). Further, subsequent to the year end NNPLC has proposed to raise funds by issuing \$100m convertible bonds due 2012. In connection with this, the Company has given an undertaking to provide a corporate guarantee for and on behalf of NNPLC, as and when required, in accordance with the terms of the Contracts and the Supplemental Trust Deed to be executed by the Company. The potential dilution on conversion is likely to be between 20% to 30%.
- f). NDTV Imagine Limited has entered into agreements under which certain individuals are entitled to 22% of the fully paid up equity share capital of the company. Further pursuant to this agreement, as at March 31, 2007, these individuals have a right to be allotted 884,327 equity shares of NDTV Imagine Limited.

2. (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 finally approved by the shareholders on September 19, 2005 provides for grant of 4,057 thousand options to employees of the Company by the ESOP Committee at an exercise price of Rs. 4 each, representing one share for each option upon exercise. The maximum tenure of these options granted is 7 years from the date of grant. The balance options available for grant as at March 31, 2007 is 355 thousand (previous year 639 thousand). The details of options granted to employees under the ESOP 2004 is set out below.

	First Grant	Second Grant	Third Grant	Fourth Grant	Fifth Grant	Sixth Grant	Seventh Grant
Date of Grant	June 30, 2005	Sept 19, 2005	Dec 1, 2005	Apr 20, 2006	Apr 20, 2006	July 1, 2006	Aug 1, 2006
Market value on date of grant of the underlying equity shares	212.75	235.20	179.50	259.20	259.20	173.90	156.35
Exercise Price	Rs. 4	Rs. 4	Rs 4	Rs 4	Rs 4	Rs 4	Rs 4
Vesting Period	1 to 4 Years ¹	1 to 4 Years ¹	1 to 4 Years ¹	1 to 4 Years ¹	1 Year	1 to 4 Years ¹	1 to 4 Years ¹
Options outstanding at the beginning of the year	2,491,000	914,000	12,500	–	–	–	–
Options granted	–	–	–	270,000	94,020	10,000	25,000
Options forfeited	94,000	20,375	–	–	600	–	–
Options exercised	1,200,750	447,375	6,250	–	–	–	–
Options expired	–	–	–	–	–	–	–
Options outstanding at the year end ²	1,196,250	446,250	6,250	–	93,420	10,000	25,000
Options Exercisable at the year end	–	–	–	–	–	–	–

¹ 25% to vest each year over a period of 4 years.

² weighted average remaining contractual life of 2.32 years.

Accordingly, the Group under the intrinsic value method has recognised the excess of the market price over the exercise price of the options amounting to Rs. 325,733 thousand (previous year Rs. 261,608 thousand), as an expense during the year. Further the cost for the year includes Rs. 28,014 thousand being the charge consequent to accelerated vesting of 825 thousand options out of 2nd tranche of First, Second and Third grants.

Further, the liability outstanding as at the March 31, 2007 in respect of Employee Stock Options outstanding is Rs. 232,092 thousand (previous year Rs. 261,608 thousand). The balance deferred compensation expense Rs. 220,147 thousand (previous year Rs 471,899 thousand) will be amortised over the remaining vesting period of options.

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	Fourth Grant	Fifth Grant	Sixth Grant	Seventh Grant
Date of Grant	June 30, 2005	Sept 19, 2005	Dec 1, 2005	Apr 20, 2006	Apr 20, 2006	July 1, 2006	Aug 1, 2006
Weighted average share price on the grant date	Rs. 212.75	Rs 235.20	Rs 179.50	Rs.259.20	Rs. 259.20	Rs.173.90	Rs. 156.35
Volatility (%)	50.20 to 64.49 ¹	50.12 to 63.15 ¹	49.05 to 60.13 ¹	47.69	47.69	52.72	52.40
Risk free rate ² (%)	6.33 to 6.60	6.39 to 6.79	6.32 to 6.81	6.72 to 7.06	6.72	6.57 to 7.09	7.49 to 7.98
Exercise Price	Rs 4	Rs 4	Rs 4	Rs 4	Rs 4	Rs 4	Rs 4
Time to Maturity (years) ³	2.50 to 5.50	2.50 to 5.50	2.50 to 5.50	2.50 to 5.50	2.50	2.50 to 5.50	2.50 to 5.50
Dividend Yield	0% ⁴	0% ⁴	0% ⁴	0.54%	0.54%	0.54%	0.54%
Life of options	7 years	7 years	7 years	7 years	4 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	Rs. 250.63	Rs. 252.35	Rs. 167.14	Rs. 150.08

¹ 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.

² Being the interest rate applicable for maturity equal to the expected life of options based on zero-coupon yield curve for Government Securities.

³ Vesting period and volatility of the underlying equity shares have been considered for estimation.

⁴ 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 of NDTVM to its employees that entitles them to one equity share of 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 on July 31, 2006 granted 83,300 options of NDTVM 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. Consequent to the exercise of options, NDTVM has allotted 83,300 equity shares on September 21, 2006 on exercise of the vested options by the employees.

Accordingly NDTVM 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 as at February 7, 2006 (date of previous grants), over the exercise price of the options amounting to Rs. 30,405 thousand as an expense during the year. The movement in the options granted during the year is set out below:

	Year ended March 31, 2007		Year ended March 31, 2006	
	Equity Shares of Rs. 10 each arising out of options	Weighted Average Exercise Price (Rs.)	Equity Shares of Rs. 10 each arising out of options	Weighted Average Exercise Price (Rs.)
Outstanding at the beginning of year	–	–	–	–
Options Granted	83,300	10	47,000 ¹	10
Options Forfeited	–	–	–	–
Options Expired	–	–	–	–
Options Exercised	83,300	10	47,000	10
Outstanding at the end of year	–	–	–	–
Exercisable at the end of the year	–	–	–	–

¹ Granted on February 7, 2006

	Year ended March 31, 2007		Year ended March 31, 2006	
	Equity Shares of Rs. 10 each arising out of options	Weighted Average Exercise Price (Rs.)	Equity Shares of Rs. 10 each arising out of options	Weighted Average Exercise Price (Rs.)
Weighted average fair value of the equity shares of Rs. 10 each underlying the options for the options exercised during the year	–	Rs. 375	–	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 first 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 NDTV that is rarely traded or traded privately is not feasible and there is no dividend yield, as NDTV has not distributed any dividends in the past.

