



**SRI ADHIKARI BROTHERS
TELEVISION NETWORK LTD.**



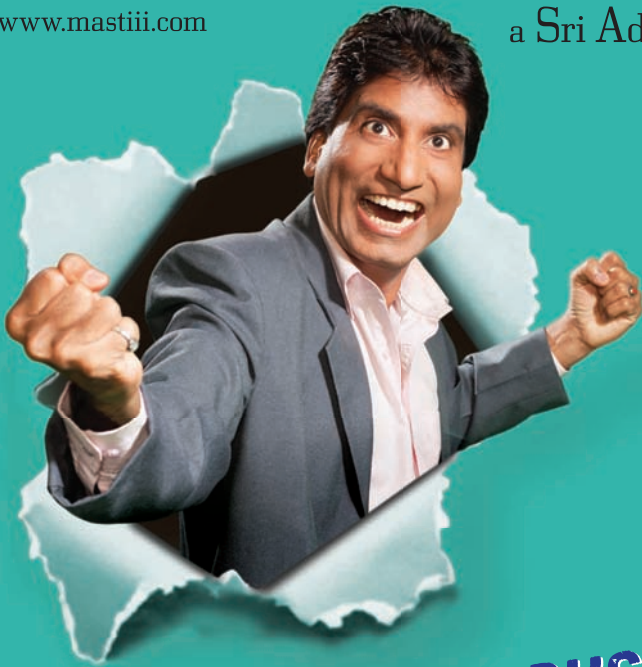
A SRI ADHIKARI BROTHERS ENTERPRISE



COMEDY AUR MUSIC KA SABSE BADA DOSE

**Annual Report
2009-2010**



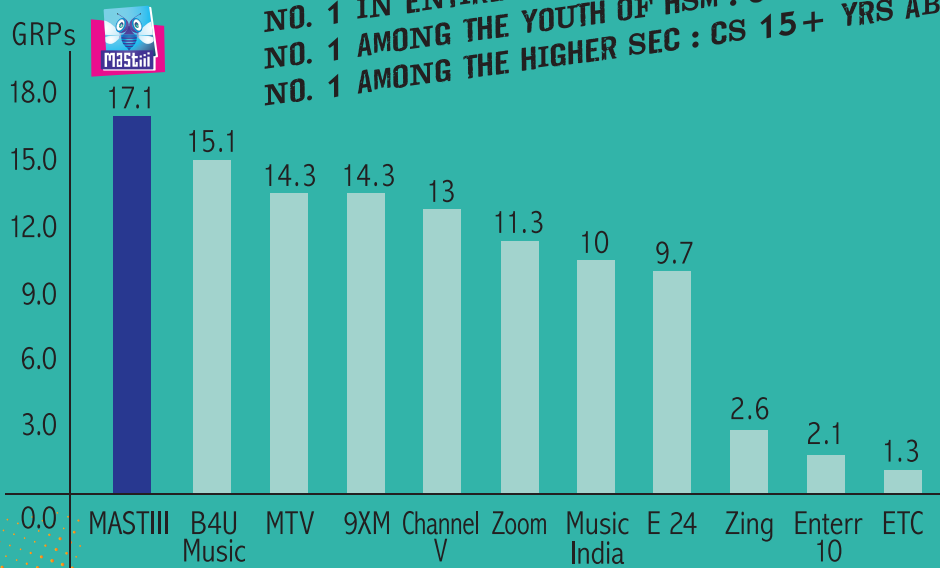


PROVEN No.1

NO.1 IN THE BUSINESS OF ENTERTAINING INDIA.

MASTIII BECOMES FIRST INDIAN TELEVISION CHANNEL TO BECOME NO.1 IN ITS GENRE AND CONQUER ENTIRE HSM IN SHORTEST TIME.

- NO. 1 IN ENTIRE HSM : CS 15+ YRS**
- NO. 1 IN ENTIRE HSM : CS 4+ YRS**
- NO. 1 AMONG THE YOUTH OF HSM : CS 15-34 YRS**
- NO. 1 AMONG THE HIGHER SEC : CS 15+ YRS AB**



Source: TAM Peplemeter System
 TG: CS 15+ Yrs
 Markets: HSM Markets
 Time Period: Week 34, 2010 – ending 21st Aug.



COMEDY AUR MUSIC KA SABSE BADA DOSE





SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

15TH ANNUAL REPORT 2009-2010

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GENERAL INFORMATION

BOARD OF DIRECTORS

Gautam Adhikari
Chairman & Whole-Time Director

Markand Adhikari
Vice Chairman &
Managing Director

Arun Khakhar
Director

Prasannakumar Gawde
Director

M S Kapur
Additional Director
(w.e.f. 31st May, 2010)

AUDITORS

A. R. Sodha & Co.
Chartered Accountants

BANKERS

Punjab National Bank

COMPANY SECRETARY

Laxman Vasandani

REGISTERED OFFICE

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

Tel.: 91-22-40230000
Fax: 91-22-26395459

E-mail: investorservices@adhikaribrothers.com
Website: 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
Website: www.sharexindia.com

C H A I R M A N ' S S T A T E M E N T

Dear Members,

It gives me immense pleasure to interact with you once again through the foreword to the 15th Annual Report for the year ended 31st March, 2010.

Though the Indian Media & Entertainment industry (M&E) experienced rough weather during the year under review, it is poised for recovery in 2010, riding on the back of improved economic growth. The M&E Industry CAGR is expected to grow at a rate of 13% in the next five years. Within M&E, the broadcast segment is expected to grow at a rate of 15% over the next five years.

