

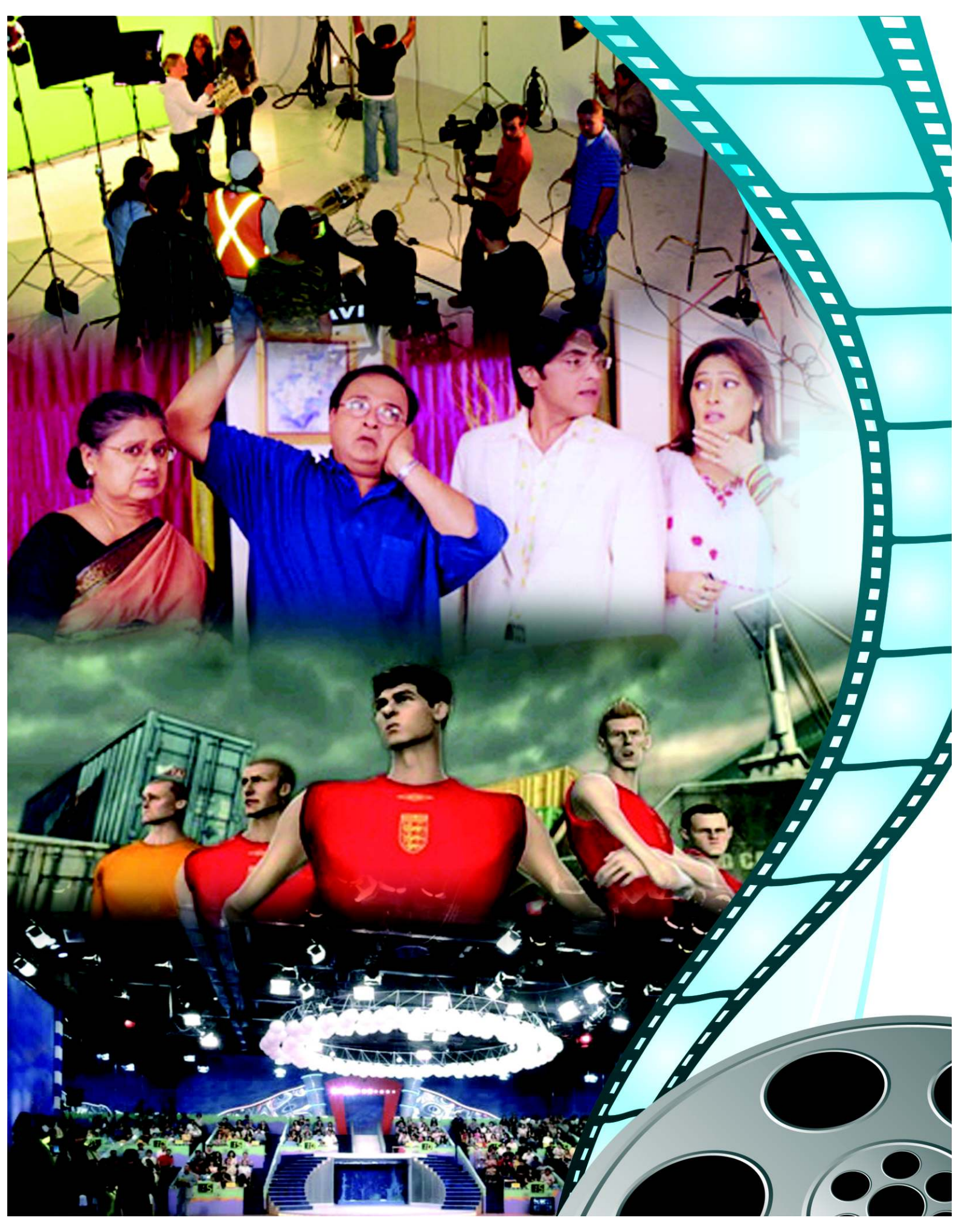


SRI ADHIKARI BROTHERS  
TELEVISION NETWORK LTD.



# ANNUAL REPORT 2007 - 2008







# SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

## 13<sup>TH</sup> ANNUAL REPORT 2007-2008

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### GENERAL INFORMATION

#### BOARD OF DIRECTORS

**Gautam Adhikari**  
Chairman

**Markand Adhikari**  
Vice Chairman &  
Managing Director

**Anand Pandit**  
Director

**Arun Khakhar**  
Director

**M. K. Aggarwal**  
Director  
(Upto 16<sup>th</sup> April 2008)

**Prasannakumar Gawde**  
Director  
(w.e.f. 27<sup>th</sup> October 2007)

#### COMPANY SECRETARY

Nehal Shah

#### AUDITORS

A. R. Sodha & Co.  
Chartered Accountants

#### INTERNAL AUDITORS

Khakhar & Co.  
Chartered Accountants

#### BANKERS

Punjab National Bank

#### REGISTERED OFFICE

6<sup>th</sup> Floor, Adhikari Chambers,  
Oberoi Complex, New Link Road,  
Andheri (West), Mumbai 400 053.

Tel.: 91-22-40230000  
Fax: 91-22-26350998

E-mail: [investorservices@adhikaribrothers.com](mailto:investorservices@adhikaribrothers.com)  
Website : [www.adhikaribrothers.com](http://www.adhikaribrothers.com)

#### REGISTRAR & SHARE TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.,  
Unit 1, Luthra Industrial Estate,  
Safed Pool, Andheri Kurla Road,  
Andheri East, Mumbai 400072.

Tel.: 91-22-2851 5644/ 2851 5606  
Fax.: 91-22-2851 2885

E-mail: [sharexindia@vsnl.com](mailto:sharexindia@vsnl.com)  
Website: [www.sharexindia.com](http://www.sharexindia.com)



## CHAIRMAN'S STATEMENT

**Dear Members,**

In keeping with the growth predictions in the Indian Entertainment and Media sector, the television sector saw the introduction of several new channels. General Entertainment channel recorded the maximum number of new programmes in 2007 followed by news channels. The television sector also saw the maximum number of alliances both from the financial as well as the strategic stand point.

Your company has closely watched the developments in the sector & has outlined a clear-cut road map. The year under mention saw "Yes Boss" one of the most popular sitcom on Indian television continue its successful run. We are pleased to inform that it will soon complete 600 episodes & a run of more than 8 years making it one of biggest running comedies on National television ever. The company is also in advanced stages of negotiation with various channels for several prestigious projects and expects positive results soon.

Apart from this, your company has also made a successful entry into Non Fiction category by creating and executing a nation wide quiz contest panning several schools in the country. The successful execution has resulted in your company bagging several more orders of similar nature and it hopes to develop the same as a separate revenue segment.

As a forward integration of the content form, your company has also created a films division to specifically cater to the growing demands of this sector. Our efforts have received initial success and we have already linked a multi film contract with a couple of prestigious media houses. We look at it as a great opportunity to diversify into a bigger canvas & in turn a bigger revenue potential.

Our International strategic alliances on the content front have also been successfully implemented. We hope to consolidate our position and replicate the model in various other countries.

The rapidly changing dynamics have also given rise to huge possibilities on the syndication front. There is a great demand for good quality content & your company is well poised to encash this opportunity with a library of more than 5000 hours of quality content in various genres at its disposal.

This has given rise to a whole lot of exciting opportunities in the content arena, which your company is in the process of analyzing. Feasibility studies are being conducted on various projects including setting up of studios, post production facilities, animation etc. and your company hopes to firmly entrench and consolidate its position this year.

As part of its overall expansion plan, your Company has already acquired studio Premises in the suburbs of Mumbai and now is in the process of converting that into an ultra modern, state of the art production and post production Studio. The Company intends to use the Studio for its internal consumption thereby reducing the cost of production and hire out idle capacity resulting in a boost in the bottom line.

With Warm Regards

**Gautam Adhikari**  
Chairman

Place : Mumbai  
Date : 31<sup>st</sup> July 2008



## D I R E C T O R S ' R E P O R T

### Dear Members,

Your Directors have pleasure in presenting the 13<sup>th</sup> Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended on 31<sup>st</sup> March 2008.

### 1. Financial Highlights

(Rupees in millions)

Particulars	For the year ended 31 <sup>st</sup> March 2008	For the year ended 31 <sup>st</sup> March 2007
Total Revenue from business	334.54	416.65
<b>Earnings before finance charges, Depreciation &amp; Tax</b>	<b>113.85</b>	163.02
Less: Finance charge	14.64	15.69
<b>Earnings before depreciation, tax &amp; amortisation (EBDTA)</b>	<b>99.21</b>	147.34
Less: Depreciation	61.02	68.15
<b>Earnings/(Loss) before Tax (EBT)</b>	<b>38.19</b>	79.19
Taxation : Current tax	4.33	8.97
: Deferred tax	19.28	19.48
: Fringe benefit tax	0.53	0.46
: Earlier years (Excess)	-	(0.32)
Extra-Ordinary Items	0.31	-
<b>Profit / (Loss) After Tax (PAT)</b>	<b>13.75</b>	50.59
Profit b/f from previous year	81.85	37.78
<b>Surplus available for Appropriation</b>	<b>95.60</b>	88.37
Less: Proposed Dividend	5.57	5.57
Less: Tax on Proposed Dividend	0.95	0.95
<b>Balance carried to Balance Sheet</b>	<b>89.08</b>	81.85

The comments of the Board of Directors on the financial performance have been provided under the title Management Discussion and Analysis as an attachment to this report.

### 2. Dividend

Your directors are pleased to recommend a dividend @ 6% (i.e. Rs. 0.60 per Share) for the financial year ended 31<sup>st</sup> March 2008 subject to the approval of Shareholders at the Annual General Meeting. The outgo on account of this dividend will absorb Rs. 6.52 millions (including dividend tax payable of Rs. 0.95 millions).

The dividend, if approved, shall be payable to the shareholders registered in the books of the Company and the beneficial owners as per details furnished by the depositories as on 25<sup>th</sup> September 2008.

### 3. Directors

In accordance with the provision of the Articles of Association of the Company Mr. Anand Pandit is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment and your Board recommends his re-appointment.

Mr. Prasannakumar Gawde was co-opted on the Board as an additional director w.e.f 27<sup>th</sup> October 2007. The Company has received notice under section 257 of the Companies Act, 1956 for his appointment as director at the ensuing Annual General Meeting.

Mr. M. K. Aggarwal has ceased to be the Director of the Company w.e.f. 17<sup>th</sup> April 2008 due to his sudden demise. He was associated with the company as an independent director since 2006. The company's management regrets the loss of such a distinguished person.



# SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

## 4. Directors' Responsibility Statement

Pursuant to the provisions contained in Section 217 (2AA) of the Companies Act 1956, the Directors of your Company confirm:

- That in the preparation of the annual accounts, the applicable accounting standards have been followed and no material departures have been made from the same.
- That they 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 as at 31<sup>st</sup> March 2008 and of the profit of the Company for the year ended on that date.
- That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- That they have prepared the annual accounts on going concern basis.

## 5. Subsidiary Company

The Company has received the necessary approval under section 212 of the Companies Act from the Ministry of Corporate Affairs vide order no. 47/380/2008-CL-III dated 30<sup>th</sup> May 2008, from attaching the annual accounts of the subsidiary company viz. Westwind Realtors Private Limited, for the financial year ended 31<sup>st</sup> March 2008 subject to the disclosure of the information in aggregate for the subsidiary. The major relevant financials of the above-referred subsidiary are as follows:

Particulars	Amount in Rupees
Capital	10,000,000
Reserves	(3,082)
Total Assets	50,244,284
Total Liabilities	40,247,367
Details of Investment	Nil
Turnover	17,533
Profit before Taxation	451
Provision for Taxation	Nil
Profit after Taxation	451
Proposed Dividend	Nil

The Annual Reports of the above-referred subsidiary will be made available to the Shareholders on request and will also be kept for inspection by any shareholder at the Registered Offices of the Company and the concerned subsidiary Company.

Registered Office of Westwind Realtors Pvt. Ltd. : 6<sup>th</sup> Floor, Adhikari Chambers,  
Oberoi Complex,  
New Link Road, Andheri (West),  
Mumbai- 400 053.