The impact on the profit of the Group for the year ended March 31, 2007 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)

	March 31, 2007	March 31, 2006
Profit/(Loss) after tax as per Profit and Loss Account (a)	(147,237)	(19,695)
Add: Employee Stock Compensation Expense as per Intrinsic Value Method	356,138	278,763
Less: Employee Stock Compensation Expense as per Fair Value Method	357,506	279,870
Profit/(Loss) after tax recomputed for recognition of employee stock compensation expense under fair value method (b)	(148,605)	(20,802)
Basic and diluted Earnings per Share as computed on earnings as per (a) above (Rs)	(2.41)	(0.32)
Basic and diluted Earnings per Share as computed on earnings recomputed as per (b) above (Rs)	(2.43)	(0.34)

(c) NDTV Imagine Employee Stock Option Plan - ESOP (Imagine) – 2007

The Board of Directors of Imagine on January 19, 2007 have instituted the Employee Stock Option Scheme 2007 "ESOP (IMAGINE) – 2007" to grant equity-based incentives to all its eligible employees upto 5% of Paid Up Equity Capital at any point of time of Imagine. The said scheme is subject to the approval of shareholders of Imagine.

(d) NDTV Lifestyle Employee Stock Option Plan - ESOP (Lifestyle) - 2007

The Board of Directors of Lifestyle on January 19, 2007 have instituted the Employee Stock Option Scheme 2007 "ESOP (LIFESTYLE) – 2007" to grant equity-based incentives to all its eligible employees upto 8% of Paid Up Equity Capital at any point of time of Lifestyle. The said scheme is subject to the approval of shareholders of Lifestyle.

(e) NDTV Convergence Employee Stock Option Plan - ESOP (Convergence) – 2007

The Board of Directors of Convergence on January 19, 2007 have instituted the Employee Stock Option Scheme 2007 "ESOP (CONVERGENCE) – 2007" to grant equity-based incentives to all its eligible employees upto 8% of Paid Up Equity Capital at any point of time of Convergence. The said scheme is subject to the approval of shareholders of Convergence.

(f) NDTV Labs Employee Stock Option Plan - ESOP (Labs) – 2007

The Board of Directors of Labs on January 19, 2007 have instituted the Employee Stock Option Scheme 2007 "ESOP (LABS) – 2007" to grant equity-based incentives to all its eligible employees upto 8% of Paid Up Equity Capital at any point of time of Labs. The said scheme is subject to the approval of shareholders of Labs.

(g) NDTV Networks Plc– ESOP (NDTV Networks Plc) – 2007

The Board of Directors of NNPLC on February 7, 2007 have instituted the Employee Stock Option Scheme 2007 "ESOP (NDTV Networks Plc) – 2007" to grant equity-based incentives to all its eligible employees upto 8% of Paid Up Equity Capital at any point of time of NNPLC. The said scheme is subject to the approval of shareholders of NNPLC.

3. Joint Venture with Astro All Asia Entertainment Networks Limited

The Company has invested Rs 9,892 thousand towards its 20% share in Astro Awani Networks Limited (AANL) on July 4, 2006, subsequent to the 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. The Group's interest in AANL has been accounted for as associate, since it has significant influence in the entity.

4. Interest in Joint Venture

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 have 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 had 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 negative net asset value 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)
Net Asset Value of Radio Today (Delhi) Broadcasting Limited as at December 31, 2005	(233,574)
Net Asset Value of Radio Today (Calcutta) Broadcasting Limited as at December 31, 2005	(33,204)
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	400,362¹

The profits/ (losses) of the radio companies are:

Particulars	Amount (Rs. '000)	
	For the year ended March 31, 2007 ¹	For three months ended March 31, 2006 ²
Radio Today (Mumbai) Broadcasting Limited	(46,944)	(10,776)
Radio Today (Delhi) Broadcasting Limited	42,016	(9,951)
Radio Today (Calcutta) Broadcasting Limited	8,261	(1,808)
Total	3,333	(22,535)
NDTVN's share (31%)	1,033	(6,985)

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

² Has been recomputed during the current year based on audited financial statements for the year ended March 31, 2006.

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

Particulars	Amount of Interest for the year ended March 31, 2007 ³ (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	254,363,254	192,163,789	23,515,676
Deferred Tax Liability	6,330	10,360	3,004
Total Liabilities	254,369,584	192,174,148	23,518,680
Fixed Assets	39,298	55,931	13,753
Investment	6,621,258	78,814,060	22,192,696
Net Current Assets	282,978,741	148,563,432	31,637,191
Miscellaneous Expenditure	160,273	160,273	115,385
Total Assets	289,799,570	227,593,695	53,959,025
Income	1,754,600	3,550,383	1,061,790
Expenditure	1,747,740	3,532,624	1,046,521
Profit before Tax	6,860	17,759	15,269
Provision for Tax	9,622	33,025	10,332
Profit after Tax	(2,762)	(15,266)	4,937

³ based on un-audited financial statements certified by the Management of respective Companies.