The M&E segment is now looking at new growth drivers to spread its reach and impact. Digitization of TV platforms, more transparent distribution of revenues to stakeholders, more bandwidth becoming available to broadcasters are giving them the opportunity to provide value added services. From the content provider angle, this could boost the requirement for niche content in the future. Another interesting development taking place is convergence. New media is bringing about a revolution by merging the functionalities of customer end terminal devices like TV, PC's mobile resulting in convergence of two or more medias into a converged communication channel. The advent of 3G is also likely to be a great catalyst for the convergence phenomenon.

Your Company being rightly positioned has closely watched the developments in the sector and has strategically taken initiatives to consolidate our position through its wholly owned subsidiary & group companies.

As part of its overall initiative, MASTiii, a music & comedy television channel was successfully launched in the month of July, 2010 by TV Vision Private Limited (wholly owned subsidiary Company). The channel has a unique blend of songs interwoven with classic satire & skits. This novel & innovative idea has convincingly pulled the target audience to the channel. We take pleasure in informing that **Mastiii** has created history, as being acknowledged as one of the fastest growing channel in the music segment & has attained leadership position in the csm15+ HSM markets . In the near future, the Company proposes to launch series of niche television channels.

Apart from above, the emergence of a large number of channels has resulted in a spurt in demand for upside quality content. The demand for syndication of content is also likely to witness a growth. Your company is well poised to encash on this opportunity with a library of more than 5500 hours in various genres.

The studio premise currently under construction is in the process of converting itself 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 increase cost efficiencies & hire out idle capacity both of which would result in a boost to the bottom line.

To conclude, the Directors place on record their appreciation for the support extended to the Company by its advertisers, producers and artistes, the Company's bankers, shareholders and creditors. The Directors also place on record their appreciation for the support extended by the staff to enable the company to have broader vision & step further confidently.

With warm regards,

Gautam Adhikari
Chairman & Whole Time Director

Place: Mumbai
Date: 12th August, 2010

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended on 31st March 2010.

1. Financial Highlights

Particulars	(Rupees in millions)	
	For the year ended 31 st March 2010	For the year ended 31 st March 2009
Total Revenue from business	303.09	222.77
Earnings before finance charges, Depreciation & Tax	120.83	54.01
Less: Finance charge	38.48	18.35
Earnings before depreciation, tax & amortisation (EBDTA)	82.35	35.66
Less: Depreciation	78.40	70.97
Earnings/(Loss) before Tax (EBT)	3.95	(35.31)
Tax Expenses Current tax	5.08	11.84
Extra-Ordinary Items	0.00	1.34
Profit / (Loss) After Tax (PAT)	(1.13)	(48.50)
Profit b/f from previous year	34.07	89.08
Surplus available for Appropriation	32.94	40.58
Less: Proposed Dividend	9.76	5.57
Less: Tax on Proposed Dividend	1.66	0.95
Balance carried to Balance Sheet	21.53	34.07

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 of Re. 0.60 per equity share, for the financial year ended on March 31, 2010 subject to the approval of shareholders at the Annual General Meeting. The outgo on account of this dividend will absorb Rs. 15.01 million (including dividend tax payable of Rs. 2.18 million) including dividend on 51,25,000 equity shares of Rs.10/- each allotted on 12th August, 2010 on conversion of warrants issued on preferential basis.

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 24th September, 2010.

3. Directors

In accordance with the provision of the Articles of Association of the Company, Mr. Arun Khakhar 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.

During the period under review, Mr.M.S.Kapur was co-opted on the Board as an additional director w.e.f. 31st May, 2010 to hold the office upto the date of ensuing Annual General Meeting. Your Company has received notice under section 257 of the Companies Act, 1956 together with necessary deposit, proposing his candidature for the office of Director at the ensuing Annual General Meeting. The Board recommends the appointment of Mr. M.S.Kapur as a Director of the Company.

4. Directors' Responsibility Statement

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

- a) 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.
- b) That they have selected such accounting policies and applied them consistently and have 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 31st March, 2010 and of the loss of the Company for the year ended on that date.
- c) 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.
- d) That they have prepared the annual accounts on a going concern basis.

5. Auditors

M/s. A. R. Sodha & Co., Chartered Accountants, the Statutory Auditors of the Company hold the office up to 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.

6. Audit Qualifications

The Company has subsequently made the statutory payment and therefore, has regularised its compliance. The other remarks in the Auditors Report are self explanatory.

7. 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. 131,000/- remains unclaimed as on 31st March 2010 from the part of the deposit holders.

8. Subsidiary Companies

As on 31st March, 2010 the Company has five subsidiaries as follows:

Sr. No.	Name of the Subsidiary	Remarks
a	TV Vision Private Limited	The music and comedy channel " Mastii " was successfully launched by the subsidiary in the month of July, 2010 and created history by becoming No.1 television channel in Hindi Speaking Markets within a short period. The channel has a unique blend of songs interwoven with classic satire and skits.
b	MPCR Broadcasting Service Private Limited	The subsidiaries were incorporated on 24 th December, 2009 & are yet to commence business operations.
c	UBJ Broadcasting Private Limited	
d	HHP Broadcasting Services Private Limited	
e	Westwind Realtors Private Limited	There was no significant business activities during the year.