## 6. Public Deposits

The Company has not accepted /renewed any fixed deposits from the public during the year under review. However, Public deposits amounting to Rs. 1 42,000/- have remained unclaimed as on 31<sup>st</sup> March 2008 from part of the deposit holders.

## 7. Issue of Foreign Currency Convertible Bonds (FCCBs)

Pursuant to the shareholders resolution passed through Postal Ballot (results declared on 22<sup>nd</sup> December 2006) and subsequent in-principle approval from the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited and vide Offering Circular dated 5<sup>th</sup> June 2007 the Company has allotted 1.50% Foreign Currency Convertible Bonds (FCCBs) aggregating US\$9 million during the year under review. These FCCBs are listed on the Singapore Stock Exchange Securities Trading Limited (SGX-ST) since 20<sup>th</sup> June 2007.



## 8. Auditors

M/s. A. R. Sodha & Co., Chartered Accountants, Mumbai the Statutory Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting. The company has received a letter from them to the effect that their re- appointment, if made would be in conformity with the limits prescribed under Section 224 (1B) of the Companies Act, 1956. The Board recommends the re-appointment of M/s. A. R. Sodha & Co., Chartered Accountants, as the Statutory Auditors of the Company.

## 9. Particulars regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

Information in terms of requirements of clause (e) of Sub-section (1) of section 217 of the Companies Act, 1956 regarding conservation of Energy, Technology, Absorption and Foreign Exchange earnings and outgo, read along with the Companies (Disclosure of particulars in the report of Board of Directors) Rules, 1988 is as follows:

### (A) Conservation of Energy

The Company undertakes prudent practices for saving electricity and other energy resources in day-to-day activities.

### (B) Research and Development

The Company has not carried out any specific research activity and so no benefit has been derived from it.

### (C) Technology absorption, adaptation and innovation

The Company has taken prudential measures in respect of technology absorption, adaptation and has taken innovative steps to use the scarce resources effectively.

The particulars of Foreign Exchange earnings and outgo for the year under review are annexed to this report.

## 10. Particulars of Employees

The particulars of employees, as required under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules 1975, forming part of the Report of Directors, for the year under review, are annexed to this report.

## 11. Corporate Governance

Pursuant to Clause 49 of the listing agreement with the stock exchange(s), the following have been made a part of the Annual Report and are attached to this report.

- Management Discussion and Analysis
- Corporate Governance Report
- Auditors' Certificate regarding compliance of conditions of Corporate Governance
- Declaration on Compliance with Code of Conduct

## 12. Disclosure of Employees Stock Options as per the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999

Till date, the Company has not granted any options under the ESOP Scheme 2007.

## 13. Outlook

The performance of the Indian Entertainment and Media Industry has surpassed the performance of the Indian economy and most other industries in 2007. In the last four years (2004-07), the industry recorded a cumulative growth of 19 percent on an overall basis. Rising income levels and the consumerism bred from the country's strong economic growth are creating a growing demand for entertainment. This coupled with technological advancements, policy initiatives by private media companies, will prove to be the key drivers for the entertainment and media industry.

In the next five years it is estimated that there will be a significant rise in online digital streaming, digital movie/TV downloads, video-on-demand, etc. Digitisation will help reduce costs for content and delivery in the long run, and thereby, shift the emphasis to quality.

A combined report given by PricewaterhouseCoopers (PwC) and the Federation of Indian Chambers of Commerce and Industry (FICCI), has revealed that the television industry contributed the largest share of the growth, with television earnings up 18 percent in 2007 to \$5.65 billion (44% of the industry total). Television revenue, the study said, is expected to reach \$15 billion by 2012 at a CAGR of 22%. According to the said report, the Indian film industry's revenue rose 14% in 2007 to \$2.4 billion and is projected to touch \$4.4 billion by 2012, growing at a CAGR of 13%.



# SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

## 14. Exports

Your company successfully leverages the value locked in the expensed out content lying in the library by sub-licensing of the content broadcasters rights on the defined usage basis to the broadcasters and operators in India and abroad. The management expects sizeable revenues in the form of exports in the future.

## 15. Achievements

Your company has entered into a strategic alliance with an international broadcaster as part of its global expansion plans. It has also during the year under review successfully created and implemented a national level quiz show opening up exciting non-fiction possibilities. Your company has also entered into a contract with a reputed media house for production of films. It also continues to harness the demand for good quality content by leveraging its library through syndication. It is on its way to complete 600 episodes of "Yes Boss" which will make it one of the longest running sitcom on national television.

## 16. Appreciation

The Directors acknowledges with gratitude and wishes to place on record, their deep appreciation of the continued support and co-operation received by the Company from the various artists, Government authorities, shareholders, bankers, business associates, customers and financial institutions during the year. The Directors place on record their deep appreciation of the dedication and commitment of your Company's employees at all levels and look forward to their continued support in the future as well.

**For & On Behalf of the Board of Directors**

Place : Mumbai  
Date : 31<sup>st</sup> July 2008

**Gautam Adhikari**  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

### A) Foreign Exchange Earnings and Outgo:

(Rs. In Millions)

	Year ended 31.03.2008	Year ended 31.03.2007
Foreign Exchange earned	1.25	22.66
Foreign Exchange used	0.26	0.06

### B) Statement of particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31<sup>st</sup> March 2008.

Name	Age	Designation	Remuneration (in Rs. million)	Qualification	Experience (Years)	Commencement of Employment	Previous Employment
1	2	3	4	5	6	7	8
Mr. Markand Adhikari	51	Vice Chairman & Managing Director	4.2 p.a.	B.A	26	20/12/1994	N.A

Mr. Markand Adhikari and Mr. Gautam Adhikari, Chairman of the Company are brothers.

**NOTE :** The employees are also entitled to gratuity, in addition to the above remuneration.

**For & On Behalf of the Board of Directors**

Place : Mumbai  
Date : 31<sup>st</sup> July 2008

**Gautam Adhikari**  
Chairman



## MANAGEMENT DISCUSSION AND ANALYSIS

### A. Company Overview

"Consumers may disengage with television as a whole but they remain loyal to their favorite programs".

Your Company's programs such Yes Boss, which will soon complete 600 episodes, have gained tremendous viewers acceptance. Since the content is fresh and engaging, consumers enjoy watching them.

During the year under review your company has operated through its strategic business unit. The unit essentially produced commissioned programs for the broadcasters. The unit also entered into a strategic alliance with an international broadcaster. The company has also started a film division under which it has already sourced confirmed orders from a reputed media house. Apart from the above, the company also leveraged the value of its already expensed out content by sub-licensing the same on limited usage basis both on a national and international level.

As part of its overall expansion plan, your Company has already acquired Studio Premises in the suburbs of Mumbai and now is in the process of converting that into an ultra modern, state of the art production and post production Studio. The Company intend to use the Studio for its internal consumption thereby reducing the cost of production and hire out idle capacity resulting in a boost in the bottom line.

### B. Industry Overview

The Indian Entertainment and Media Industry grew 17 percent in 2007, beating growth forecast by 2 percent, to touch \$12.82 billion, up from \$10.95 billion in 2006. The industry will grow at a compounded annual growth rate (CAGR) of 18 percent to touch \$28.9 billion by 2012.

Rising income levels and consumerism bred from the country's strong economic growth are creating a growing demand for entertainment. This coupled with technological advancements, policy initiatives taken by the Indian Government that are encouraging the inflow of investment and initiative by private media companies, will prove to be the key drivers for the Entertainment and Media Industry.

### C. Opportunities & Threats

#### Opportunities

**Technological advancements:** The television industry is undergoing a transformation with digital distribution networks by introduction of DTH, CAS and IPTV in the markets. This transformation is not only expected to reduce the costs but also improve the quality of the pictures, voice, etc.

**Deregulation:** Deregulation of Industry norms such as cable operators are permitted to provide digital services is an incentive for the cable operators through whom our content reaches the viewers.

**Launch of new channels:** The Company has new opportunities to provide its content to various new channels being launched. The Company can tie up in future for provision of content on these channels.

**Globalization:** Like the Company has a tie up with an international broadcaster, the Company could access other markets also in the near future.

#### Threats

**Attrition Rate:** In order to produce quality content, one of the essential requirement is to have a good team of artists and other manpower. The competition in the market for the human resource tends to increase attrition rate.

**Change in consumer preferences:** The acceptance that a serial or a show would gain, depends on the likings and preferences of the targeted audience. This being a very subjective aspect, any content provider continuously faces such a risk.

**Technological updations:** Any Company in order to withhold its consumers needs to adapt itself with the growing changes in technology that come in the market. This may require companies to replace its equipments and existing processes at high costs. This can affect the cost of the output.

**Fragmentation risk:** With a vast plethora of channels at the viewers disposal, the content producer's ability to maintain stickiness to the programme is coming under increasing pressure. The producer has to keep a regular update on changing audience tastes.



## D. Financials

### 1. Share Capital

As on 31<sup>st</sup> March 2008, the Authorized Share Capital of the Company stood at Rs. 200 million divided into 20 million equity shares of Rs 10/- each. The paid up equity capital of the Company was Rs 92.84 million comprising of 9.28 million equity shares of Rs. 10/- each.

During the year under review, the Company has allotted 1.50% Foreign Currency Convertible Bonds (FCCBs) aggregating to US\$9 million; which are optionally convertible into Equity Shares on or before 12<sup>th</sup> June 2012. These bonds are listed on Singapore Stock Exchange Securities Trading Limited (SGX-ST).

### 2. Reserves and Surplus

The total Reserves and Surplus as at 31<sup>st</sup> March 2008 amounted to Rs. 955.42 million as against Rs. 977.95 million of the previous year. The Reserves include Capital Reserves of Rs. 28.47 million, General Reserves of Rs. 225.11 million, Securities Premium Reserves of Rs. 612.75 million & Surplus in P & L Account of Rs. 89.08 million.

### 3. Secured and Unsecured Loans

The total secured loans stood at Rs. 442.44 million as at 31<sup>st</sup> March 2008. There are no unsecured loans pending as at 31<sup>st</sup> March 2008.

### 4. Fixed Assets

Depreciation of Rs. 61.02 million was charged to the Profit and Loss Account. The net block of Fixed Assets as on 31<sup>st</sup> March 2008 was Rs. 925.27 million.

### 5. Net Current Assets

The Net Current Assets as at 31<sup>st</sup> March 2008 stood at Rs. 330.43 million.

### 6. Revenues

The Company earned total revenue of Rs. 334.54 million during the year ended 31<sup>st</sup> March 2008 as against Rs. 416.65 million for the previous year ended 31<sup>st</sup> March 2007.

### 7. Expenses

During the year under review the total expenses amounted to Rs. 296.35 million as against Rs. 337.46 million for the previous year ended 31<sup>st</sup> March 2007. Total finance costs for the year under review amounted to Rs 14.64 million as against Rs 15.69 million for the year ended 31<sup>st</sup> March 2007. Major expenses during the current financial year included production expenses of Rs. 163.94 million and administration expenses of Rs. 50.37 million.

## E. Critical accounting policies

The principles of revenue recognition are as under:

In respect of sale of program contents / rights, income is recognized when the relevant program is delivered to and accepted by the buyers and all the significant risks and rewards of telecasting rights / license of the program has been transferred to the buyer.

In respect of Interest Income, it is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Income from letting of office space is recognized on time proportion basis and in accordance with terms of the agreements.

## F. Internal Controls and Adequacy of those controls

The company has customized accounting packages, which has built in security, which prohibits deletions and overwriting once accounting entry is passed. The company has introduced checks at various levels to monitor the expenses. The company has appointed a firm of Chartered Accountants as Internal Auditors. The internal auditors periodically review the transactions and also review the efficiency of existing controls.

## G. Human Resources

Human capital is a very important asset in a media company. Over the years, the company has built up a strong human resource structure, which has enabled the company to progress rapidly. The company has a strong qualified team of professionals.