Particulars	Amount of Interest for the year ended March 31, 2006 ⁴ (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

⁴ based on financial statements audited by their respective auditors.

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

Particulars	As at March 31, 2007 Amount (Rs.'000)	As at March 31, 2006 Amount (Rs.'000)
On Letters of credit	97,874	40,675
On others	144,270	19,636
Total	242,144	60,311

6. 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. 8,966 thousand (Previous Year Rs 63,147 thousand).
- b Bank Guarantee - US\$ 200,000 (Rs.8,688,000.) (Previous Year US \$200,000 - Rs. 8,958,000)
- c 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.
- d 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.

7. Deferred Taxes:

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

	Amount (Rs.'000)		
	As at March 31,2007	For the Year	As at March 31,2006
Deferred tax assets			
Accumulated Losses	82,911	59,276	23,635
Provision for Expenses	80,589	68,794	11,795
Total deferred tax assets	163,500	128,070¹	35,430
Deferred tax liability			
Depreciation	(81,910)	17,410	(99,320)
Total deferred tax liability	(81,910)	17,410	(99,320)
Net Deferred Tax Asset/(Liability)	81,590	145,480	(63,890)

¹ Includes benefit of Rs 80,836 on account of cost of Stock Options for the previous year considered as tax deductible for computing tax expense based on legal opinion.

8. The Company's subsidiary NDTVM, during the year based on the legal opinions, has recognized the employee stock compensation expense as tax deductible. Consequently, the current tax expense for the earlier year was re-estimated, resulting in a write back amounting to Rs 5,707 thousand.

9. Segment Reporting

The Group currently operates primarily 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.

10. Related Party Disclosures

- I. Names of related parties, where control exists or 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:

Key Management Personnel and their relatives

Dr. Prannoy Roy	Director
Radhika Roy	Director
K.V.L. Narayan Rao	Director
L.S Nayak	CEO of NDTV Media Limited
Vikramaditya Chandra	CEO & Director of NDTV Networks Plc (w.e.f 31 st December 2006)
Rahul Deshpande	CEO & Director of NDTV Labs Limited (w.e.f 19 th January 2007)
Sanjay Trehan	CEO, NDTV Convergence Limited (w.e.f 12 th March 2007)
Smeeta Chakrabarti	CEO & Director of NDTV Lifestyle Limited (w.e.f 19 th January 2007)
Ricky Bindra	CEO, NGEN Media Services Private Limited
John O'Loan	Director, NDTV Networks Plc (w.e.f 1 st February 2007)
Pan Invest BV	Director of Emerging Market BV and NDTV Networks BV
Renu Rao	Wife of a Director (K.V.L Narayan Rao)
Projit Chakrabarti	Husband of CEO of NDTV Lifestyle Limited
Seema Chandra	Wife of CEO of NDTV Networks Plc

- II. Disclosure of Related Party Transactions:

(Amount in Rs.'000)

Nature of relationship / transaction	Key Management Personnel	Relatives	Total
Remuneration Paid during 2006-07	69,312 ¹	5,077	74,389
Remuneration Paid during 2005-06	59,226	3,936	63,162
Services Availed during 2006-07	579	231	810
Services Availed during 2005-06	–	–	–

¹ Includes Remuneration amounting to Rs. 6,440 thousand paid to Directors that exceeds the minimum remuneration payable in case of inadequacy of profits, subject to Central Government's Approval.

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, 2007	23,467	–	23,467
Outstanding Payables as on March 31, 2006	18,882	115	18,997
Outstanding Advances as on March 31, 2007	12,604	60	12,664
Outstanding Advances as on March 31, 2006	–	–	–
Outstanding Receivable as on March 31, 2007	–	–	–
Outstanding Receivable as on March 31, 2006	–	60	60

11. Auditor's Remuneration

(Amount in Rs.'000)

Description	Year ended March 31, 2007	Year ended March 31, 2006
As Auditors, including quarterly audits ²	4,438	3,400
Out-of-pocket-expenses	24	86
Total	4,462	3,486

² Excluding service tax

12. Earnings / (Loss) per share (EPS):

Description	Year Ended March 31, 2007	Year Ended March 31, 2006
Number of equity shares outstanding at the beginning of the year (Nos.)	60,802,632	60,802,632
Add: Fresh issue of equity shares	1,654,375	–
Number of equity shares outstanding at year end (Nos.)	62,457,007	60,802,632
Weighted average number of Equity Shares outstanding during the year (Nos.)	61,173,572	60,802,632
Profit / (loss) attributable to Equity Shareholders (Rs.)	(147,237,090)	(19,694,593)
Basic and Diluted Earnings / (loss) per Equity Share (Rs.)	(2.41)	(0.32)
Nominal Value per share (Rs)	4	4

13. Operating Leases

- i) The group has taken various residential/commercial premises under cancelable operating leases. These lease agreements are normally renewed on expiry.
- ii) a) The Company has taken commercial premises on lease which are non-cancelable for a period of 3 years. The future minimum lease payments in respect of the same are as follows:

Particulars	Year Ended March 31, 2007 Amount (Rs.'000)
Payable not later than 1 year	55,078
Payable later than 1 year and not later than 5 year	120,296
Payable later than five year	–
Total minimum lease payments	175,374

- b) The rental expense for the current year in respect of operating leases was Rs 97,123 thousand (Previous Year Rs 69,406 thousand).

14. The Company has during the year complied with the Accounting Standard – 15 (Revised 2005) on employee benefits issued by the Institute of Chartered Accountants of India. As a result of the adoption of this standard, there has been no impact on the liability as on April 1, 2006 and the charge for the year ended March 31, 2007.