In terms of approval granted by the Ministry of Corporate Affairs vide its Order No.47/553/2010 CL III dated 14th July, 2010 under section 212 (8) of the Companies Act, 1956, copies of Balance Sheet, Profit & Loss Accounts and reports of the Board of Directors and Auditors of the said subsidiaries have not been attached with the Balance Sheet of the



Company. The statements pursuant to section 212(1)(e) and (8) of the Companies Act, 1956 containing the details of the subsidiary companies are annexed to the Annual Report.

However, the Annual Accounts of the above referred subsidiary companies shall be made available to the shareholders on request and will also be kept for inspection at the Registered Office of the Company and of the subsidiary company during the office hours on all working days and will also be made available on the Company's website www.adhikaribrothers.com.

9. Consolidated Financial Statements

In accordance with the requirements of Accounting Standard-21 issued by the Institute of Chartered Accountants of India, the Consolidated Accounts of the company and Auditors Report on these accounts are published in this Annual Report.

10. Changes in Share Capital

During the year under review, the authorized share capital of the company has been increased from Rs.20,00,00,000/- to Rs.30,00,00,000/- comprising of 30,000,000 equity shares of Rs.10/- each.

The Company has issued and allotted 91,75,000 warrants on preferential basis convertible into even number of equity shares to persons in promoter group and other entities on 19th November 2009 at an issue price of Rs. 25.25 per share.

Further, the Company has allotted 29,25,000 warrants on preferential basis convertible into even number of equity shares to persons in promoter group on 28th January 2010 at an issue price of Rs. 31.85 per share

The Preferential Allotment was made in accordance with Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.

On 27th March, 2010 69,75,000 equity shares of Rs.10/- each were allotted on conversion of warrants issued on preferential basis. The additional shares issued are now listed with the stock exchanges.

On 12th August, 2010 51,25,000 equity shares of Rs.10/- each were allotted on conversion of warrants issued on preferential basis. The Company is in process of making application with stock exchanges for listing of shares.

Based on the above changes, the issued, subscribed & paid up equity share capital of the company has increased to Rs.213,835,000 divided into 21,383,500 equity shares of Rs.10/- each.

11. 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 continues to implement 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 continues to take prudential measures in respect of technology absorption, adaptation and take innovative steps to use the scarce resources effectively.

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

12. 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.

13. 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

14. Employees Stock Options Plan

In order to motivate and retain talented employees and as a token of appreciation for the honesty and loyalty shown towards the Company, the Company has introduced an ESOP Scheme during the year named as **SABTNL ESOP Scheme 2009-10**. The Company has taken approval of members for the ESOP Scheme through postal ballot process, results of which were declared on 13th January, 2010. The compensation committee was duly constituted on 26th February 2010 for proper administration of the ESOP Scheme consisting of

- Mr.Gautam Adhikari
- Mr.Prasannakumar Gawde and
- Mr.Arun Khakhar.

The compensation committee has granted 7,00,000 Options to the eligible employees on 15th April 2010.

As during the year ended 31st March, 2010 no options were granted under the ESOP Scheme, thus the details of ESOS pursuant to Regulation 12 of SEBI (Employees Stock Option Scheme and Employees Stocks Purchase Scheme) Guidelines, 1999 are not warranted.

15. Outlook

The Indian Media & Entertainment industry is estimated to grow from Rs.580.80 billion in 2009 at a CAGR of 12.4% for the next 5 years to reach Rs. 1040.80 billion in 2014. Television industry is projected to continue to be the major contributor to the overall industry revenue pie & estimated to grow at a healthy rate. Overall growth in the content & broadcast segment is expected to be powered by rapid growth in number of cable households, digitalization of media & availability of newer platforms & convergence of media.

16. Utilization of proceeds from Preferential Issue :

Details of proceeds from Preferential Issue:

Date of Issue	No. of securities issued	Offer price (Rs.)	Funds received (Rs. in millions)
19 th November, 2009	91,75,000	25.25	231.67
28 th January, 2010	29,25,000	31.85	93.16
TOTAL			324.83

Details of fund utilization:

(Rupees in millions)

Particulars	Actual funds utilized	% of net funds utilized
Investment in subsidiary companies	186.00	57.26
Repayments of debts	105.24	32.40
Working Capital	33.60	10.34
TOTAL FUNDS UTILISED	324.83	100.00



17. Buyback of FCCBs

The Company had issued US\$ 9 million 1.5% Secured Foreign Currency Convertible Bonds in June 2007 which were due for repayment in the month of June 2012. During the year, the Company has repurchased all the outstanding FCCB's in tranches at an average discount of 43.42% in compliance with applicable guidelines.

18. 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 and On behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2010

Gautam Adhikari
Chairman and Whole Time Director

ANNEXURE TO DIRECTORS' REPORT

A) Foreign Exchange Earnings and Outgo:

	Year ended 31.03.2010 (Rs. in Millions)	Year ended 31.03.2009 (Rs. in Millions)
Foreign Exchange earned	0.95	1.12
Foreign Exchange used	21.28	7.88

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 31st March 2010.

Name	Age	Designation/ Nature of Duties	Remuneration (in Rs. million)	Qualification	Experience (Years)	Commencement of Employment	Previous Employment	No. of Shares held
1	2	3	4	5	6	7	8	9
Mr. Gautam Adhikari	60	Chairman & Whole Time Director	4.8 per annum	Diploma in Applied Arts	28	19/12/1994	N.A	2,068,029
Mr. Markand Adhikari	53	Vice Chairman & Managing Director	4.2 per annum	Intermediate in Arts	28	19/12/1994	N.A	2,068,028

NOTES:

1. Gross remuneration includes salary and salary arrears.
2. The nature of employment for both the above listed individuals is Contractual.
3. The employees are also entitled to gratuity, in addition to the above remuneration.
4. Mr. Markand Adhikari and Mr. Gautam Adhikari are brothers.