## H. Business Risks

**Change in Consumer Preference Risks:** The Content developed by the Company need not appeal the target audience always as the target audience preferences are bound to change. The level of creativity required for the audience targeted varies with the available options to the consumers.

**Artiste attrition risk:** The reason for which the Company's content is preferred by the audience includes artiste attraction also. These artists are an important part for the content produced by the Company. The attrition of these artists could affect the consumer preferences.

**Revenue Risks:** The Company earns revenue by selling commissioned programs or telecast rights to various broadcasters and satellite networks.

The sustainability of the programs are mainly dependent on the concept, content and the technical expertise. Apart from this, Television Rating Points (TRP) is one of the key indicators, which decides the popularity of the program as well as sustainability of the program.

**Technological risks:** Advancement of the technology for creation of the content is necessary with the new technologies being adopted by the competitors.

**Regulatory issues:** The business may have a positive or a negative impact on the revenues in future due to changes in the regulatory framework and tax laws as compared to the current scenario.

Management continuously monitors and makes efforts to arrest, decline or adverse output on any of these factors.

## I. Outlook

In the next five years it is estimated that there will be a significant rise in online digital streaming, digital movie/TV downloads, video-on-demand, etc. Digitisation will help reduce costs for content and delivery in the long run, and thereby, shift the emphasis to quality.

A combined report given by PricewaterhouseCoopers (PwC) and the Federation of Indian Chambers of Commerce and Industry (FICCI), has revealed that the television industry contributed the largest share of the growth, with television earnings up 18 percent in 2007 to \$5.65 billion (44% of the industry total). Television revenue, the study said is expected to reach \$15 billion by 2012 at a CAGR of 22%.

According to the said report, the Indian Film Industry's revenue rose 14% in 2007 to \$2.4 billion and is projected to touch \$4.4 billion by 2012, growing at a CAGR of 13%.

The outlook for the television sector is very positive and robust. The gargantuan size of the segment, steep growth pattern and rapidly changing dynamics all second the opinion. With a burgeoning population & increasingly high disposable income at hand, increased advertising patterns, evolving content genres offering new opportunities, outsourcing of extensive content by broadcasting industry and the imminent broadband revolution, all augurs well for the industry.

India is also fast emerging as the outsourcing destination for content and post production processes on a global basis.

## J. Exports

Your company successfully leverages the value locked in the expensed out content lying in the library by sub-licensing of the content broadcasters rights on the defined usage basis to the broadcasters and operators in India and abroad. The management expects sizeable revenues in the form of exports in the future.

## K. Cautionary Statement

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations may be "forward-looking statement" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand/ supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the government regulations, tax laws and other statutes and other incidental factors.

**For & On Behalf of the Board of Directors**

Place : Mumbai  
Date : 31<sup>st</sup> July 2008

**Gautam Adhikari**  
Chairman



## REPORT ON CORPORATE GOVERNANCE

### 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Good Corporate Governance implies transparency in business, openness, fairness in ownership and proven competence of directors who take decisions on the basis of proper and timely information. Your Company is committed to benchmarking itself with the best in all areas including Corporate Governance in order to achieve its goal of maximization of wealth of all our stakeholders. It considers various stakeholders like consumers, suppliers, employees, lenders and the society as a part of the same cosmic system, who's healthiness is essential for the very existence and longevity of the Company. It believes in establishing relationship with all its stakeholders and community with a view to achieve sustainable development.

A report on the implementation of the Code of Corporate Governance as per clause 49 of the Listing Agreement is given below:

### 2. BOARD OF DIRECTORS

#### a) Composition of the Board and other Directorships of the Board members

The Board consists of an optimum combination of executive and non-executive Directors, who have an in depth knowledge of the business, in addition to expertise in their areas of specialization.

The Chairman of the Board, Mr. Gautam Adhikari is a Non- Executive Director, and the composition of the Board of Directors of the Company as on 31<sup>st</sup> March 2008 is as follows:

Name of the Director	Category of the Director	No. of other directorships held	No. of committee positions held in other Companies	
			Chairman	Member
Mr. Gautam Adhikari	Chairman and Non-Executive Director	10	1	-
Mr. Markand Adhikari	Vice Chairman and Managing Director	11	-	1
Mr. Anand Pandit	Non-Executive and Independent Director	13	1	4
Mr. Arun Khakhar	Non-Executive and Independent Director	1	-	-
Mr. Prasannakumar Gawde <sup>1</sup>	Non-Executive and Independent Director	4	-	-
Mr. M. K. Aggarwal <sup>2</sup>	Non-Executive and Independent Director	N. A.	N. A.	N. A.

<sup>1</sup> appointed as an additional director w.e.f. 27<sup>th</sup> October 2007.

<sup>2</sup> ceased to be Director w.e.f. 17<sup>th</sup> April 2008.

Except the Vice Chairman & Managing Director, all the other directors are liable to retire by rotation.

#### b) Attendance at the Board Meetings and Annual General Meetings

During the year under review, the Board of Directors met eleven times viz. 11<sup>th</sup> April 2007, 1<sup>st</sup> June 2007, 5<sup>th</sup> June 2007, 14<sup>th</sup> June 2007, 19<sup>th</sup> June 2007, 30<sup>th</sup> June 2007, 31<sup>st</sup> July 2007, 29<sup>th</sup> August 2007, 9<sup>th</sup> October 2007, 27<sup>th</sup> October 2007 and 31<sup>st</sup> January 2008.



The attendance of the directors at the board meetings held during 2007-08 and at the Annual General Meeting held on 27<sup>th</sup> September 2007 is as follows:

Name of the Director	No. of Board meetings attended	Attendance at Last AGM
Mr. Gautam Adhikari	11	Yes
Mr. Markand Adhikari	11	Yes
Mr. Anand Pandit	9	No
Mr. Arun Khakhar	11	Yes
Mr. Prasannakumar Gawde <sup>1</sup>	1	N.A.
Mr. M. K. Aggarwal <sup>2</sup>	4	Yes

<sup>1</sup> appointed as an additional director w.e.f. 27<sup>th</sup> October 2007.

<sup>2</sup> ceased to be Director w.e.f. 17<sup>th</sup> April 2008.

### c) Information placed before the Board Members

Matters discussed at Board meetings generally relate to Company's business, quarterly/annual results, review of the reports of the Audit Committee, taking note of the minutes of the various committee meetings and compliance with their recommendation(s), suggestion(s), non compliance of any regulation, statutory or listing requirements, if any etc.

### d) Code of Conduct

The Company has laid down a code of conduct for the Directors, Senior Management and employees of the Company. The code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Management personnel have adhered to the same, signed by the Vice-Chairman and Managing Director of the Company, along with the Auditors Certificate on compliance of Clause 49 of the Listing Agreement by the Company is annexed to this report.

### e) Relationship between directors

None of the directors except Mr. Gautam Adhikari and his brother, Mr. Markand Adhikari are related to each other.

## 3. AUDIT COMMITTEE

During the year 2007-08, the Committee comprised solely of independent and non-executive directors having financial background and knowledge in the business of the Company.

The Audit Committee met four times viz 30<sup>th</sup> June 2007, 31<sup>st</sup> July 2007, 27<sup>th</sup> October 2007 and 31<sup>st</sup> January 2008 during the year under review and the number of meetings attended by each member during the year ended 31<sup>st</sup> March 2008 are as follows:

Name of the Director	Member/Chairman	No. of meeting attended
Mr. Arun Khakhar	Chairman	4
Mr. Anand Pandit <sup>1</sup>	Member	3
Mr. M. K. Aggarwal <sup>2</sup>	Member	3
Mr. Prasannakumar Gawde <sup>3</sup>	Member	1

<sup>1</sup> Ceased to be a member w.e.f. 31<sup>st</sup> March 2008

<sup>2</sup> Ceased to be a member w.e.f. 17<sup>th</sup> April 2008

<sup>3</sup> Appointed as a member w.e.f. 1<sup>st</sup> November 2007

Mr. Gautam Adhikari has been appointed as a member of the committee w.e.f. 1<sup>st</sup> June 2008.

Statutory Auditors and the Internal Auditors are invitees to the Audit Committee meetings.



# SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

Ms. Swati Nerurkar, was the Secretary of the Committee upto 21<sup>st</sup> January 2008 and w.e.f 15<sup>th</sup> February 2008, Ms. Nehal Shah, Company Secretary and the Compliance Officer of the Company acts as the Secretary to the Committee.

The terms of reference of the Committee are wide. Besides having access to all the required information from within the Company, the Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. The brief description of terms of reference is as follows:

- Monitoring the quality of internal audit and reviewing the audit and risk management function of the Company.
- Overseeing the financial reporting process to ensure its proper disclosure.
- Recommending the appointment/re-appointment and fixation of remuneration of the auditors.
- Reviewing the financial statements before submission to the Board.
- Reviewing the adequacy of internal control systems.
- Reviewing the findings of the internal investigations and discussing the scope of audit with external auditors.

#### 4. REMUNERATION COMMITTEE

As on 31<sup>st</sup> March 2008, the Committee comprised solely of Non-Executive and Independent Directors.

The composition of the Remuneration Committee is as follows

Name	Designation
Mr. Anand Pandit	Chairman
Mr. Arun Khakhar	Member
Mr. M. K. Aggarwal <sup>1</sup>	Member
Mr. Prasannakumar Gawde <sup>2</sup>	Member

<sup>1</sup> Ceased to be a member w.e.f. 17<sup>th</sup> April 2008

<sup>2</sup> Appointed as a member w.e.f. 1<sup>st</sup> November 2007

No meeting of the Remuneration Committee was held during the year under review.

The broad terms of reference of the Remuneration Committee are to recommend the Company's policy on remuneration packages for the Managing Director / Executive Director.

Only sitting fees are payable to the Independent Directors. Mr. Anand Pandit and Mr. Arun Khakhar, Directors had waived off sitting fees for the year 2007-08. Mr. Prasannakumar Gawde, Director was paid sitting fees of Rs. 20,000/- during the year for the meeting attended by him.

#### Details of Remuneration (the term does not include sitting fees) paid to Directors during the year-ended 31.03.2008

(Amount in Rupees Million)

Name	Category	Salary	Perquisites or Allowances	Stock Option
Mr. Gautam Adhikari	Chairman & Non Executive Director	Nil	Nil	Nil
Mr. Markand Adhikari	Vice Chairman & Managing Director	4.2 p.a.	Nil	Nil
Mr. Anand Pandit	Non Executive & Independent Director	Nil	Nil	Nil
Mr. Arun Khakhar	Non Executive & Independent Director	Nil	Nil	Nil
Mr. M.K. Aggarwal	Non Executive & Independent Director	Nil	Nil	Nil
Mr. Prasannakumar Gawde	Non Executive & Independent Director	Nil	Nil	Nil



## No. of equity shares held by directors as on 31<sup>st</sup> March 2008

Name	Category	No. of Shares held
Mr. Gautam Adhikari	Chairman & Non Executive Director	2,068,029
Mr. Markand Adhikari	Vice Chairman & Managing Director	2,068,028
Mr. Anand Pandit	Non Executive & Independent Director	1,600
Mr. Arun Khakhar	Non Executive & Independent Director	100
Mr. M. K. Aggarwal	Non Executive & Independent Director	Nil
Mr. Prasannakumar Gawde	Non Executive & Independent Director	Nil

## 5. INVESTORS' GRIEVANCE COMMITTEE

During the financial year 2007-08, the Committee comprised solely of Non Executive & Independent Directors.

The Committee meets as and when required, to deal with the matters relating to monitoring and redressal of complaints from shareholders relating to transfer, non receipt of Annual Report, dividend declared etc.

The Committee held 2 meetings during the year under review on 30<sup>th</sup> June 2007 and 31<sup>st</sup> January 2008.

Attendance at the meetings of the Committee is as follows.

Name of the Director	Member/Chairman	No. of meetings attended
Mr. Arun Khakhar	Chairman	2
Mr. Anand Pandit	Member	1
Mr. M. K. Aggarwal <sup>1</sup>	Member	1
Mr. Prasannakumar Gawde <sup>2</sup>	Member	1

<sup>1</sup> Ceased to be a member w.e.f. 17<sup>th</sup> April 2008

<sup>2</sup> Appointed as a member w.e.f. 1<sup>st</sup> November 2007

Status of Investors' complaints

The Company has received 1 correspondence letter/ complaint relating to non receipt of the physical Share Certificate from the investor during the year ended 31.03.2008 and it was replied satisfactorily.