The Company has accounted for the long term defined benefits and contribution schemes as under:

(A) Defined Benefits Scheme

The Group provides for long term defined benefit schemes of gratuity on the basis of actuarial valuation on the Balance Sheet date based on the Projected Unit Credit Method. In respect of NDTV, gratuity benefits are funded through annual contributions to Life Insurance Corporation of India (LIC). The actuarial valuation of the liability towards the Gratuity Retirement benefits of the employees is made on the basis of assumptions with respect to the variable elements affecting the computations including estimation of interest rate of earnings on contributions to LIC. The gratuity benefit in other Companies of the group are unfunded and the Group recognise the actuarial gains and losses in the Profit & Loss account as income and expense in the period in which they occur.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

		Amount (Rs.'000)
		For the Year ended March 31, 2007
I	Changes in the Present value of the Obligation:	
	Obligations at year beginning	57,829
	Service Cost – Current	8,978
	Interest Cost	4,422
	Actuarial (gain) / loss	33
	Benefit Paid	(1,842)
	Obligations at year end	69,420 ¹
II	Change in plan assets:	
	Plan assets at year beginning, at fair value	40,863
	Expected return on plan assets	3,678
	Actuarial gain / (loss)	(30)
	Contributions	2,158
	Benefits paid	(1,842)
	Plan assets at year end, at fair value	44,827
III	Reconciliation of present value of the obligation and the fair value of the plan assets:	
	Present value of the defined benefit obligations at the end of the year	69,420
	Fair value of the plan assets at the end of the year	44,827
	Liability recognised in the Balance Sheet	24,593
IV	Defined benefit obligations cost for the year	
	Service Cost – Current	8,978
	Interest Cost	4,422
	Expected return on plan assets	(3,678)
	Actuarial (gain) / loss	64
	Net defined benefit obligations cost	9,786

		For the Year ended March 31, 2007
V	Investment details of plan assets	
	100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme.	
VI	The principal assumptions used in determining post-employment benefit obligations are shown below:	
	Discount Rate	8%
	Future salary increases	5.5%
	Expected return on plan assets	9%
	The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand factors in the employment market. The demographic assumptions were as per the published rates of "Life Insurance Corporation of India (1994-96) Mortality Table (ultimate), which is considered a standard table.	
	¹ NDTVM, a subsidiary in the month of February 2007 has paid an advance of Rs 1,614 thousand to a private Insurance Company for funding its plan. However, the plan is yet to be formally approved, hence no plan assets for NDTVM have been considered at the year-end.	

(B) State Plans:

The Group deposits an amount determined at a fixed percentage of Basic pay every month to the state administered provident fund for the benefit of the employees. Accordingly, the Group's contribution during the year that has been charged to revenue amounts to Rs 54,381 thousand (Previous year Rs 44,942 thousand).

15. Interest in Joint Ventures

The company's interests, as a venture, in jointly controlled entities as at March 31, 2007 are: -

Name of the Company	Country of Incorporation	% Voting power held As at March 31, 2007
NGEN Media Services Private Limited	India	50%

The following amounts represent the Groups share of the assets and liabilities and revenue and expenses of the joint venture and are included in the consolidated balance sheet and consolidated profit & loss account:

	(Rs.'000)
Particulars	2007
Assets	
Current Assets	19,562
Liabilities	
Current Liabilities & Provisions	1,154
Reserves & Surplus	(1,591)
Revenues	
Sales	-
Expenditure	1,572
Profit before Tax	(1,572)
Provision for Tax	19
Profit after Tax	(1,591)

- 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 subsidiaries / Joint Ventures 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.



207, Okhla Industrial Estate, Phase-III, New Delhi-110020



NEW DELHI TELEVISION LIMITED
NOTICE

NOTICE IS HEREBY GIVEN THAT THE 19th ANNUAL GENERAL MEETING OF THE MEMBERS OF NEW DELHI TELEVISION LIMITED WILL BE HELD ON TUESDAY, JULY 17, 2007 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, 2007 and the Balance Sheet as at that date together with the Reports of the Auditor's and Director's thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. N R Narayana Murthy, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. Amal Ganguli, who retires by rotation and being eligible, offers himself 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 an Ordinary Resolution:
"RESOLVED that pursuant to the provisions of Section 94 of the Companies Act, 1956 and other applicable provisions, if any, the approval of the members be and is hereby accorded to the increase in Authorized Share Capital of the Company from Rs. 27.5 Crores divided into 6,87,50,000 Equity Shares of Rs.4/- each to Rs. 35 Crores divided into 8,75,00,000 Equity Shares of Rs. 4/- each, by creation of 1,87,50,000 (One Crore Eighty seven lac fifty thousand) new equity shares of Rs.4/- each, ranking pari passu with the existing shares of the Company and that in Clause V of the Memorandum of Association of the Company, for the words and figures:
THE SHARE CAPITAL OF THE COMPANY IS RS 27,50,00,000 (RUPEES TWENTY SEVEN CRORE FIFTY LAC) DIVIDED INTO 6,87,50,000 (SIX CRORE EIGHTY SEVEN LAC FIFTY THOUSAND) EQUITY SHARES OF RS.4/- EACH
the following shall be substituted:
THE SHARE CAPITAL OF THE COMPANY IS RS. 35,00,00,000 (RUPEES THIRTY FIVE CRORE) DIVIDED INTO 8,75,00,000 (EIGHT CRORE AND SEVENTY FIVE LAC) EQUITY SHARES OF RS. 4/- EACH."
7. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:
"RESOLVED that subject to the provisions of Section 198, 309 and other applicable provisions under the Companies Act, 1956, the approval of the members be and is hereby accorded to the payment of the enhanced annual remuneration for the Financial Year ended March 31, 2006 to the Non- Executive Directors of the Company, aggregating to Rs. 25 lacs as detailed hereunder:

1. Mr. N R Narayana Murthy	: Rs. 5.00 lac
2. Mr. Amal Ganguli	: Rs. 7.50 lac
3. Mr. Tarun Das	: Rs. 5.00 lac
4. Ms. Indrani Roy	: Rs. 2.50 lac
5. Mr. Vijaya Bhaskar Menon	: Rs. 5.00 lac"
8. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:
"RESOLVED that subject to the provisions of Section 198, 309 and other applicable provisions under the Companies Act, 1956, the approval of the members be and is hereby accorded to the payment of the enhanced annual remuneration for the Financial Year ended March 31, 2007 to the Non- Executive Directors of the Company, aggregating to Rs. 25 lacs to be finalized in such manner as may be decided by the Board of Directors."

9. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED that in supersession of the resolution passed in this regard and 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 payment of following remuneration, effective July 01, 2005, to Mrs. Radhika Roy, Managing Director, for the remaining period of her appointment i.e. upto June 30, 2009 .

Salary: Rs.4, 69,096/- per month.

Commission: Not exceeding 1% of the net profits of the Company within the overall ceilings prescribed under the Act to be divided among the Whole time Directors in such manner as may be decided by the Board.

Perquisites: In addition to this salary the Managing Director shall also be entitled to free use of facilities and amenities such as electricity, telephones, mobile phones, personal accident and medical insurance and reimbursement of business expenses like entertainment etc. as per the rules of the Company. However, the expenditure incurred by the Company on perquisites shall be restricted to 50% of the annual salary.”

“RESOLVED FURTHER that Mrs. Radhika Roy shall also be eligible to the following which shall not be included in the computation of the ceiling on remuneration hereinabove stated:

- (i) Contribution to Provident fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961, in accordance with the Company’s Rules.
- (ii) Gratuity payable, at a rate not exceeding 15 days salary, for each completed year of service in accordance with the Company’s rules.
- (iii) Any other retirement benefits in accordance with the Company’s rules.”

“RESOLVED FURTHER that in any financial year, during the tenure of Mrs. Radhika Roy as Managing Director, if the Company has no profits or its profits are inadequate, the aforesaid remuneration, as may be paid by way of salary, perquisites and other allowances, shall be treated as minimum remuneration.”

“RESOLVED further that the Board of Directors or a Committee thereof be and is hereby authorized to vary or increase the remuneration and perquisites including the monetary value thereof as specified above within the provisions of Schedule XIII, to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provision(s) under the Companies Act, 1956 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under.”

10. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED that in supersession of the resolution passed in this regard and 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 payment of following remuneration, effective April 01, 2005, to Dr. Prannoy Roy, Chairman and Whole time Director, for the remaining period of his appointment i.e. upto September 07, 2008.

Salary: Rs.4, 69,096/- per month.

Commission: Not exceeding 1% of the net profits of the Company within the overall ceilings prescribed under the Act to be divided among the Whole time Directors in such manner as may be decided by the Board.

Perquisites: In addition to this salary the Chairman shall also be entitled to free use of facilities and amenities such as electricity, telephones, mobile phones, personal accident and medical insurance and reimbursement of business expenses like entertainment etc. as per the rules of the Company. However, the expenditure incurred by the Company on perquisites shall be restricted to 50% of the annual salary.”

“RESOLVED FURTHER that Dr. Prannoy Roy shall also be eligible to the following which shall not be included in the computation of the ceiling on remuneration hereinabove stated:

- (i) Contribution to Provident fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961, in accordance with the Company’s Rules.
- (ii) Gratuity payable, at a rate not exceeding 15 days salary, for each completed year of service in accordance with the Company’s rules.
- (iii) Any other retirement benefits in accordance with the Company’s rules.”

“RESOLVED FURTHER that in any financial year, during the tenure of Dr. Prannoy Roy as Chairman and Whole time Director,

if the Company has no profits or its profits are inadequate, the aforesaid remuneration, as may be paid by way of salary, perquisites and other allowances, shall be treated as minimum remuneration.”

“RESOLVED further that the Board of Directors or a Committee thereof be and is hereby authorized to vary or increase the remuneration and perquisites including the monetary value thereof as specified above within the provisions of Schedule XIII, to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provision(s) under the Companies Act, 1956 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under.”

11. To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED that in supersession of the resolution passed by the shareholders and pursuant to the provisions of sections 198, 269, 309, 310, and 311 read with Schedule XIII and 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 payment of following revised remuneration effective April 01, 2005 to Mr. K V L Narayan Rao, Whole time Director, for the remaining period of his appointment i.e. upto June 10, 2008:

Salary: Rs. 5,53,775/- per month

Commission: Not exceeding 1% of the net profits of the Company within the overall ceilings prescribed under the Act to be divided among the Whole time Directors in such manner as may be decided by the Board.

Incentive : Rs.80 lacs. (one time)

Perquisites: In addition to this salary, the Whole time Director shall also be entitled to free use of facilities and amenities such as electricity, telephones, mobile phones, Company car and driver, ex-gratia, personal accident and medical insurance, leave travel allowance, reimbursement of business expenses like entertainment etc. as per rules of the Company. However, the expenditure incurred by the Company on perquisites shall be restricted to 50% of the annual salary.”

“RESOLVED FURTHER that Mr. K V L Narayan Rao shall also be eligible to the following, which shall not be included in the computation of the ceiling on remuneration hereinabove stated:

- (i) Contribution to Provident fund, Superannuation Fund or Annuity Fund to the extent these, either singly or put together, are not taxable under the Income Tax Act, 1961, in accordance with the Company’s Rules.
- (ii) Gratuity payable, at a rate not exceeding 15 days salary for each completed year of service, in accordance with the Company’s rules.
- (iii) Any other retirement benefits, in accordance with the Company’s rules.”