For and On behalf of the Board of Directors

Place: Mumbai
Date: 12th August, 2010

Gautam Adhikari
Chairman and Whole Time Director

MANAGEMENT DISCUSSION AND ANALYSIS

A. Company Overview

During the year under review, your Company through its strategic business unit, essentially produced commissioned programs for the various broadcasters. The Company through its syndication division has lavages the value of already expensed out content by sub licensing the same on limited usage basis on national & international level.

As a part of its overall expansion plan, the studio which is under construction will soon be converted into a state of the art production and post production studio. Work has already started commencing on the same. The studio is intended to be used for internal consumption with a view to reduce cost of production & hire out idle capacity thereby boosting the bottom line.

During the year under review, your company through its wholly owned subsidiary successfully launched a music & comedy television channel "**Mastiii**". Your company shall launch a series of general entertainment television channels through its wholly owned subsidiaries in the near future.

B. Industry Overview

Over the next 5 years the Indian Media & Entertainment industry is projected to grow at a CAGR of 13%. Growth in the Industry is expected to be driven by growth in both subscription and advertising revenues. The market is likely to be driven by enhanced penetration and expansion of digital delivery infrastructure. The aspirations of Indian players to go global and foreign players entering the industry are likely to help the industry target a double digit growth rate. A strong focus on talent development, consumer research and innovation will help players in differentiating themselves.

Availability of organized funding, ability to attract foreign capital, corporatization of the industry will result in better capital inflows resulting in creation of sustainable business models. Digitalization and convergence are the two exciting models on which the landscape of the industry is expected to transform b leveraging on the cross media synergies created.

C. Opportunities & Threat

Opportunities

Launch of New Channels: Growth in number of channels especially in niche categories will give the company new opportunities to expand & create various genres of programming based on demand.

Digitization & Convergence : Newer platforms like DTH, digital cable, IPTV and convergence media is expected to transform the landscape of the industry by enabling players to leverage on cross media synergies and attract a whole set of new viewers. Each platform is expected to create its own demand for software.

Regional Markets: Regional markets would play a pivotal role in the growth of Media & Entertainment Industry.

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

Corporatization: With the industry getting increasingly corporatized, more and more systems are getting in place thereby enabling a competitive edge to the product and also encouraging constant innovations & development of newer & sustainable business models

Threats

Increasing competition: Increased competition in the broadcasting and content sphere has also led to increased content cost and reduced margins.

Economic Factors: A lower growth of TV advertising due to economic slow down and subsequent reduction in Ad spends can have its impact on the content industry as well



Fragmentation risk: With a vast plethora of channels at viewer's 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 31st March, 2010, the Authorized Share Capital of the Company stood at Rs.300 million divided into 30 million equity shares of Rs 10/- each. The paid up equity capital of the Company was Rs. 162.58 million comprising of 16.25 million equity shares of Rs. 10/- each.

2. Reserves And Surplus:

The total Reserves and Surplus as at 31st March, 2010 amounted to Rs.1, 165.67 million. The reserves include Capital Reserves of Rs.187.63 million, General Reserves of Rs.225.11 million, the Security Premium Reserves of Rs.731.41 million & surplus in P & L account of Rs.21.52 million.

3. Secured Loans

The total secured loan as at 31st March, 2010 stood at Rs.371.32 million comprising of Term Loan from Banks of Rs. 329.27 million, short term loan of Rs.34,.75 million & vehicle finance of Rs. 7.3 million.

4. Unsecured Loans

The total unsecured loan as at 31st March, 2010 stood at Rs.6.3 million comprising of short term loans from banks.

5. Fixed Assets

Depreciation of Rs. 78.40 million was charged to the Profit and Loss Account. The Net Block of Fixed Assets as on 31st March, 2010 was Rs. 863.72 million.

6. Investments

The Company has made an investment of Rs. 210.93 Million in Lotus Motion Pictures Ltd. in the earlier years. This is a long term investment in a Company having similar line of business of production of movies. During the year, investments were made in wholly owned subsidiaries aggregating to Rs.223.83 million and investment in partnership firm to Rs.4.1 million.

7. Net Current Assets

The net current assets as at 31st March, 2010 stood at Rs. 217.90 million.

8. Revenues

The Company earned total revenues of Rs. 303.10 million during the year ended 31st March, 2010 as against 222.77 million of the previous year ended 31st March, 2009.

9. Expenses

The operating expenses of the Company for the year ended 31st March, 2010 is Rs. 180.56 million as against Rs. 163.21 million for the previous year ended 31st March, 2009.

E. Critical accounting policies

The principles of revenue recognition are as under:

Revenue from 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.

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.

G. Human Resources

Human capital is a very important asset in a media company. Over the years, the company has built up a human resource structure, which has enabled the company to grow and take up challenges. The company has a 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 artistes are an important part for the content produced by the Company. The attrition of these artistes 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 is mainly dependent on the concept, content and the technical expertise. Apart from this, Television Rating Points (TRP) is one of the key indicators, which decide 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

The year under review proved eventful for the television industry with the first half being affected by the economic downturn and the second half witnessing not only recuperation but also some acceleration and growth. Television distribution segment gained importance owing to increasing subscription revenues, digitilisation, availability of newer platforms and the exciting prospect of convergence.