## 6. SHARE TRANSFER COMMITTEE

The Committee comprised of Mr. Gautam Adhikari and Mr. Markand Adhikari.

The Share Transfer Committee is empowered to consider and approve the physical transfer, transmission, transposition, issue of duplicate certificates, consolidation / split renewal of share certificates etc.

The Share Transfer Committee Meetings were held seven times during the year ended on 31<sup>st</sup> March 2008. The meetings were held on 21<sup>st</sup> August 2007, 10<sup>th</sup> September 2007, 10<sup>th</sup> October 2007, 1<sup>st</sup> November 2007, 15<sup>th</sup> January 2008, 11<sup>th</sup> February 2008 and 28<sup>th</sup> February 2008.

Name of the member	Designation	No of Meetings attended
Mr. Gautam Adhikari	Chairman	7
Mr. Markand Adhikari	Member	7

Ms. Swati Nerurkar, was the Compliance Officer upto 21<sup>st</sup> January 2008 and Ms. Nehal Shah, was appointed by the Board as the Compliance Officer of the Company w.e.f 15<sup>th</sup> February 2008.



# SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

## 7. SUBSIDIARY COMPANIES

The Company has a subsidiary Company viz. Westwind Realtors Private Limited; however it does not fall under the norms prescribed in Clause 49 of the Listing Agreement for "Material non-listed Indian Subsidiary".

## 8. GENERAL BODY MEETINGS

a) Date, time and location where last three Annual General Meetings were held are given below :

Financial Year	AGM	Date of AGM	Time	Location of the meeting
31st March 2007	12th AGM	27.09.2007	10.30 a.m	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049
31st March 2006	11th AGM	28.09.2006	11.00 a.m.	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049
31st March 2005 (18 Months)	10th AGM	30.06.2005	11.00 a.m.	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049

In the last three AGMs, following special resolutions were passed:

AGM held on	Special Resolutions passed
27th September 2007	<ol style="list-style-type: none"> <li>To alter Capital Clause in Articles of Association of the Company pursuant to consolidation of the nominal value of Equity shares from Rs. 2 per share to Rs. 10/- per share.</li> <li>To grant stock options to Independent Directors, Chief Executive officers, Presidents and other key management personnel and other employees under the "EMPLOYEE STOCK OPTION SCHEME-2007".</li> </ol>
28th September 2006	<ol style="list-style-type: none"> <li>To raise funds by issue / offer and allotment of the securities including Equity Shares / GDRs / ADRs / FCCBs / Warrants / Bonds or any other financial instruments.</li> <li>To alter Capital Clause in Articles of Association of the Company to increase the Authorised Capital of the Company from Rs. 15 Crores to Rs. 20 Crores.</li> </ol>
30th June 2005	No Special resolution was passed.

EGM held on	Special Resolutions passed
7th December 2005	<ol style="list-style-type: none"> <li>Sub-division of nominal value of Equity Shares of the Company from Rs. 10/- to Rs. 2/- per share</li> <li>Re-appointment of the Mr. Markand Adhikari as Vice Chairman &amp; Managing Director and fixing of his remuneration.</li> <li>Payment of sitting fees to Non-Executive Directors.</li> </ol>
19th August 2005	<ol style="list-style-type: none"> <li>To raise funds by issue / offer and allotment of the securities including Equity Shares / GDRs / ADRs / FCCBs / Warrants / Bonds or any other financial instruments.</li> <li>To issue of warrants, convertible into Equity Shares, on preferential basis to promoters.</li> </ol>



**b) Resolution passed through Postal Ballot**

During 2007-08, no resolution was passed by means of Postal Ballot and at present the Company does not have any proposal for postal ballot.

**9. PROFILE OF DIRECTORS RETIRING BY ROTATION AND BEING APPOINTED AT ENSUING AGM**

**Mr. Anand Pandit**

Mr. Anand Pandit, a Non-Executive Independent Director on the Board of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Mr. Anand K. Pandit, aged 42 years, is a B.E. Electronics and Communication Engineer from L.D. Engineering College, Ahmedabad. He was honored with Diamond Ratna Award in 2002 for his outstanding contribution towards Diamond Business and Dhirubhai Ambani Memorial Award in the year 2003 for contribution to Gujarati Community.

Besides the Company he is a director in eleven other companies viz. Westwind Realtors Pvt. Ltd., Lotus Motion Pictures Ltd., Sri Lotus Real Estate Creators India Pvt. Ltd., Centrum Direct Ltd., Sri Lotus Value Realty Pvt. Ltd., Rockstar Real Estate Pvt. Ltd., Kamal Value Realty (India) Pvt. Ltd., Bank of Maharashtra, Credence Realty Pvt. Ltd., Urmila Value Realty (India) Pvt. Ltd., Lotus Corporation Pvt. Ltd.

He holds 1,700 Equity Shares of the Company.

**Mr. Prasannakumar Gawde**

Mr. Prasannakumar was appointed as an additional director pursuant to section 260 of the Companies Act, 1956 on 27<sup>th</sup> October 2007. The Company has received notice under section 257 for his appointment.

Mr. Prasannakumar Gawde is a practising Chartered Accountant having more than 15 years of experience in the field of Audit, Taxation, Finance and Capital Market.

Besides the Company he is a Director in four other companies viz. Vipul Dyechem Ltd., Akshay Advisory Services Pvt. Ltd., Quest Security Services Pvt. Ltd. and Prism Security Services Pvt. Ltd.

He does not hold any shares of the Company.

**10. DISCLOSURES**

**a) Related Party Transactions**

Transactions, with related parties are disclosed in Note No. 4 of Schedule 16 to the Financial Statements in the Annual Report. However, these transactions are not likely to have any conflicts with the Company's interest. The Audit Committee has reviewed these transactions.

**b) Disclosure of Accounting Treatment**

In the preparation of the financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India to the extent applicable.

**c) Disclosure of Risk Management**

The Company has adequate risk assessment and minimization procedure.

**d) Compliance by the Company**

The Company has complied with the requirements of the Stock Exchanges, SEBI and other Statutory Authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities.

**e) Whistle Blower Policy**

Though there is no formal Whistle Blower policy, the Company takes cognizance of complaints made and suggestions given by the employees. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken.



## f) CEO/CFO certification

In terms of the requirements of Clause 49(V) of the Listing Agreement, the Managing Director and AVP-Finance have submitted necessary certificate to the Board at its meeting held on 30<sup>th</sup> June 2008 stating the particulars specified under the said clause.

## Details of Compliance with the Mandatory and Non-Mandatory requirements of Clause 49 of the Listing Agreement

### Mandatory requirements

The Company has complied with all the mandatory requirements of Corporate Governance as stipulated by clause 49 of the Listing Agreement.

### Non-Mandatory requirements

- **The Board**

The Chairman of the Board is Mr. Gautam Adhikari, Non Executive Director of the Company and the Board consists of two independent directors. None of the Independent directors except Mr. Arun Khakhar has a tenure of more than nine years on the Board of the Company. The independent directors have requisite qualification, which in the opinion of the Company would enable them to contribute effectively to the Company.

- **The Remuneration Committee**

As mentioned elsewhere in the Annual Report, the Company has a duly constituted Remuneration Committee in terms of clause 49 of the Listing Agreement and the Committee performs its functions as required by the said Listing Agreement.

- **Shareholders Rights**

The quarterly, half-yearly and annual financial results are published in The Financial Express/ Free Press Journal and Dainik Sagar /Navshakti. Also the results are available on Company's website [www.adhikaribrothers.com](http://www.adhikaribrothers.com), NSE's website [www.nseindia.com](http://www.nseindia.com) and BSE's website [www.bseindia.com](http://www.bseindia.com)

A half-yearly declaration of financial performance including summary of significant events is presently not being sent to each household of shareholders.

- **Audit qualifications**

As per Auditors Report for the financial year ended 31<sup>st</sup> March 2008, there are no qualifications pertaining to Company's financial statements.

- **Training of Board members**

Currently, the Company does not have any training programme for its Board Members.

- **Mechanism for evaluating Non-Executive Board members**

Currently, the Company does not have any such mechanism as contemplated for evaluating the performance of the Non-Executive Board Members.

- **Whistle Blower Policy**

Though there is no formal Whistle-blower policy, the Company takes cognizance of complaints made and suggestions given by the employees. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken.

- **Details of presentations made to institutional investors or analysts**

The company has not made any presentations to institutional investors or to the analysts during the year under review.



## 11. MEANS OF COMMUNICATION

### Publication of Quarterly Results

The quarterly, half-yearly and annual financial results are published in The Financial Express/ Free Press Journal and Dainik Sagar /Navshakti. Also the results are available on Company's website [www.adhikaribrothers.com](http://www.adhikaribrothers.com), NSE's website [www.nseindia.com](http://www.nseindia.com), BSE's website [www.bseindia.com](http://www.bseindia.com)

Further, in compliance with the requirements of the Listing Agreement, the Company has also posted the Shareholding pattern and other required data on the website of SEBI's Electronic Data Information and Retrieval (EDIFAR) system maintained by National Informatics Centre.

### Management Discussion and Analysis Report

The Management Discussion and Analysis is given separately in this Annual Report.

## 12. GENERAL INFORMATION FOR SHAREHOLDERS

<b>a) Date, Time and Venue of Annual General Meeting</b>	<b>Date</b> : 30 <sup>th</sup> September 2008 <b>Day</b> : Tuesday <b>Time</b> : 10.00 a.m. <b>Venue</b> : Anand Hall, Gandhigram Road, Harekrishna Temple, Juhu, Mumbai – 400 049.
<b>b) Financial Calendar (2008-09)</b>	i) First Quarter Results - Upto the end of July, 2008 ii) Second Quarter Results - Upto the end of October, 2008 iii) Third Quarter Results - Upto the end of January, 2009 iv) Fourth Quarter Results - Upto the end of April, 2009
<b>c) Date of Book Closure</b>	Thursday, 25 <sup>th</sup> September 2008 to Tuesday, 30 <sup>th</sup> September 2008 (both days inclusive)
<b>d) Dividend payment date</b>	On or after 30 <sup>th</sup> September 2008
<b>e) Listing on Stock Exchanges</b>	The Equity Shares of the company are listed on: 1. National Stock Exchange of India Ltd. 2. Bombay Stock Exchange Ltd. The Company has paid the listing fees for the year 2008–2009.
<b>f) Stock Code Symbol</b>	NSE : SABTN, BSE : 530943
<b>g) Demat ISIN Number For CDSL and NSDL</b>	INE416A01036



# SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

## h) Market Price Data

The monthly high and low quotations of shares traded on the National Stock Exchange of India Ltd. and the Bombay Stock Exchange Ltd. at the end of each month in last financial year are as follows

Month	National Stock Exchange of India Ltd		Bombay Stock Exchange Limited	
	Price (Rs.)*		Price (Rs.)**	
	High	Low	High	Low
April'07	88.25	74.00	88.00	74.00
May'07	107.25	83.50	107.00	83.50
June'07	102.50	84.25	102.00	85.00
July'07	125.00	80.00	115.00	86.00
Aug'07	109.00	81.25	109.50	87.00
Sep'07	135.00	96.25	135.00	94.75
Oct'07	134.75	88.00	129.75	93.50
Nov'07	129.80	85.00	134.80	84.50
Dec'07	113.10	85.00	113.45	87.00
Jan'08	116.00	58.15	115.20	59.40
Feb'08	82.00	59.05	82.50	58.25
March'08	63.90	33.10	63.90	33.55