“RESOLVED FURTHER that in any financial year, during the tenure of Mr. K V L Narayan Rao, Whole time Director, if the Company has no profits or its profits are inadequate, above remuneration as may be paid by way of salary, perquisites and other allowances shall be treated as minimum remuneration.”

“RESOLVED further that the Board of Directors or a Committee thereof be and is hereby authorized to vary or increase the remuneration and perquisites, including the monetary value thereof as specified above within the provisions of Schedule XIII, to the extent the Board of Directors or Committee thereof may consider appropriate, as may be permitted or authorized in accordance with any provision(s) under the Companies Act, 1956 or schedule(s) appended thereto, for the time being in force or any statutory modification or re-enactment thereof and/or any rules or regulations there under. ”

12. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT the consent of the Company be and is hereby granted, in accordance with Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, to the Board of Directors of the Company, to borrow any sum or sums of money from time to time at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) at any time, in excess of the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) subject to a ceiling of Rs. 600 Crores , and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit.”

13. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution:

“RESOLVED THAT the consent of the Company be and is hereby granted, in accordance with Section 293(1)(a) and all other

applicable provisions, if any, of the Companies Act, 1956, to the Board of Directors to mortgage and/or charge, in addition to the mortgages and/or charges created/to be created by the Company, in such form and manner and with such ranking as to priority and for such time and on such terms as the Board may determine, all or any of the movable and /or immovable, tangible and/or intangible properties of the Company, both present and future and/or the whole or any part of the undertaking(s) of the Company together with the power to take over the management of the business and concern of the Company in certain events of default, in favour of the lender(s), agent(s), trustee(s) for securing the borrowings of the Company availed/to be availed by way of loan(s) (in foreign currency and/or rupee currency) and securities (comprising fully/partly convertible debentures and/or optionally/non-convertible debentures with or without detachable or non-detachable warrants and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments), issued /to be issued by the Company, from time to time, subject to the limits approved under Section 293(1)(d) of the Companies Act, 1956, together with interest at the respective agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on pre-payment, remuneration of agent(s)/ trustee(s), premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/revaluation /fluctuation in the rates of exchange and all other monies payable by the Company in terms of loan agreement(s), heads of agreement(s), debenture trust deed or any other document entered into/to be entered into between the Company and the lender(s)/agent(s)/trustees, in respect of the said loans/borrowings/debentures and containing such specific terms and conditions and covenants in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or Committee thereof and the lender(s)/ agent(s)/trustee(s).”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or Committee thereof be and is hereby authorized to finalize, settle and execute such documents/deeds/writings/papers/agreements as may be required and to do all acts, deeds, matters and things, as it may in its absolute discretion deemed necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to creating mortgage/charge as aforesaid and also to delegate all or any of the above powers to the Committee of Directors or the Managing Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

14. To consider and, if thought fit, to pass with or without modifications the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to any guidelines, regulations, approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or Bodies (hereinafter collectively referred to as “the appropriate authorities”), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as “the requisite approvals”), which may be agreed to by the Board of Directors of the Company (hereinafter called “the Board” which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorised to issue, offer and allot, preference shares whether Cumulative or Non-Cumulative / Redeemable / Convertible at the option of the Company and / or at the option of the holders of the security and / or securities linked to equity shares / preference shares and / or any instrument or securities representing convertible securities such as convertible debentures, bonds or warrants convertible into equity shares / preference shares (hereinafter referred to as “Securities”) to be subscribed by foreign investors / institutions and / or corporate bodies, mutual funds, banks, insurance companies, trusts and / or individuals or otherwise, whether or not such persons / entities / investors are Members of the Company, whether in Indian currency or foreign currency. Such issue and allotment shall be made at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions including with the differential rights as to dividend, voting or otherwise and in such manner as the Board may, in its absolute discretion think fit or in consultation with the Lead Managers, Underwriters, Advisors or other intermediaries.

“RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid issue of Securities may have all or any terms or combination of terms including as to conditions in relation to payment of interest, additional interest, premia on redemption, prepayment and any other debt service payments whatsoever, and all such matters as are provided in Securities offerings of this nature including terms for issue of such Securities or variation of the conversion price of the Security during the tenure of the Securities and the Company is also entitled to enter into and execute all such arrangements as the case may be with any lead managers, managers, underwriters, bankers, financial institutions, solicitors, advisors, guarantors, depositories, custodians and other intermediaries in such offerings of Securities and to remunerate all such agencies including the payment of commissions, brokerage, fees or payment of their remuneration for their services or the like, and also to seek the listing of such Securities on one or more Stock Exchanges.”

“RESOLVED FURTHER THAT the Board or any Committee thereof be and is hereby authorised to issue and allot such number of shares as may be required to be issued and allotted upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the offering, all such shares being pari passu with the then existing shares of the Company in all respects.”

“RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described above, the Board or any Committee thereof be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and depository arrangement and institution / trustees / agents and similar agreements and to remunerate the Managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.”

“RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman and Managing Director or any Whole-time Director or any other Officer or Officers of the Company to give effect to the aforesaid resolution.”

June 15, 2007
Registered Office:
207, Okhla Industrial Estate
New Delhi-110020.

**By Order of the Board
For New Delhi Television Limited**

**Rajiv Mathur
Company Secretary**

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 Nos.6 and 7 is annexed thereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from July 10, 2007 to July 17, 2007 (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:

In view of the exercise of stock options granted to the Employees of the Company under the Employee Stock Option Scheme (ESOP-2004) as well as various activities related to the restructuring exercise being contemplated by the Company, the gap between the Authorized Share Capital and the Paid up Share Capital has become marginal. In view of the above, the Company needs to increase the Authorised Capital by altering the Capital Clause of the Memorandum.