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.

L. Achievements

During the period under review, your company has successfully bagged and executed national level quiz show opening up exciting possibilities. Your company also entered into a joint venture & successfully created a new comedy serial "Sri Adi Manav" which became popular and was appreciated by television viewing audience. Your company has also been able to leverage on our existing library through strategic syndications.

For & On Behalf of the Board of Directors

Place: Mumbai
Date: August 12, 2010

Gautam Adhikari
Chairman and Whole Time Director

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate Governance broadly refers to a set of rules and practices designed to govern the behavior of corporate enterprises. It refers to a system by which Companies are governed, controlled and managed. Your Company's philosophy on Corporate Governance envisages accountability, responsibility and transparency in the conduct of the Company's business and its affairs vis-à-vis its employees, shareholders, bankers, lenders, government, suppliers, dealers etc. and accordingly lays great emphasis on regulatory compliances. Your Company firmly believes that Corporate Governance is a powerful tool to sub serves the long-term growth of the Company. Your Company continues to give high priority to the principles and practices of Corporate Governance and has accordingly benchmarked its practices with the existing guidelines of Corporate Governance as laid down in the Listing Agreement. 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.

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 / Independent Directors. The present strength of the Board is 5 (Five) members. More than 50% of the Board Members are Non-Executive /Independent Directors. All the members of the Board are persons with considerable experience and expertise in industry, finance, management and law.

The composition of the Board of Directors of the Company is as follows:

Name of the Director	Category of the Director	No. Of directorships held in other Companies	No. of committee positions held in other Companies	
			Chairman	Member
Mr. Gautam Adhikari	Chairman and Whole Time Director	14	1	1
Mr. Markand Adhikari	Vice Chairman and Managing Director	15	-	1
Mr. Arun Khakhar	Independent Director	1	-	-
Mr. Prasannakumar Gawde	Independent Director	4	1	-
Mr. M. S. Kapur (w.e.f. 31 st May, 2010)	Independent Director	7	1	1

b) Attendance at the Board meetings and Annual General Meetings

During the year under review, the Board of Directors met 16 (Sixteen) times viz. 04/04/2009, 30/06/2009, 31/07/2009, 31/08/2009, 03/10/2009, 14/10/2009, 21/10/2009, 31/10/2009, 19/11/2009, 30/11/2009, 11/12/2009, 24/12/2009, 28/01/2010, 30/01/2010, 26/02/2010 & 27/03/2010.

The attendance of the directors at the board meetings held during the year 2009-10 and at the last Annual General Meeting held on 30th September, 2009 is as follows:

Name of the Director	No. of Board meetings attended	Attendance at Last AGM
Mr. Gautam Adhikari	16	Yes
Mr. Markand Adhikari	16	Yes
Mr. Arun Khakhar	13	Yes
Mr. Prasannakumar Gawde	12	Yes
Mr. M. S. Kapur (w.e.f. 31 st May, 2010)	-	N.A.



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 Mr. Markand Adhikari, 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 are annexed to this report.

e) Relationship between directors

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

3. AUDIT COMMITTEE

Presently, the Audit Committee comprises of Mr. Arun Khakhar, Mr. Prasannakumar Gawde, Mr. Gautam Adhikari and Mr. M.S. Kapur. Mr. Arun Khakhar is Chairman of the Committee.

During the year 2009-10, the Audit Committee met 5(five) times viz. 30th May, 2009, 30th June 2009, 31st July 2009, 31st October 2009 and 30th January 2010. As stipulated, the gap between two Committee meetings did not exceed 120 days. The details of meetings attended by each member during the year ended 31st March, 2010 are as follows:

Name of the Director	Member/Chairman	No. of meetings attended
Mr. Arun Khakhar	Chairman	5
Mr. Prasannakumar Gawde	Member	5
Mr. Gautam Adhikari	Member	5
Mr. M. S. Kapur (w.e.f. 31 st May, 2010)	Member	-

Statutory Auditors are invitees to the Audit Committee Meetings.

Mr. Laxman Vasandani 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 Auditors and the Board of Directors of the Company. The brief description of terms of reference includes reviewing the audit and risk management function of the Company, recommending the appointment/reappointment and fixation of remuneration of the auditors and reviewing the financial statements before submission to the Board.

4. REMUNERATION COMMITTEE

The Remuneration Committee of the Company is solely comprised of non-executive independent directors, comprising of Mr. Arun Khakhar, Mr. Prasannakumar Gawde and Mr. M.S. Kapur (w.e.f 31st May 2010). Mr. Arun Khakhar is Chairman of the Committee.

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 remuneration packages for Executive Directors and Senior Management personnels as per the Company's policy.

Only sitting fees are paid to the non-executive directors. Mr. Arun Khakhar waived off the sitting fees for the year 2009-10. Mr. Prasannakumar Gawde was paid Rs. 10,000/- (excluding tax adjustments) as sitting fees for each board meeting attended by him.