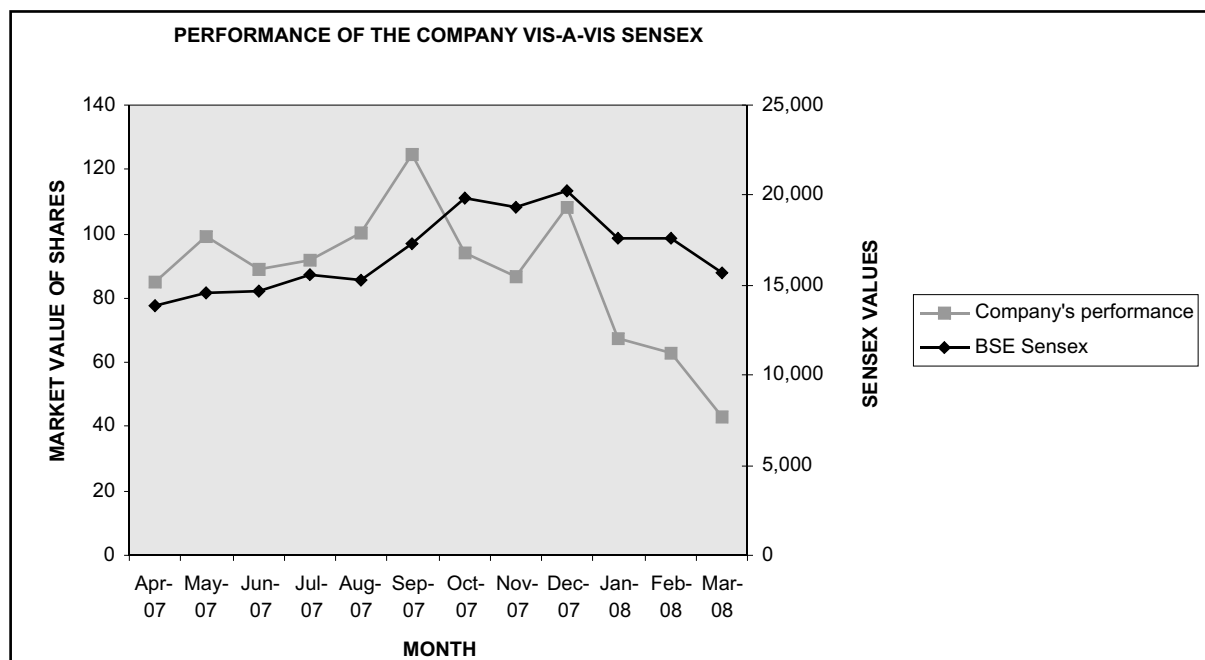
Note: share price adjusted to reflect consolidation of shares during the year.

\*Source: [www.nseindia.com](http://www.nseindia.com)

\*\*Source: [www.bseindia.com](http://www.bseindia.com)

## i) Performance in comparison to SENSEX

The performance of the Company's Equity Shares relative to the BSE Sensitive Index (BSE Sensex) is given in the chart below.



Note: 1) Indicates Monthly closing positions.

2) Share Price adjusted to reflect consolidation of shares during the year.



## j) Registrar and Share Transfer Agents

Sharex Dynamic (India) Pvt. Ltd.  
Unit 1, Luthra Industrial Estate, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai 400072.  
Tel.: 91-22-2851 5644/ 2851 5606 Fax.: 91-22-2851 2885  
E-mail: sharexindia@vsnl.com Website: www.sharexindia.com

## k) Share Transfer System

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agents within 30 days of the lodgment, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

## l) Category wise distribution of equity shareholding as at 31<sup>st</sup> March 2008

Category	Number of shares held	Percentage of Shareholding (%)
Promoter and Promoter Group	4,141,857	44.62
Mutual Funds/ UTI	420,348	4.53
Financial Institutions/ Banks	304	0.00
Venture Capital Funds	80	0.00
Insurance Companies	206,950	2.23
Foreign Institutional Investors	1,100	0.01
Bodies Corporate	1,010,694	10.89
Individuals	3,444,077	37.09
Clearing Member	31,780	0.34
NRIs	26,310	0.28
<b>GRAND TOTAL</b>	<b>9,283,500</b>	<b>100.00</b>

## m) Distribution of shareholding as on 31<sup>st</sup> March 2008

Number of Equity shares held	Number of shareholders	% of total number of shareholders	Number of Shares	% of Total Number of Shares
1 TO 5000	15,658	92.32	17,179,220	18.51
5001 TO 10000	698	4.12	5,587,920	6.02
10001 TO 20000	326	1.92	5,037,500	5.43
20001 TO 30000	113	0.67	2,839,150	3.06
30001 TO 40000	47	0.28	1,694,550	1.83
40001 TO 50000	34	0.20	1,588,400	1.71
50001 TO 100000	49	0.29	3,609,340	3.89
100001 TO ABOVE	35	0.21	55,298,920	59.57
<b>Total</b>	<b>16,960</b>	<b>100.00</b>	<b>92,835,000</b>	<b>100.00</b>

## n) Dematerialization of Shares and Liquidity

About 99.29% of the shares have been dematerialized as on 31<sup>st</sup> March 2008. The Equity shares of the Company are traded on, Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.



# SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

**o) Outstanding ADRs, GDRs, warrants or any convertible instruments, conversion date and impact on Equity**

As on 31<sup>st</sup> March 2008, 1.50% Foreign Currency Convertible Bonds (FCCBs) were outstanding, aggregating to US\$ 9 million. All of which are optionally convertible into the Equity Shares of the Company on or before 12<sup>th</sup> June 2012. After the reset of conversion price of these bonds in June 2008, approximately 3,881,512 equity Shares are likely to arise on their conversion.

**p) Address for Investor Correspondence**

For any assistance regarding dematerialization of shares, share transfers, transmissions, change of address, non-receipt of dividend or any other query relating to shares, please write to:

Sharex Dynamic (India) Pvt. Ltd.,  
Unit 1, Luthra Industrial Estate,  
Safed Pool, Andheri Kurla Road,  
Andheri (East), Mumbai 400072  
Tel.: 91-22-2851 5644/ 2851 5606  
Fax.: 91-22-2851 2885  
E-mail: sharexindia@vsnl.com

**For general correspondence:**

Ms. Nehal Shah  
Company Secretary  
Adhikari Chambers,  
Oberoi Complex, New Link Road,  
Andheri (West), Mumbai 400 053  
Email: investorservices@adhikaribrothers.com

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of  
**SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED**

We have examined the records concerning Compliance of the conditions of Corporate Governance by **SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED** for the year ended 31<sup>st</sup> March, 2008 as stipulated in clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management; our Examination was limited to the 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 the opinion on the financial statements of the Company.

On the basis of relevant records and documents maintained and furnished to us & the information and explanations given to us by the Company's management, to the best of our knowledge and belief, we certify that the Company has complied with the conditions of corporate governance, as stipulated in Clause 49 of the said Listing Agreement.

On the basis of records maintained by the Registrar and Share Transfer Agent of the Company that were furnished before us and the minutes of meetings of the Investors' Grievance Committee of the Company, we state that, there were no investor grievances remaining unattended/ pending against the Company for a period exceeding one month.

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

**For A. R. Sodha & Co.**  
Chartered Accountants

**Dipesh R. Sangoi**  
Partner  
M.No. 124295  
Place : Mumbai  
Date : 31<sup>st</sup> July 2008



## AUDITORS' REPORT

To,

### **The Members**

**Sri Adhikari Brothers Television Network Ltd.**

We have audited the attached Balance Sheet of **Sri Adhikari Brothers Television Network Ltd.** as at 31<sup>st</sup> March 2008, and also the Profit and Loss Account, Cash Flow Statement for the year ended on that date annexed thereto. 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.

We conducted our audit in accordance with auditing standards generally accepted in India. These 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 as amended issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the Paragraph 4 and 5 of the said order.

Further to our comments in the Annexure referred to 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 purpose of our audit;
- b) In our opinion, proper books of accounts 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 is in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report is in compliance with the Accounting Standard referred to in Section 211 (3C) of the Companies Act, 1956;
- e) On the basis of written representations received from the Directors, as on 31<sup>st</sup> March 2008, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2008 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and gives true and fair view in conformity with the accounting principles generally accepted in India
  - (i) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2008;
  - (ii) In the case of Profit and Loss Account, of the profit for the year ended on that date; and
  - (iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For A. R. SODHA & Co.**

Chartered Accountants

**Dipesh R. Sangoi**

Partner

M. No. 124295

Place: Mumbai

Date: 30<sup>th</sup> June 2008



## ANNEXURE TO AUDITORS' REPORT

### Referred to in Paragraph 3 of Our Report of even date,

On the basis of such checks as we considered appropriate and in terms of information and explanations given to us, we state that:

1.
  - a. The Company has generally maintained proper records of fixed assets showing full particulars, including quantitative details and situation of fixed assets.
  - b. We have been informed that, the tangible fixed assets has been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.
  - c. During the year the company has not disposed off substantial part of its fixed asset.
2.
  - a. Physical verification of inventory has been conducted at reasonable intervals by the management.
  - b. The procedures as informed & explained to us, of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. The Company is generally maintaining proper records of inventory shown in the balance sheet and no discrepancy noticed on physical verification between the physical stocks and the book records.
3.
  - a. According to the information and explanation given to us and on the basis of records furnished before us, company has not granted any unsecured loans to parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) (b), (c), & (d) of Companies (Auditor's Report) Order, 2003 are not applicable.
  - b. According to the information and explanation given to us and on the basis of records furnished before us, company has taken interest free unsecured loan amounting to Rs.41 millions from one party covered in the register maintained under section 301 of the Companies Act, 1956. The year end balance of this account is Nil.
  - c. According to information & explanation given to us, we are of the opinion that the terms of the said loan are not prima facie prejudicial to the interest of the company.
  - d. The aforesaid loan is repayable on demand and has been paid as and when demanded.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for sale of goods and services.
5. According to the information & explanation given to us, in our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business. On the basis of our examination of books and records of the company, neither we have come across nor have we been informed of any continuing failure to correct major weakness in the internal control.
6.
  - a. In our opinion and according to the information and explanation given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act, 1956, have been so entered in the said register.
  - b. In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of Section 301 of the Companies Act, 1956, according to information and explanation given to us, the transactions made in pursuance of such contracts or arrangements have been made at prices which are *prima-facie* reasonable having regard to prevailing market prices at the relevant time.
7. As the Company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956, and the rules framed there under are not applicable. The Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal has not passed any order.
8. On broadly reviewing the internal audit reports furnished to us & information & explanation given to us by the management, we are of the opinion that the Internal Audit is commensurate with the size of the company and the nature of the business.



9. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956, in respect of the products dealt with by the company.
10. a. The company is generally regular in depositing statutory dues including Custom Duty, Income tax, Provident Fund, Employee State Insurance, Professional tax, cess and other statutory dues except delay in payment of Service tax and delay in few case for depositing Tax deducted at Source.
- b. According to information and explanation given to us and records examined by us no undisputed statutory dues including Custom Duty, Service Tax, Income tax, Provident Fund, Employee State Insurance, Professional tax, cess is outstanding as at 31<sup>st</sup> March for more than six months from the date they become payable.
- c. According to the information and explanation given to us, following dues are not deposited on account of disputes

Statute & Nature of Dues	Amount not Deposited (Rs. In Millions)	Forum where dispute is pending	Period
Penalty Under Income Tax Act	4.88	CIT (A)	A.Y. 2000-01

11. The Company has no accumulated losses & has not incurred cash losses in the financial under audit & in the immediately preceding financial year.
12. In Our opinion and according to information and explanation given to us and records furnished to us for verification, the company has delayed payment of bank interest and principle to bank aggregating to Rs. 24.03 Million by 5 to 30 days, Rs. 21.92 Million by 31 to 60 days and Rs. 3.07 Million by 61 to 90 days.
13. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
14. In our opinion, the company is not chit fund, nidhi, mutual fund, and societies accordingly clause 4(xiii) of Companies (Auditor's Report) Order, 2003 is not applicable.
15. The Company is not dealing or trading in Shares and Securities.
16. According to the information and explanation given to and records of the Company examined by us, the company has not given guarantee for loans taken by others from banks.
17. The term loan has been applied for the purpose for which it was taken.
18. According to the information and explanations given and overall examination of records furnished to us, loans raised on short-term basis have not, prima facie, been used for long-term purpose.
19. During the year, the company has not made preferential allotment of shares to Parties covered in the Register maintained under Sec 301 of the Companies Act, 1956.
20. During the year, the Company has not issued any debentures.
21. The Company has not raised any money by public issue during the year under audit.
22. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company noticed or reported during the period nor we have been informed of such instances by the management.