The Board recommends the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM No. 7:

The Company had made an application to the Central Government for payment of remuneration to Non-Executive Directors, in addition to the sitting fee being paid to them, for the Financial Year 2005-06. The Central Government has since granted its approval to the payment of additional remuneration to the Non-Executive Directors, subject to your approval.

The Board recommends the resolution for your approval.

All the Directors of the Company, except the Wholetime Directors, are concerned or interested in the Resolution to the extent of the remuneration received by them.

ITEM No. 8:

The Company recognises the valuable contributions made by the Non-Executive Directors, for its development and profitability and it is felt that the time spent and contribution made by them be compensated adequately.

Therefore, though the Company has inadequate profits in the Financial Year ended March 31, 2007 and no Commission can be paid to the Non Executive Directors under the provisions contained in the Companies Act, 1956, it is proposed that an application be made to the Central Government seeking specific approval for the payment of additional remuneration to the Non-Executive Directors for the financial year 2006-07.

All the Directors of the Company, except the Wholetime Directors, are concerned or interested in the Resolution to the extent of the remuneration received by them.

ITEM No. 9:

At the Annual General Meeting of the Company, held on September 22, 2004, Mrs. Radhika Roy was re-appointed as the Managing Director of the Company w.e.f. July 01, 2004, for a period of five years.

The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on July 18, 2005 had proposed, subject to the approval of shareholders, revision in the salary to be paid to Mrs. Radhika Roy, Managing Director for the remaining period of her term as the Managing Director i.e. up to June 30, 2009.

During the year 2005-06 since the profits of the Company were inadequate, the Company had applied to the Central Government for protection of the remuneration being paid to Mrs. Roy for the year 2005-06. The Central Government, vide its letter dated October 10, 2006, granted its approval for the payment of aforesaid remuneration to Mrs. Radhika Roy, subject to your approval. The remuneration payable to Mrs. Radhika Roy is within the limits laid down under Section 198, 309 read with Schedule XIII of the Companies Act, 1956.

Mrs. Radhika Roy has been a journalist for more than 27 years and a television producer for over 17 years. She is the co-promoter of New Delhi Television and has overseen the growth of the organization from a small production house in 1988 to a successful network today, that operates three 24 hour news channels.

The Board recommends the resolution for your approval.

None of the Directors of the Company, except Mrs. Radhika Roy and Dr. Prannoy Roy, is in any way concerned or interested in this resolution.

ITEM No. 10:

At the Annual General Meeting of the Company, held on September 26, 2003, Dr. Prannoy Roy was re-appointed as the Chairman & Whole Time Director of the Company w.e.f. September 08, 2003 for a period of five years. The remuneration payable to Dr. Roy was also approved by the shareholders for a period of five years from that date.

The Remuneration Committee and the Board of Directors of the Company at their respective meetings held on July 18, 2005 had proposed, subject to the approval of shareholders, revision in the salary to be paid to Dr. Roy, for the remaining period of his term as Chairman & Whole Time Director i.e. upto September 07, 2008.

During the year 2005-06 since the profits of the Company were inadequate, the Company had applied to the Central Government for protection of the remuneration being paid to Dr. Roy for the year 2005-06. The Central Government, vide its letter dated October 10, 2006, granted its approval for the payment of aforesaid remuneration to Dr. Prannoy Roy, subject to your approval. The remuneration payable to Dr. Prannoy Roy is within the limits laid down under Section 198, 309 read with Schedule XIII of the Companies Act, 1956.

Dr. Prannoy Roy is one of the leading psephologists and political analysts in India. He is the recipient of the prestigious Leverhulme fellowship for his Doctorate and a scholarship to study at the Haileybury, a leading public school in England. Dr. Roy has a Doctorate in Economics from the Delhi School of Economics, Bachelors in Economics from the Queens Mary College, London University and is a Qualified Chartered Accountant from London.

The Board recommends the resolution for your approval.

None of the Directors of the Company, except Dr. Prannoy Roy and Mrs. Radhika Roy, is in any way concerned or interested in this resolution.

ITEM No. 11:

Mr. K V L Narayan Rao was re-appointed as a Whole Time Director of the Company w.e.f. June 11, 2003, for a period of five years, at the Annual General Meeting of the Company held on September 26, 2003.

In view of the recommendations of the Remuneration Committee and the Board of Directors, the Shareholders had approved the aforesaid remuneration at their meeting held on September 19, 2005.

During the year 2005-06 since the profits of the Company were inadequate, the company had applied to the Central Government for protection of the remuneration being paid to Mr. Rao for the year 2005-06. The Central Government, vide its letter dated October 10, 2006, granted its approval for the payment of aforesaid remuneration subject to your approval. The remuneration payable to Mr. K V L Narayan Rao is within the limits laid down under Section 198, 309 read with Schedule XIII of the Companies Act, 1956.

Mr. K V L Narayan Rao, has been with New Delhi Television Limited 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. Prior to 1979, he was the sub-editor of Indian Express. In view of the valuable contributions made by Mr. Rao towards the progress of the Company he has been elevated to the position of the CEO and wholetime Director of ther Company.

The Board recommends the resolution for your approval.

None of the Directors of the Company, except Mr. K V L Narayan Rao, is in any way concerned or interested in this resolution.