Details of Remuneration (the term does not include sitting fees) paid to Directors during the year ended 31st March, 2010:

(Amount in million)

Name	Category	Salary	Perquisites or Allowances	Stock Option
Mr. Gautam Adhikari	Chairman & Whole-Time Director	4.8	0.12	Nil
Mr. Markand Adhikari	Vice Chairman & Managing Director	4.2	Nil	Nil

No. of equity shares held by directors:

Name	Category	No. of Shares held
Mr. Gautam Adhikari	Chairman & Whole-Time Director	2,068,029
Mr. Markand Adhikari	Vice Chairman & Managing Director	2,068,028
Mr. Arun Khakhar	Independent & Non Executive Director	100
Mr. Prasannakumar Gawde	Independent & Non Executive Director	Nil
Mr. M. S. Kapur (w.e.f. 31 st May, 2010)	Independent & Non Executive Director	Nil

5. INVESTORS' GRIEVANCE COMMITTEE

During the financial year 2009-10, the Committee comprised solely of independent and non-executive 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 4 (four) meetings during the year under review on 30th June, 2009, 31st July, 2009, 31st October, 2009 and 30th January, 2010.

Attendance at the meetings of the Committee is as follows:

Name of the Director	Member/Chairman	No. of meetings attended
Mr. Arun Khakhar	Chairman	4
Mr. Prasannakumar Gawde	Member	4
Mr. M. S. Kapur (w.e.f. 31 st May, 2010)	Member	N.A.

 The Company received seven complaints from the investors during the year ended 31st March, 2010. All the complaints have been replied to the satisfaction of the investors.

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 3 (three) times on 30th June, 2009, 23rd December, 2009 and 25th January, 2010 during the year ended on 31st March, 2010.

Name of the member	Member/Chairman	No of Meetings attended
Mr. Gautam Adhikari	Chairman	3
Mr. Markand Adhikari	Member	3

Mr. Laxman Vasandani acts as Compliance officer of the Company.



7. SUBSIDIARY COMPANIES

The Company has five subsidiary Companies:

1. TV Vision Private Limited
2. MPCR Broadcasting Service Private Limited
3. UBJ Broadcasting Private Limited
4. HHP Broadcasting Services Private Limited
5. Westwind Realtors Private Limited

However, they do not fall under the norms prescribed in Clause 49 of the Listing Agreement for "**Material non-listed Indian Subsidiaries**" as on 31st March, 2010.

8. GENERAL BODY MEETINGS

Location, time and date where last three Annual General Meetings were held are given below:

Financial Year	AGM	Date of AGM	Time	Location of the meeting
31st March 2009	14th AGM	30 th September, 2009	11.00 a.m.	Empress Court, S V Road, Opp. Irla Nursing Home , Vile Parle (West), Mumbai 400 056
31st March 2008	13th AGM	30 th September, 2008	10.00 a.m.	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049
31st March 2007	12th AGM	27 th September, 2007	10.30 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 Resolution passed
30 th September, 2009	<ul style="list-style-type: none"> ● To appoint Mr.Gautam Adhikari as Whole Time Director for a period of three years on a remuneration of Rs.4,00,000/- per month
30 th September, 2008	<ul style="list-style-type: none"> ● To approve the remuneration payable to Mr. Markand Adikari, Managing Director of the Company. ● Appointment of Mr. Ravi Adhikari to hold place of profit as a Creative Director. ● Appointment of Ms. Ashka Pandit to hold place of profit as a Programming Consultant.
27 th September 2007	<ul style="list-style-type: none"> ● 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. ● 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".

No Special Resolution is proposed to be passed through postal ballot process at ensuing annual general meeting.

9. Resolution passed through Postal Ballot process:

During the year 2009-10, the company conducted postal ballot process two times, the details of which are as follows:

Postal Ballot I:

The Company issued Postal Ballot Notice to its shareholders on 5th October, 2009. The postal ballot process was undertaken in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Mr. Manish L. Ghia, Practising Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot process was announced on 4th November, 2009.

The resolution passed through postal ballot and the voting pattern for the same are as follows:

Sr. No.	Business	Postal Ballot forms received		Valid Votes Casted		
		Total	Valid	Total	In favour	Against
1.	Special Resolution under Section 81 (1A) of the Companies Act, 1956 for offering and issue of 1,01,00,000 warrants convertible into even number of equity shares of Rs. 10/ each on preferential basis to promoters and other than promoters.	72	60	3941246	3933708	538

The above resolution was passed with requisite majority

Postal Ballot II:

The Company issued Postal Ballot Notice to its shareholders on 14th December, 2009. The postal ballot process was undertaken in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001. Mr. Manish L. Ghia, Practising Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process. The result of the Postal Ballot process was announced on 13th January, 2010.

The details of resolutions passed through postal ballot and the voting pattern for the same are as follows:

Sr. No.	Business	Postal Ballot forms received		Valid Votes Casted		
		Total	Valid	Total	In favour	Against
1.	Ordinary Resolution under Section 94 of the Companies Act, 1956 for increase in Authorized Share Capital of the Company.	34	31	3940367	3928880	11487
2.	Ordinary Resolution under Section 16 of the Act for alteration in existing clause V of the Memorandum of Association of the Company.	34	31	3940367	3928880	11487
3.	Special Resolution under section 31 for alteration of Articles of Association for change in Authorized Share Capital of the Company.	34	31	3940367	3928880	11487
4.	Special Resolution under Section 81 (1A) of the Companies Act, 1956 for issue of securities by way of QIPs / FCCBs / GDRs / ADRs or other permissible instruments.	34	31	3940367	3928880	11487



Sr. No.	Business	Postal Ballot forms received		Valid Votes Casted		
		Total	Valid	Total	In favour	Against
5.	Special Resolution under Section 81 (1A) of the Companies Act, 1956 for offering and issue of 29,25,000 warrants convertible into even number of equity shares of Rs. 10/- each on preferential basis to promoter group.	34	31	3940367	3928880	11487
6.	Special Resolution under Section 81 (1A) of the Companies Act, 1956 for Issue of Options under ESOP scheme.	34	31	3940367	3928880	11487

All the resolutions were passed with requisite majority.