**For A. R. SODHA & Co.**  
Chartered Accountant

**Dipesh R. Sangoi**  
Partner  
M No. 124295

Place: Mumbai  
Date: 30<sup>th</sup> June 2008



# SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

## BALANCE SHEET AS AT 31ST MARCH 2008

	Schedule	As At 31.03.2008 (Rupees)	As At 31.03.2007 (Rupees)
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	92,835,000	92,835,000
Reserve & Surplus	2	955,416,393	977,954,956
		<u>1,048,251,393</u>	<u>1,070,789,956</u>
<b>Loan Funds</b>			
Secured Loan	3	442,438,251	79,760,236
Unsecured Loan	4	-	30,313,726
		<u>442,438,251</u>	<u>110,073,962</u>
<b>Deferred Tax Liability</b>		<u>91,689,964</u>	<u>68,431,259</u>
<b>TOTAL</b>		<u><u>1,582,379,608</u></u>	<u><u>1,249,295,177</u></u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	1,116,290,241	750,543,583
Less : Depreciation		<u>191,015,670</u>	<u>133,050,914</u>
Net Block		<u>925,274,571</u>	<u>617,492,669</u>
Capital WIP & Capital Advance		<u>300,000,000</u>	<u>12,553,903</u>
		<u>1,225,274,571</u>	<u>630,046,572</u>
<b>Investment</b>	6	-	149,799,803
<b>Current Assets, Loans &amp; Advances</b>			
Inventories	7	1,405,540	348,790
Sundry Debtors		141,282,334	153,792,370
Cash & Bank Balances		94,738,268	294,802,899
Deposit & Advances		<u>195,901,490</u>	<u>67,052,524</u>
		<u>433,327,632</u>	<u>515,996,583</u>
<b>Less : Current Liabilities &amp; Provisions</b>	8		
Current Liabilities		81,091,991	57,885,116
Provisions		<u>21,801,587</u>	<u>16,901,608</u>
		<u>102,893,578</u>	<u>74,786,724</u>
<b>Net Current Assets</b>		<u>330,434,054</u>	<u>441,209,859</u>
Deferred Tax		19,433,699	15,456,676
<b>Miscellaneous Expenditure</b>	9	7,237,283	12,782,267
(To the extent not written off or adjusted)			
<b>TOTAL</b>		<u><u>1,582,379,608</u></u>	<u><u>1,249,295,177</u></u>
<b>Notes To Accounts</b>	16		

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

As per our report of even date

For & on behalf of the Board

**For A. R. Sodha & Co.**  
Chartered Accountants

**Gautam Adhikari**  
Chairman

**Dipesh R. Sangoi**  
Partner  
M.No. 124295  
Mumbai, 30<sup>th</sup> June 2008

**Nehal Shah**  
Company Secretary

**Markand Adhikari**  
Vice Chairman & Managing Director

Mumbai, 30<sup>th</sup> June 2008



## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2008

	Schedule	Year Ended 31.03.2008 (Rupees)	Year Ended 31.03.2007 (Rupees)
<b>INCOME</b>			
Sales		325,604,174	399,389,819
Other Income	10	8,937,002	17,259,818
		334,541,176	416,649,637
<b>EXPENDITURE</b>			
Production Expenses	11	163,942,929	152,414,191
(Increase)/Decrease in Inventory	12	(1,056,750)	40,287,044
Administration Expenses	13	50,365,492	53,622,315
Distribution & Marketing	14	1,897,600	1,756,299
Miscellaneous Expenditure W/off	9	5,544,984	5,544,980
		220,694,256	253,624,829
<b>PROFIT/(LOSS) BEFORE FINANCE CHARGES, DEPRECIATION &amp; TAX</b>			
		113,846,920	163,024,808
Finance Charges	15	14,638,464	15,689,574
<b>PROFIT/(LOSS) BEFORE DEPRECIATION &amp; TAX</b>			
		99,208,456	147,335,234
Depreciation	5	61,017,587	68,147,229
<b>PROFIT/(LOSS) BEFORE TAX</b>			
		38,190,868	79,188,005
<b>Provision for Taxation:</b>			
Current Tax		4,327,025	8,971,001
Deffered Tax		19,281,682	19,483,647
Fringe Benefit Tax		525,695	462,598
Earlier Years(Excess)/Short Provision		-	(318,135)
<b>PROFIT/(LOSS) AFTER TAX</b>			
		14,056,466	50,588,894
Extra Ordinary Items		305,371	-
<b>PROFIT/(LOSS) AFTER TAX &amp; EXTRA ORDINARY ITEMS</b>			
		13,751,095	50,588,894
Profit/(Loss) brought from Previous Year		81,849,950	37,777,794
Balance Carried To Balance Sheet		95,601,045	88,366,688
<b>APPROPRIATIONS</b>			
Proposed Dividend		5,570,100	5,570,100
Dividend Distribution Tax on Dividend		946,638	946,638
Balance Carried To Balance Sheet		89,084,307	81,849,950
		95,601,045	88,366,688
Basic earning per share (See Note No.6 of Schedule 16)		1.48	5.45

### Notes To Accounts

16

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

**As per our report of even date**

**For & on behalf of the Board**

**For A. R. Sodha & Co.**  
Chartered Accountants

**Gautam Adhikari**  
Chairman

**Dipesh R. Sangoi**  
Partner  
M.No. 124295  
Mumbai, 30<sup>th</sup> June 2008

**Nehal Shah**  
Company Secretary

**Markand Adhikari**  
Vice Chairman & Managing Director

Mumbai, 30<sup>th</sup> June 2008



# SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

## CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2008

	(Rs. In Millions)	
	For The Year Ended 31.03.08	For The Year Ended 31.03.07
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit / (Loss) before Tax and Extraordinary items	38.19	79.19
<b>Adjustments for :</b>		
Depreciation	61.02	68.15
Interest Income	(6.29)	(15.02)
Profit on Sale of Mutual fund units	(0.42)	-
Loss on sale of fixed assets	0.27	1.15
Interest on Loan funds	14.37	12.52
Preliminary / Share Issue Expenses written off	5.54	5.54
<b>Operating profit before working capital changes</b>	<u>112.68</u>	<u>151.53</u>
<b>Adjustments for :</b>		
Sundry Debtors & Other Receivables	(107.61)	(32.98)
Inventories	(1.06)	40.29
Trade payable and provisions	23.68	(18.47)
<b>Cash generated from operations</b>	<u>27.70</u>	<u>140.37</u>
Direct taxes paid	(9.37)	(8.91)
<b>Net cash from operating activities</b>	<u>18.33</u>	<u>131.46</u>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net)	(669.39)	(82.24)
Sale of Fixed Assets	50.31	0.46
Sale of Investments	112.06	143.81
Interest Income Received	6.50	15.02
Profit on Sale of Mutual fund units	0.42	-
<b>Net cash from investing activities</b>	<u>(500.10)</u>	<u>77.04</u>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Foreign Currency Convertible Bonds (FCCBs)	366.57	-
FCCB Issue Expenses	(29.77)	-
Repayment of Term Loan from Bank	(27.69)	54.90
Short Term Loan from Bank	10.00	-
Repayment of Short Term Loan	(30.00)	(10.12)
Loan Taken - Vehicle loan	10.12	-
Repayment of Loan - Vehicle Loan	(1.87)	-
Other Financial Facility from Bank	5.85	-
Repayment of Public Fixed Deposit	-	(8.80)
Interest on Car Loan	(0.63)	-
Interest on term Loan from Bank	(9.37)	(12.52)
Interest on FCCBs	(4.98)	-
Dividend Paid (Including Tax thereon)	(6.52)	(6.35)
<b>Net cash used in financing activities</b>	<u>281.70</u>	<u>17.11</u>
Net decrease in cash and cash equivalents (A+B+C)	<u>(200.06)</u>	<u>225.61</u>
Opening balance of cash and cash equivalents	294.80	69.19
<b>Closing balance of cash and cash equivalents</b>	<u>94.74</u>	<u>294.80</u>

### Notes:

- The Cash Flow Statement has been prepared as per Indirect Method.
- Cash & cash equivalent represent cash & bank balance (including fixed deposit with bank)

### As per our report of even date

**For A. R. Sodha & Co.**  
Chartered Accountants

**Dipesh R. Sangoi**  
Partner  
M.No.124295  
Mumbai, 30<sup>th</sup> June 2008

### For & on behalf of the Board

**Gautam Adhikari**  
Chairman

**Nehal Shah**                      **Markand Adhikari**  
Company Secretary      Vice Chairman & Managing Director

Mumbai, 30<sup>th</sup> June 2008



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As At <b>31.03.2008</b> (Rupees)	As At 31.03.2007 (Rupees)
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
20,000,000 (P.Y.20,000,000) Equity Shares of Rs. 10/- each	<u><b>200,000,000</b></u>	<u>200,000,000</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
9,283,500 (P.Y. 9,283,500) Equity Shares of Rs. 10/- each fully paid-up	<u><b>92,835,000</b></u>	<u>92,835,000</u>
	<u><b>92,835,000</b></u>	<u>92,835,000</u>
<b>SCHEDULE 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
A) Capital Reserve	<b>28,467,950</b>	28,467,950
B) General Reserves	<b>225,110,695</b>	225,110,695
C) Securities Premium Account	<b>642,526,361</b>	642,526,361
Less:FCCB Issue Expenses	<u><b>29,772,920</b></u>	-
	<u><b>612,753,441</b></u>	<u>642,526,361</u>
D) Surplus in Profit & Loss Account	<b>89,084,307</b>	81,849,950
	<u><b>955,416,393</b></u>	<u>977,954,956</u>
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
Term Loan	<b>50,432,794</b>	68,426,711
Against Hypothecation by way of first charges over Block of Assets of the Company and Personal guarantee by two Directors. <i>(Installment due within a year Rs.36,924,000 (P.Y. Rs.36,923,076))</i>		
Other facilities (Second charge over receivables)	<b>13,062,500</b>	7,208,110
Foreign Currency Convertible Bonds (Secured against mortgage of existing office premises)	<b>366,570,000</b>	-
Vehicle Loan <i>(Against Hypothecation of vehicles)</i> <i>(Installment due within a year Rs. 1,844,724 (P.Y 1,196,676))</i>	<b>12,372,957</b>	4,125,415
	<u><b>442,438,251</b></u>	<u>79,760,236</u>
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
Short Term Loan from Bank	-	30,313,726
	<u>-</u>	<u>30,313,726</u>



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

### SCHEDULE 5 FIXED ASSETS

Particulars	(Amount in Rupees)									
	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As at 01.04.2007	Additions	Deductions	As at 31.03.2008	As at 01.04.2007	For the Period Ended 31.03.2008	Adjustments	As at 31.03.2008	As at 31.03.2008	As at 31.03.2007
Business & Commercial Rights	417,178,457	-	-	417,178,457	40,823,922	41,717,846	-	82,541,768	334,636,689	376,354,535
Land & Building	95,765,325	346,843,534	14,180,675	428,428,184	11,090,118	1,451,903	1,614,107	10,927,914	417,500,270	84,675,207
Plant & Machinery	96,071,530	3,904,406	-	99,975,936	45,976,941	6,472,737	-	52,449,678	47,526,258	50,094,589
Lease Asset	-	17,326,357	-	17,326,357	-	1,435,830	-	1,435,830	15,890,527	-
Sets	47,809,934	-	-	47,809,934	1,517,330	3,026,369	-	4,543,699	43,266,235	46,292,604
Furniture & Fixtures	66,265,966	3,179,640	-	69,445,606	14,868,501	4,282,714	-	19,151,215	50,294,391	51,397,465
Vehicles	12,519,009	*10,478,081	2,015,697	20,981,393	5,227,703	1,715,878	1,438,724	5,504,857	15,476,536	7,291,306
Computers	14,933,362	211,012	-	15,144,374	13,546,399	914,311	-	14,460,710	683,664	1,386,963
<b>TOTAL</b>	750,543,583	381,943,030	16,196,372	1,116,290,241	133,050,914	61,017,587	3,052,831	191,015,670	925,274,571	617,492,669
Capital WIP & Capital Advance	12,553,903	300,000,000	12,553,903	300,000,000	-	-	-	300,000,000	300,000,000	-
Previous Year	658,790,600	108,116,185	16,363,202	750,543,583	79,328,512	68,147,229	14,424,827	133,050,914	617,492,669	-