ITEM No. 12:

In view of the increasing business operations, the Company's borrowing and investment limits are required to be restructured. It is proposed to authorise the Board of Directors to borrow monies in excess of aggregate of the paid-up capital and free reserves of the Company, in addition to funds already borrowed by the Company, subject to a ceiling of Rs. 600.00 crores and invest the funds for acquisition of Company(ies)/products, either in India or overseas, for global business expansion and other growth initiatives in order to maximize the shareholders returns.

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Shareholders, borrow monies in excess of the limits set out therein.

The Board recommends the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM No. 13:

The Board has decided to explore appropriate structural changes in New Delhi Television Limited to position the News and Business News segments for their next phase of growth with the objective of encouraging entrepreneurship within the company, while also continuing to attract the best external talent. The proposed structure should also allow growth opportunities through acquisitions and/or strategic tie-ups in India or abroad and benchmark the operations with global peers to enhance shareholder value.

Accordingly, the Board of Directors, subject to shareholders consent, has approved the proposal to raise funds by way of a Preferential issue / Qualified Institutional Placement / Follow on / Rights issue through a combination of Equity shares, Convertible/ Optionally Convertible Debentures, Convertible Preference Shares, Warrants, Foreign currency convertible bonds / Global Depository Receipts or any other instrument.

The mortgage and/or charge by the Company of its movable and/or immovable properties and/or the whole or any part of the undertaking(s) of the Company in favour of the agent(s)/trustees, with a power to take over the management of the business and concern of the Company in certain events of default by the Company, may be regarded as disposal of the Company's undertaking(s) within the meaning of Section 293(1)(a) of the Companies Act, 1956.

The Board recommends the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

ITEM No. 14:

The Board has decided to position News and Business News segments in their next phase of growth with the objective of encouraging entrepreneurship within the company, while also continuing to attract the best external talent. For this purpose, the Board has decided to explore appropriate structural changes in New Delhi Television Limited to enable the company to raise the required funds. It is intended that the proposed structure should also allow growth opportunities through acquisitions and/or strategic tie-ups in India or abroad and benchmark the operations with global players to enhance shareholder value.

The Board of Directors has approved the proposal to raise funds by way of a Preferential issue / Qualified Institutional Placement / Follow on / Rights issue through a combination of Equity shares, Convertible/Optionally Convertible Debentures, Convertible Preference Shares, Warrants, Foreign currency convertible bonds / Global Depository Receipts or any other instrument up to the aggregate principal amount of Rs. 400 crores in one or more tranches, which at the option of the security holders may be converted into equity shares of the Company, on such terms and conditions as may be decided and deemed appropriate by the Board of Directors.

The Board recommends the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

DETAILS OF DIRECTORS SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING

(In pursuance of Clause 49 of the Listing Agreement)

N. R. Narayana Murthy

Mr. N. R. Narayana Murthy (BE Electrical '67, Univ of Mysore, Mysore, M.Tech. '69, Indian Institute of Technology, Kanpur) is the Chairman and Chief Mentor of Infosys Technologies Limited, a global Information Technology (IT) consulting and software services provider, headquartered at Bangalore, India. He served as the CEO for twenty years before handing over the reins of the company to co-founder Nandan M. Nilekani in March 2002.

Mr. Murthy is the chairman of the governing body of the Indian Institute of Information Technology, Bangalore. He is a member of the Board of Overseers of the University of Pennsylvania's Wharton School, Cornell University Board of Trustees, Singapore Management University Board of Trustees, INSEAD's Board of Directors and the Asian Institute of Management's Board of Governors. He is also a member of the Advisory Boards and Councils of various well-known universities – such as the Stanford Graduate School of Business, the Corporate Governance initiative at the Harvard Business School, Yale University and the University of Tokyo's President's Council.

Mr. Murthy has led key corporate governance initiatives in India. He was the Chairman of the committee on Corporate Governance appointed by the Securities and Exchange Board of India (SEBI) in 2003.

Mr. Murthy serves as an independent director on the board of the DBS Bank, Singapore, the largest government-owned bank in Singapore and on the Boards of Unilever NV and Unilever Plc. He is a member of the Asia Pacific Advisory Board of British Telecommunications Plc. He serves as a member of the Prime Minister's Council on Trade and Industry, and as a member of the Board of Directors of the United Nations Foundation. He is an IT advisor to several Asian countries. He is also a member of the Board of Trustees of TiE Inc. (Global), a worldwide network of entrepreneurs and professionals dedicated to fostering entrepreneurship.

Mr. Amal Ganguli

Mr. Amal Ganguli is a Chartered Accountant from England and Wales and India. He is also a Fellow Member of British Institute of Management UK, Member of the institute of Internal auditors, Florida, USA and Members and Aluminus of IMI (Geneva).

Mr. Amal Ganguli has held senior positions with Price Waterhouse Coopers, India where he had been the Chairman and Senior Partner before his retirement in 2003.

Mr. Ganguli is a Director on the Board of other leading Business Houses, some of them are:

Hughes Communications India Limited, Flextronics Software Systems Limited, HCL Technologies Limited, AVTEC Limited, Tube Investment of India Limited, Maruti Udyog Limited, Century Textiles and Industries Limited, ICRA Limited and Videsh Sanchar Nigam Limited.

Date: June 15, 2007
Registered Office:
207, Okhla Industrial Estate
New Delhi-110020.

**By Order of the Board
For New Delhi Television Limited**

**Rajiv Mathur
Company Secretary**

NEW DELHI TELEVISION LIMITED
Registered Office : 207, Okhla Industrial Estate, Phase-III,
New Delhi-110 020

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 17, 2007 and at any adjournment thereof.
In witness whereof, I/We have set my/our hand/hands this.....day of July, 2007.

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 : 207, Okhla Industrial Estate, Phase-III,
New Delhi-110 020

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 17, 2007.

Signature of the Shareholder / Proxy

