

MARCH AGAINST MEDIOCRITY

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Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words

such as 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should

known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

02	March against Mediocrity
16	A few words from A. P. Parigi, Managing Director
20	The ENIL DNA
22	Financial Snapshot
24	Year at a Glance
26	Board of Directors
28	Corporate Information
29	Notice
31	Directors' Report
38	Report on Corporate Governance
54	Management Discussion & Analysis

C O N T E N T S

65	Auditors' Report
68	Balance Sheet
69	Profit and Loss Account
70	Cash Flow Statement
71	Schedules to Financial Statements
90	Statement Pursuant to Section 212 of the Companies Act, 1956
91	Auditors' Report on Consolidated Financial Statements
92	Consolidated Balance Sheet
93	Consolidated Profit and Loss Account
94	Consolidated Cash Flow Statement
95	Schedules to Consolidated Financial Statements



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**EVERY ORGANISATION, ONCE
IN ITS LIFETIME, NEEDS TO
CREATE MAGIC.**

As a brand, Mirchi excelled in 2008-09. Its listenership was at an all time high - 40 million people. Its lead over its nearest competitor was more than double. Its market share in revenue terms remained in excess of 40% of the private FM industry. As the economic downturn hit the advertising industry, its market share increased further! Competition was still around, but far more muted.

Mirchi has always set standards. In 2009, this paradigm shift was based on a new mantra: The March against Mediocrity.

The March against Mediocrity is a continuing process. It aims to keep raising the bar periodically. With just one objective. Creating value for its shareholders. Shareholders who have reposed their faith in the Company and brand ever since the start of its journey in the year 2000. That distinguished group of shareholders who continue to repose their faith - inspite of the meltdown.

The March against Mediocrity has just begun. Join us to see how it plays out over the years.

THE 5TH MIRCHI KAA AWARDS IS WHAT STARTED IT ALL!

The March against Mediocrity started with the Mirchi Kaan Awards - in its 5th year since launch - took upon itself the task of giving a boost to creativity and putting a halt to mediocrity in radio advertising. The jury, as one would guess, was very selective - in fact severely harsh - in evaluating the creative quotient of radio ads. This approach, in a way, re-set standards to avoid possible gaps in creativity. The jury lead managed the March against Mediocrity.

The March against Mediocrity as a concept was given shape and body by our partners McCann who have navigated our brand since the year 2000. Yes, the communication program, collaterals and supplementary inputs were outstanding. A great idea paves the path to greatness.

When we look back at the quality of radio advertising creatives, there is no doubt that there has been a tremendous improvement over the last 5 years. In no small measure, the Kaan Awards were responsible for inculcating this kind of culture. The proof shines bright and strong. Today, radio has carved out its own space in communication terms.





No more Sholay spoofs. No more TV copies. No more read-out advertising. Today, radio has become an integral part of most creative campaigns; they spell originality.

The Kaan Awards also struck the right chord. Vir Das demonstrated the unique richness of the audio medium while entertaining audiences. His show has now become an industry standard. With his irreverent style, he had the entire audience - comprising the biggest names in the advertising industry - in splits!

The March against Mediocrity was led by the jury. With the biggies of the advertising industry like Prasoon Joshi, Balki, Piyush Pandey, Mohammad Khan, "Pops" Sridhar, "Chax" KS Chakravarthy, Bobby Pawar, Ravi Deshpande, Priti Nair, "Aggy" Agnello Dias, Josy Paul, Ashish Khazanchi, Ramanuj Shastri, Suguna Swami, Sunil Thoppil, Ramesh Ramanathan, Deepa Krishnan, Senthil Kumar, Gullu Sen....and not to forget, those talent leaders who belong to the advertising fraternity and have made a mark in the wider entertainment field - like Pradeep Sarkar, Shantanu Moitra, Rajat Dholakia, Ram Sampath, Rekha Nigam and Prahlad Kakkar. You will agree, it is next to impossible to have a jury with this distinguished background.



1

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**FOR A MEDIA BRAND LIKE
MIRCHI, THE ULTIMATE
TEST OF POPULARITY IS
ITS LISTENERSHIP.**

While Mirchi has always dominated radio listenership in the country, a challenge cropped up in the 3rd quarter of 2006-07 with the advent of new competitors entering the market. The spread of radio increased from a mere 22 stations operating in 12 towns to more than 250 in about 80 towns. Mirchi's own network grew from 7 stations to 32. The challenge for Mirchi was to replicate its culture - if one were to pick a single rationale for its continued dominance, it would be its culture. The launch of the new stations was completed in February 2008. In 2009, the senior management team was preoccupied with training the teams, fine-tuning the product, setting higher goals, and raising performance levels.

A milestone in Mirchi's March against Mediocrity is the IRS 2009, R1 findings. The results clearly demonstrate, with no iota of ambiguity, that Mirchi continues to be the #1 brand in the country. It has achieved clear leadership in Delhi, Mumbai, Kolkata, Ahmedabad, Pune, Hyderabad and other big markets. With more than 40 million listeners, we are more than double the next private FM Radio player. Mirchi's competition, in a way, is Mirchi's own track record.

DURING THE YEAR, WE WON A PLETHORA OF AWARDS. A RECOGNITION OF THE STRENGTH OF THE BRAND AND THE CREATIVE TALENT OF OUR TEAMS.



In December 2008, Mirchi scaled another peak when its website was voted the most popular TV and Radio site in India. The survey was conducted by Metrix Labs and AC Nielsen. The survey had 1.5 million participants. We join the hall of fame - with sites like ndtv.com, aajtak.com and google.com among others! The success of the website reflects the overall popularity of Mirchi, the brand. Please do visit <http://www.websiteoftheyear.co.in/winners.php>

And then of course the annual IRF awards. In 2008, the Mirchi team won as many as 4 awards for various categories in the programming domain.

Mirchi was voted the No. 1 media brand, ahead of iconic brands like The Times of India and Star Plus. This unique honour was bestowed on Mirchi by the Pitch-IMRB group's survey of the top service brands of the country. This endorses the vote of trust that the brand has built amongst its listeners.