\* Yet to be registered in the name of the Company



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31.03.2008 (Rupees)	As At 31.03.2007 (Rupees)
<b>SCHEDULE 6</b>		
<b>INVESTMENT</b>		
Middlesex Broadcasting Corporation	-	49,797,589
Shares Application Money	-	2,214
PNB Principal Mutual Fund	-	100,000,000
	<u>-</u>	<u>149,799,803</u>
<b>SCHEDULE 7</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>Inventories</b>		
Programme Episodes	1,405,540	348,790
	<u>1,405,540</u>	<u>348,790</u>
<b>Sundry Debtors</b>		
<i>(Unsecured, Considered good)</i>		
Outstanding for more than six months	85,710,680	2,245,872
Other debts (Including Rs 4,10,34,530 due from company under same management)	55,571,654	151,546,498
	<u>141,282,334</u>	<u>153,792,370</u>
Cash on Hand	358,751	930,679
<i>Balance with Scheduled Banks in</i>		
Current Accounts	93,327,482	22,718,935
Fixed Deposit	1,052,035	271,153,285
	<u>94,738,268</u>	<u>294,802,899</u>
<b>Loans, Advances &amp; Deposit</b>		
<i>(Unsecured, Considered good)</i>		
Recoverable in cash or kind for the value to be received	195,901,490	67,052,524
	<u>195,901,490</u>	<u>67,052,524</u>
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors & Other Liabilities	80,453,407	56,753,981
Unclaimed Interest on F.D.	208,660	-
*Unclaimed Dividend	287,925	759,725
*Unclaimed Fixed Deposit <i>(*Kept in a separate Bank A/c)</i>	142,000	371,410
	<u>81,091,991</u>	<u>57,885,116</u>
<b>Provisions</b>		
For Expenses	1,928,878	1,242,410
For Taxation	13,355,970	9,142,460
Proposed Dividend	5,570,100	5,570,100
Dividend Distribution Tax	946,638	946,638
	<u>21,801,587</u>	<u>16,901,608</u>



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	As At 31.03.2008 (Rupees)	As At 31.03.2007 (Rupees)
<b>SCHEDULE 9</b>		
<b>MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses & Share Issue Expenses		
Opening Balance	12,782,267	18,327,247
Add : Addition during the year	-	-
Less : Written off during the year	5,544,984	5,544,980
	<u>7,237,283</u>	<u>12,782,267</u>
	For the Year ended 31.03.2008 Rupees	For the Year ended 31.03.2007 Rupees
<b>SCHEDULE 10</b>		
<b>OTHER INCOME</b>		
Interest Income	6,289,341	15,016,995
Exchange Rate Difference	-	7,091
Sundry Balances Written Back.	400,329	410,085
Rent Income	1,821,000	1,400,000
Miscellaneous Income	426,331	425,647
	<u>8,937,002</u>	<u>17,259,818</u>
<b>SCHEDULE 11</b>		
<b>PRODUCTION EXPENSES</b>		
Programme Purchase Cost	108,365,000	20,645,328
Remuneration to Artist & Technicians	19,194,278	59,534,578
Shooting Charges	9,658,346	32,906,907
Location & Equipment Hire Charges	18,667,882	33,932,794
Technical Charges	896,983	934,436
Cassette Purchase	7,160,441	4,460,148
	<u>163,942,929</u>	<u>152,414,191</u>
<b>SCHEDULE 12</b>		
<b>(INCREASE)/DECREASE IN INVENTORIES</b>		
Opening Balance	348,790	40,635,834
Closing Balance	(1,405,540)	348,790
(Increase)/Decrease in inventories	<u>(1,056,750)</u>	<u>40,287,044</u>



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year ended 31.03.2008 Rupees	For the Year ended 31.03.2007 Rupees
<b>SCHEDULE 13</b>		
<b>ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Salaries, Allowances etc.	11,854,342	9,758,363
Contribution To Provident Fund & Other Funds	591,850	608,075
Staff Welfare Expenses	1,152,142	1,358,943
Electricity Charges	2,496,376	1,762,748
Communication Expenses	1,464,843	1,886,983
Insurance Charges	398,842	423,817
Rent, Rates & Taxes	1,871,294	1,074,183
Repairs & Maintenance	3,249,923	1,676,145
Traveling & Conveyance	4,023,212	3,639,809
Legal & Professional Charges	11,124,234	18,681,323
Printing & Stationery	854,593	616,893
Membership & Subscription	37,500	28,232
General Expenses	6,279,367	4,288,227
Audit Fees	500,000	500,000
Loss on Sale of Asset	266,975	1,147,473
Director Remuneration	4,200,000	4,188,000
Sundry Debit Balance w/off	-	1,983,101
	<b>50,365,492</b>	<b>53,622,315</b>
<b>SCHEDULE 14</b>		
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
Business Promotion Expenses	1,692,794	1,209,866
Advertising & Marketing Expenses	204,806	546,433
	<b>1,897,600</b>	<b>1,756,299</b>
<b>SCHEDULE 15</b>		
<b>FINANCE CHARGES</b>		
Bank Interest	9,038,955	11,999,323
Interest on Fixed Deposit(General Public)	-	512,134
Others	5,599,509	3,178,117
	<b>14,638,464</b>	<b>15,689,574</b>



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

### SCHEDULE 16

#### ACCOUNTING POLICIES & NOTES TO ACCOUNTS

##### 1. SIGNIFICANT ACCOUNTING POLICIES:

###### a) Basis for preparation of Financial Statements

The financial statements have been prepared under the historical cost convention method ignoring changes, if any, in the purchasing power of money and on accounting principles of going concern. All income and expenditure having a material bearing on the financial statements are recognized on accrual basis.

The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

###### b) Fixed Assets

Fixed Assets are stated at cost of acquisition as reduced by accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and attributable cost for bringing the asset to its working condition for its intended use.

###### c) Depreciation

- Depreciation on Tangible Fixed Assets has been provided on Straight Line Method on Pro Rata basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- Intangible Assets comprising of Business & Commercial Rights are amortized over a period of 10 years on Pro Rata basis.

###### d) Inventories

- Cassettes and Tapes are charged off fully in the year of purchase.
- Inventories are valued at lower of cost or net realizable value. The cost of each episode of a program is determined on the basis of average cost.
- Where the carrying amount of inventory exceeds recoverable amount in the ordinary course of business or where the management does not anticipate any future economic benefits flowing from it, appropriate expense / loss has been provided for.

###### e) Revenue Recognition

The principles of revenue recognition are as under:

- In respect of sale of program contents / rights, income is recognized when the relevant program is delivered to and accepted by the buyers and all the significant risks and rewards of telecasting rights / license of the program has been transferred to the buyer.
- In respect of Interest Income, it is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Income from letting of office space is recognized on time proportion basis and in accordance with terms of the agreements.

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS****f) Investments**

- Investments that are not readily realisable or intended to be held for more than a year are classified as Long-term investments. The Long Term Investments are carried at cost of acquisition. Provision for diminution in value is made if the decline in the value is other than temporary in the opinion of the management.
- Investment in shares of a company, the holding of which is directly related to the right to hold the investment property and the legal title to it, is classified as Land & Building and carried at its Investment value and other ancillary cost attributable to it.

**g) Foreign Currency Transaction**

- Initial Recognition

Foreign currency transactions are recorded in the reporting currency i.e. rupee value, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

- Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

- Exchange Differences :

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statement, are recognised as income or expenses in the year in which they arise.

**h) Employee Benefits**

- Employee benefit in the form of provident fund is charged to profit & loss account when contributions to respective funds are due. Liability in respect of Leave Encashment & Gratuity is provided on the basis of actuary valuation taken at the end of each year.
- Other short term employee benefits are charged to profit & loss account on accrual basis.

**i) Taxes on Income**

Tax expense comprises both current and deferred taxes. Current Tax provision as per Income Tax Act, 1961, is made based on the tax liability computed after considering tax allowances and exemptions at the balance sheet date.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

The carrying amount of Deferred Tax Assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably / virtually certain, as the case may be, to be realized.



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

### j) Earning Per Share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Diluted Earning per Share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by weighted average number of shares outstanding during the period adjusted for effect of all dilutive potential equity shares.

### k) Provisions

A provision is recognized when the company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

## NOTES TO ACCOUNTS

### 2. FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)

During the year, company has allotted 1.50% FCCB aggregating to US \$ 9 Million (INR 366.57 Millions) the broad terms of FCCB are as follows

1	Issue Date	05/06/2007
2	Denomination of each FCCB	US \$ 1,00,000
3	Tenure	5 Years & 7 Days
4	Maturity Date	12-Jun-2012
5	Coupon Rate	1.50% p.a.
6	Yield to maturity	7.25%
7	Redemption Premium per bond	\$ 34,113.80
8	Initial Conversion Terms	The bond holders have an option of converting these bonds into equity shares at an initial conversion price of Rs.118.05 per share (of Rs 10 each) with fixed exchange rate of Rs. 40.73 = 1 U.S. \$
9	Purpose	For financing capital expenditure

FCCB Issue expenses have been adjusted against Security Premium in accordance with Section 78 of The Companies Act, 1956.

The Initial Conversion price of Rs 118.05 per share has been reset on 5<sup>th</sup> June 2008 at Rs. 94.44 per share.

### 3. SEGMENT REPORTING

The Company is operating in Single Primary Business Segment i.e. Content production. Accordingly no Segment Reporting as per Accounting Standard-17 has been reported.



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

### 4. RELATED PARTIES DISCLOSURES

#### (a) List of Related Parties & Relationship:

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Westwind Realtors Pvt. Ltd.	Subsidiary Company
Middlesex Broadcasting Corporation Ltd.	Joint Venture
<b>Key Management Personnel</b>	
Gautam Adhikari	Chairman
Markand Adhikari	Vice Chairman & Managing Director
<b>Relative of Key Management Personnel</b>	
Heeren Adhikari	Brother of Key Management Personnel
Urvee Adhikari	Daughter of Key Management Personnel
Kanchan Adhikari	Wife of Key Management Personnel
<b>Others</b>	
Sri Adhikari Brothers Media Ltd.	Directors having Substantial Interest
Broadcast Initiatives Ltd.	Directors having Substantial Interest
Technocraft Media Pvt. Ltd.	Directors having Substantial Interest
Parvail Infocomm Pvt. Ltd.	Directors having Substantial Interest
Middlesex Broadcasting Corporation Ltd.	Directors having Substantial Interest
Cinema Today Pvt. Ltd.	Directors having Substantial Interest
T.V.Vision Pvt. Ltd.	Directors having Substantial Interest
Regional Broadcasters Pvt. Ltd.	Directors having Substantial Interest
TV Workshop Pvt. Ltd.	Directors having Substantial Interest
Sri Adhikari Brothers Assets Holding Pvt. Ltd.	Directors having Substantial Interest

#### (b) Transactions with Related Parties:

(Rs.In Million)

Transactions	Sub-sidiaries	Key Management Personnel	Relatives of Key management personnel	Others	Total
Revenue	-	-	-	106.63	106.63
Rendering of Services / Reimbursement of expenses	0.44	4.32	0.51	(13.52)	(8.25)
Sale of Office Premises	-	-	-	50.00	50.00
Outstanding balance included in current liabilities	0.66	-	-	-	0.66
Advance/Loan/Deposit Given	-	-	-	15.79	15.79
Outstanding Advances/Loan/Deposit Given	-	33.00	-	-	33.00
Advance/Loan/Deposit Taken	-	-	-	41.00	41.00
Outstanding Advances/Loan/Deposit Taken	-	-	-	-	-
Outstanding Balance included in Current Assets	-	-	-	96.13	96.13



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

### 5. EARNING PER SHARE

Particulars	31 <sup>st</sup> March 2008	31 <sup>st</sup> March 2007
Profit / (Loss) after Tax (Rupees)	13,751,095	50,588,895
Weighted average Number of Shares outstanding during the year. (Face Value Rs.10 per share)	9,283,500	9,283,500
<b>Basic Earning Per share (Rupees)</b>	<b>1.48</b>	<b>5.45</b>
Adjusted Profit / (Loss) for Diluted EPS (Rupees)	17,168,032	-
Adjusted Weighted average Number of Shares outstanding during the year. (Face Value Rs.10 per share)	11,804,244	-
<b>Diluted Earning Per Shares (Rupees)</b>	<b>1.43</b>	-

### 6. CONSOLIDATION OF FINANCIAL STATEMENTS

Considering the overall facts and object of Accounting Standard 21 on Consolidation of Financial Statements issued by Institute of Chartered Accountants of India and taking into account the materiality of transactions, the company has not consolidated the Financial Statements of Westwind Realtors Pvt. Ltd.