10. DISCLOSURES

a) Related Party Transactions

Transactions, with related parties are disclosed in Schedule 16 to the Financial Statements in the Annual Report. However, these transactions are not in 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. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities during the last three years.

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. No employees were denied to access the Audit Committee.

f) CEO/CFO certification

In terms of the requirements of Clause 49(V) of the Listing Agreement, the Managing Director and Vice President-Finance have submitted necessary certificate to the Board at its meeting held on 28th May, 2010 stating the particulars specified under the said clause.

g) 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.

h) Utilization of proceeds received from issues of warrants on preferential basis:

Details of proceeds from Preferential Issue:

Date of Issue	No. of securities issued	Offer price (Rs.)	Funds received (Rs. in millions)
19 th November, 2009	91,75,000	25.25	231.67
28 th January, 2010	29,25,000	31.85	93.16
TOTAL			324.83

Details of fund utilization:

(Rupees in millions)

Particulars	Actual funds utilized	% of net funds utilized
Investment in subsidiary companies	186.00	57.26
Repayments of debts	105.24	32.40
Working Capital	33.60	10.34
TOTAL FUNDS UTILISED	324.83	100.00

11. MEANS OF COMMUNICATION
Publication of Quarterly Results

The financial results are duly published in "Business Standard" and "Mumbai Mitra" in compliance with the Listing Agreement. Also the results are available on Company's website www.adhikaribrothers.com and also on NSE's website www.nseindia.com and BSE's website www.bseindia.com.

Management Discussion and Analysis Report

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

12. GENERAL INFORMATION FOR SHAREHOLDERS

a) Date, Time and Venue of Annual General Meeting	Date : 29 th September, 2010 Day : Wednesday Time : 11.00 a.m. Venue : Indian Medical Association, J. R. Mhatre Marg, JVPD Scheme, Vile Parle (West), Mumbai 400049
b) Financial Calendar (2010-11)	i) First Quarter Results - By mid of August, 2010 ii) Second Quarter Results - By mid of November, 2010 iii) Third Quarter Results - By mid of February, 2011 iv) Fourth Quarter Results - Last week of May, 2011
c) Date of Book Closure	Friday, 24 th September 2010 to Wednesday, 29 th September 2010 (both days inclusive)
d) Dividend payment date	On or after 30 th September 2010



e) Listing on Stock Exchanges	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 2010-11 to all the Stock Exchanges.
f) Stock Code Symbol	NSE : SABTN, BSE : 530943
g) Demat ISIN Number For CDSL and NSDL	INE416A01036

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. in last financial year are as follows:

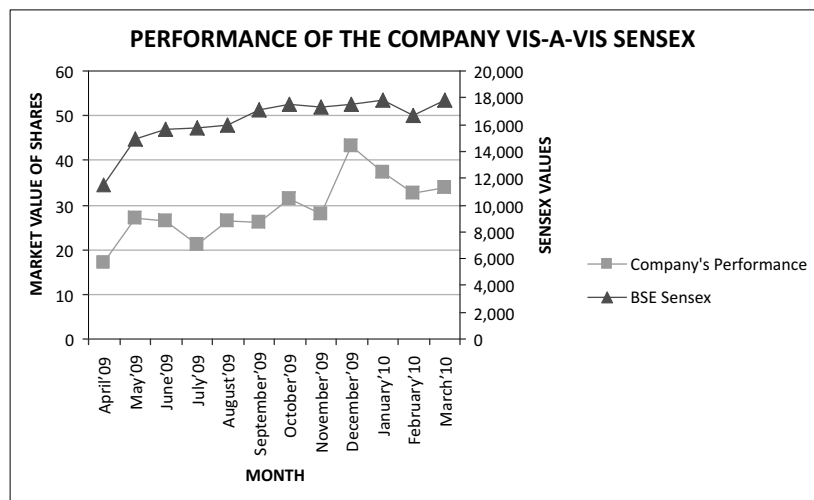
Month	National Stock Exchange of India Ltd		Bombay Stock Exchange Limited	
	Price (Rs.)*		Price (Rs.)**	
	High	Low	High	Low
April'09	16.20	12.00	17.00	12.12
May'09	26.80	13.45	27.00	14.00
June'09	26.45	18.45	26.50	18.00
July'09	20.85	16.50	21.10	16.40
Aug'09	26.50	20.35	26.30	20.25
Sep'09	26.45	22.10	26.25	22.70
Oct'09	31.45	22.20	31.40	22.00
Nov'09	27.40	22.05	27.95	22.05
Dec'09	43.25	24.40	43.20	22.05
Jan'10	37.05	28.00	37.20	28.20
Feb'10	31.35	24.10	32.60	24.75
March'10	34.05	26.50	33.80	26.75

*Source: www.nseindia.com

**Source: 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 : Indicates Monthly closing positions.

j) Registrar and Share Transfer Agents

Sharex Dynamic (India) Private Limited,

Unit 1, Luthra Industrial Estate,
1st Floor, 44-E, M.Vasanti Marg,
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 depository's i.e National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 15 days.