SABe TV Ltd, a WOS of a company is in the process of voluntary winding up and it is not carrying on any operating activity, Residual value of the investment in the WOS is fully adjusted in the previous year against the amount payable to the WOS. Accordingly, company has not consolidated Financial Statements of SABe TV Ltd.

### 7. DEFERRED TAX LIABILITY / ASSETS

The Company has accounted for Deferred Tax in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. Accordingly, the components of deferred tax assets/liability as at 31<sup>st</sup> March 2008 are as follows.

(Rs.in Million)

Deferred Tax Liability:	As at 31 <sup>st</sup> March 2008	As at 31 <sup>st</sup> March 2007
Depreciation & Miscellaneous Expenditure	91.69	68.43
<b>Total Deferred Tax Liability</b>	<b>91.69</b>	<b>68.43</b>
Deferred Tax Asset:		
Carried forward Losses & Unabsorbed Depreciation	-	0.35
MAT Credit	19.43	15.10
<b>Total Deferred Tax Asset</b>	<b>19.43</b>	<b>15.45</b>

### 8. THE DISCLOSURE REQUIRED UNDER ACCOUNTING STANDARD 15 "EMPLOYEE BENEFITS" ARE GIVEN BELOW

Defined Contribution Plan

Contribution to Defined Contribution Plan, recognized are charged for the year are as under

(Rs.in Million)

Particulars	31st March 2008
Employers Contribution to Provident Fund	0.44



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

### Defined Benefits Plan

Employees gratuity fund scheme managed by Life Insurance Corporation of India is defined benefit plan. The present value of obligations is determined based on actuarial valuation using projected unit credit method which recognized each period of service as giving rise to additional need of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner.

(Rs. In million)

Particulars	Gratuity	Leave Encashment
(A) Reconciliation of opening and closing balances of Defined Benefits Obligation		
Defined Benefit Obligation at beginning of the year	0.99	0.91
Current Service Cost	0.01	0.21
Interest Cost	0.08	0.07
Actuarial (gain)/loss	-	0.34
Benefits Paid	0.29	0.48
Defined Benefit obligation at year end	0.79	0.81
(B) Reconciliation of Opening and closing balances of fair value of plan assets		
Fair value of plan assets at the beginning of the year	0.99	-
Expected return on plan assets	0.08	-
Actuarial/(Gain) Loss	-	-
Employer Contribution	0.01	-
Benefits Paid	0.29	-
Fair value of plan assets at the year end	0.79	-
Actual return on plan assets	0.08	-
(C) Reconciliation of fair value of assets and obligation		-
Fair value of plan assets as at 31 <sup>st</sup> March 2008	0.79	-
Present Value of obligation as at 31 <sup>st</sup> March 2008	0.79	0.81
Amount recognized in Balance Sheet		0.81
(D) Expenses recognized during the year (under head "Employment Cost")		
Current Service Cost	0.01	0.21
Interest Cost	0.08	0.07
Actuarial(gain)/loss	-	0.34
Net Cost	0.09	0.62



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(E) Investment details		-
LIC Group Gratuity (Cash Accumulation) Policy	100%	-
(F) Actuarial Assumption		
Mortality Table (LIC)	LIC (1994 – 96) Ultimate	LIC (1994 – 96) Ultimate
Discount rate (per annum)	8%	8%
Rate of Escalation in Salary (per annum)	5%	6%

### 9. INTEREST IN JOINT VENTURE

As the company has sold its 50% interest in joint venture Middlesex Broadcasting Company Limited (MBCL) during the year, there is no interest in the Assets, Liabilities, Expenses and Income at the year end.

### 10. CAPITAL COMMITMENTS

Estimated amount of contracts outstanding on account of capital commitment (net of advances) is Rupees Eleven Crores.

### 11. EXTRA ORDINARY ITEMS

Extra Ordinary Items includes profit on sale of immovable property of Rs. 374.16 Lacs and loss of Rs. 377.38 Lacs on sale of Investments.

### 12. CONTINGENT LIABILITIES

(Rs. in Million)

PARTICULARS	As at 31.03.2008	As at 31.03.2007
Claims against the Company not acknowledged as Debt	20.00	20.00
Income Tax Demand / Penalty	4.88	9.40
Custom Duty obligation for EPCG Scheme	4.59	4.59
FCCB – YTM For 5 Years & 7 Days (Redemption Premium)	124.13	-

### 13. EVENTS OCCURRING AFTER BALANCE SHEET DATE

To the best of knowledge of the management, there are no events occurring after the Balance Sheet date that provide additional information materially affecting the determination of the amount relating to the conditions existing at the Balance Sheet Date that requires adjustment to the Assets or Liabilities of the Company except to the extent stated otherwise.



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

### 14. ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPHS 3, 4C & 4D OF PART II OF SCHEDULE VI TO THE COMPANIES ACT, 1956

Particulars	12 Months Ended 31.03.2008		12 Months Ended 31.03.2007	
	Quantity (Nos.)	Rs. In Million	Quantity (Nos.)	Rs. In Million
<b>(a)</b> Raw material (cassettes) consumed	9,440	7.16	5,294	4.46
<b>(b)</b> Value of imported & indigenous Raw material (cassettes) consumed:	<b>Rs. In Million</b>	<b>%</b>	Rs. In Million	<b>%</b>
(I) Imported	-	-	-	-
(II) Indigenous	-	7.16	4.46	100
(Rs. in Million)				
<b>(c)</b> Value of imports calculated on C.I.F basis		<b>12 Months ended 31.03.2008</b>	12 Months ended 31.03.2007	
(ii) Capital Goods		-	-	
<b>(d)</b> Expenditure in foreign currency				
(i) Travelling		0.26	0.06	
(ii) Exchange Loss		-	-	
<b>(e)</b> Earning in foreign exchange:				
(i) Export of Television Programmes on F.O.B basis		1.25	22.66	
(ii) Exchange Gain		-	-	
<b>(f)</b> Directors Remuneration				
a) Salaries		4.20	4.19	
b) Perquisites		-	0.01	
Computation of net profit under Section 349 of the Companies Act, 1956 is not furnished as no commission is payable/paid to the Managing Director.				
<b>(g)</b> Payment To Auditors(Excluding Service Tax)				
a) Audit fees		0.40	0.40	
b) Tax Audit fees		0.10	0.10	
c) Other Services(Including Reimbursement of expenses )		0.06	0.06	

### 15. CURRENT ASSETS AND CURRENT LIABILITIES

During the period, confirmation letters have been issued, of which few confirmations have been received till date. Hence, balances of Sundry Debtors, Sundry Creditors, and Loans & Advances, receivable /payable are taken as per books and are subject to confirmation and reconciliation, if any and Cash & Bank Balance includes cheques on hand which were realized subsequent to year end date.



## SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

### 16. DETAILS ABOUT SMALL SCALE INDUSTRIES and MICRO SMALL AND MEDIUM ENTERPRISES

The company has requested suppliers to give information about the applicability of small-scale industrial undertaking definition to them as per clause (i) of sub section (3) of Industrial Development & Regulations Act, 1951. In the absence of this information, Company is unable to provide details in Schedule 8 "Current Liabilities & Provisions" regarding the dues to small scale Industries.

The company is in the process of identifying vendors covered under The Micro, Small & Medium Enterprises Development (MSMED) Act, 2006.

17. Figures of previous year have been regrouped, rearranged and recasted wherever considered necessary.

#### As per our report of even date

**For A. R. Sodha & Co.**  
Chartered Accountants

**Dipesh R. Sangoi**  
Partner  
M No 124295

Mumbai : 30<sup>th</sup> June 2008

#### For & on behalf of the Board

**Gautam Adhikari**  
Chairman

**Nehal Shah**  
Company Secretary

**Markand Adhikari**  
Vice Chairman & Managing Director

Mumbai : 30<sup>th</sup> June 2008


**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956**
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I Registration Details**

Registration No.	83853	State Code	11
Balance Sheet Date	31/03/2008		

**II Capital raised during the year (Rs.in Thousand)**

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	NIL

**III Position of Mobilisation and Deployment of Funds (Rs.in Thousand)**

Total Liabilities	1,582,380	Total Assets	1,582,380
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**Source of Funds**

Paid up Capital	92,835	Reserve & Surplus	955,416
Secured Loans	442,438	Unsecured Loans	NIL
		Deferred Tax Liability	91,690

**Application of Funds**

Net Fixed Assets	1,225,275	Investments	NIL
Net Current Assets	330,434	Misc. Expenditure	7,237
		Deferred Tax Assets	19,434

**IV Performance of Company (Rs.in Thousand)**

Turnover	334,541	Total Expenditure	296,350
Profit/(Loss) before Tax	38,191	Profit/(Loss) after Tax	13,751
Earning per Share (Rs.)	1.48	Dividend Rate %	6.00%

**V Generic Names of Three Principal Product/Services of Company**

(as per Monetary terms)

Product Description : MEDIA SOFTWARE PRODUCTION

Items Code No. (ITC Code) NOT ALLOTTED

**For & on behalf of the Board**

**Gautam Adhikari**

Chairman

**Markand Adhikari**

Vice Chairman & Managing Director

**Nehal Shah**

Company Secretary

Mumbai, 30<sup>th</sup> June 2008



# SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

## STATEMENT PURSUANT TO SECTION 212(3) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

Particulars	Westwind Realtors Pvt. Ltd.
Financial Year of the Subsidiary Company ended on	31st March 2008
Share of the subsidiary Company held on the above dates (i) Number of shares of face value of Rs. 10 each. (ii) Extent of Holding (%)	669,600 66.96%
Net Aggregate amount of profit/Loss for above financial year of the subsidiary as far as it concerns members of the Company (i) Dealt with in the Accounts of the Company (ii) Not dealt with in the Accounts of the Company	- Loss of Rs. 302/-
Net Aggregate amount of profit/Loss for previous financial year of the subsidiary as far as it concerns members of the Company (i) Dealt with in the Accounts of the Company (ii) Not dealt with in the Accounts of the Company	- Profit of Rs. 31,843/-
Changes in the holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding company's financial year	N.A.

### For and on behalf of the Board

**Gautam Adhikari**

Chairman

**Markand Adhikari**

Vice Chairman & Managing Director

**Nehal Shah**

Company Secretary

Place: Mumbai

Date: 30<sup>th</sup> June 2008



Proposed Studio Project



**SRI ADHIKARI BROTHERS  
TELEVISION NETWORK LTD.**

ADHIKARI CHAMBERS, OBEROI COMPLEX, NEXT TO LAXMI INDUSTRIAL ESTATE,  
OSHIWARA - NEWLINK ROAD, ANDHERI(WEST), MUMBAI 400 053.  
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