l) Category wise distribution of equity shareholding as at 31st March 2010

Category	Number of shares held	Percentage of Shareholding (%)
Promoter and Promoter Group	6,991,259	43.00
Mutual Funds/ UTI	160,400	0.99
Financial Institutions/ Banks	304	0.00
Venture Capital Funds	540	0.00
Insurance Companies	206,950	1.27
Foreign Institutional Investors	1,100	0.00
Bodies Corporate	4,883,843	30.04
Individuals	3,962,278	24.37
Clearing Member	33,702	0.21
NRIs	18,124	0.12
GRAND TOTAL	16,258,500	100.00



m) Distribution of shareholding as on 31st March 2010

Number of Equity shares held	Number of shareholders	% of total number of shareholders	Number of Shares	% of Total Number of Shares
1 TO 5000	14,363	90.95	16,600,120	10.21
5001 TO 10000	748	4.74	6,110,980	3.76
10001 TO 20000	349	2.21	5,406,920	3.33
20001 TO 30000	125	0.79	3,204,840	1.97
30001 TO 40000	50	0.32	1,797,140	1.11
40001 TO 50000	39	0.25	1,801,250	1.11
50001 TO 100000	60	0.38	4,533,160	2.79
100001 TO ABOVE	56	0.37	123,130,590	75.73
Total	15,790	100.00	162,585,000	100.00

n) Dematerialization of shares and Liquidity

About 99.62% of the shares have been dematerialized as on 31st March 2010. The Equity shares of the Company are traded on, Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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

The Company issued and allotted 91,75,000 warrants convertible into even number of equity shares to persons in promoter group and other entities on 19th November 2009 at issue price of Rs. 25.25 per share on preferential basis.

Further, the Company has also allotted 29,25,000 warrants convertible into even number of equity shares to persons in promoter group on 28th January 2010 at issue price of Rs. 31.85 per share on preferential basis. The Preferential Allotment was made in accordance with Chapter VII of SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009.

The Company has allotted 69,75,000 Equity Shares and 51,25,000 Equity Shares of Rs. 10/- each on 27th March, 2010 and 12th August 2010 respectively upon conversion of said warrants issued on preferential basis. The 69,75,000 Equity Shares allotted are now listed with BSE & NSE. The Company is in process of making application to the stock exchanges for listing of 51,25,000 equity Shares of Rs. 10/- each

Buyback of FCCBs.:

The Company had issued US\$ 9 million 1.5% Secured Foreign Currency Convertible Bonds in the year June 2007 which were due for repayment in the month of June 2012. During the year, the Company has repurchased all outstanding FCCB's in tranches at an average discount of 43.42% in compliance with applicable guidelines.

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, and please write to:

Sharex Dynamic (India) Private Limited,

Unit 1, Luthra Industrial Estate,
1st Floor, 44-E, M. Vasanti Marg,
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:

The Company Secretary
Sri Adhikari Brothers Television Network Limited
Adhikari Chambers,
Oberoi Complex, New Link Road,
Andheri (West), Mumbai 400 053
Email: investorservices@adhikaribrothers.com

DECLARATION AFFIRMING COMPLIANCE OF CODE OF CONDUCT

To the best of my knowledge and belief, I hereby affirm that all the Board members and the Senior Management Personnel of the company have fully complied with the provision of the Code of Conduct as laid down by the Company for Directors and Senior Management Personnel during the financial year ended on 31st March, 2010.

For and on behalf of the Board of Directors

Markand Adhikari

Vice Chairman & Managing Director

Place: Mumbai

Date: 12th August, 2010

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 31st March, 2010 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.

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
(FRN. 110324W)

A. R. Sodha

Partner

M.No. 31878

Date: 12th August, 2010

Place: Mumbai



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 31st March 2010, 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 31st March, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2010 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 31st March, 2010.
 - ii. In the case of Profit and Loss Account, of the loss 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 Accountant
(FRN. 110324W)

A R Sodha

Partner
M. No 31878

Place: Mumbai

Date: 28th May, 2010

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 granted interest free unsecured loans to 3 parties covered in the register maintained under section 301 of the Companies Act, 1956. The aggregate amount involved during the year is Rs.608.47 Lacs and the yearend Balance is Rs.608.47 Lacs
b. According to information and explanation furnished to us, as these loans are granted to wholly owned subsidiaries of the company in our opinion the rate of interest and other terms and conditions on which the Company has given loans are not, prima facie, prejudicial to the interest of the Company
c. As these loans are interest free there is no question of repayment of interest. With respect to principal as these loans are repayable on demand we cannot comment on regularity of payment of principal
d. As these loans are repayable on demand we cannot comment for overdue amount
e. According to the information and explanation given to us and on the basis of records furnished before us, company has not taken any loans from parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) (e), (f) & (g) of Companies (Auditor's Report) Order, 2003 are not applicable.
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 for sale of goods and services. Neither we have come across nor have we been informed of any continuing failure to correct major weakness in the internal control.
5. 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 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.
6. Company has not accepted deposit from the public; accordingly clause 4(vi) of Companies (Auditor's Report) Order, 2003 is not applicable.
7. According to information & explanation given to us by the management, we are of the opinion that the Internal Audit system is commensurate with the size of the company and the nature of the business.
8. 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.



9. 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 delays in payment of TDS in few instances and payment of dividend distribution tax.*
 - 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 31st March for more than six months from the date they become payable *except corporate dividend tax of Rs.9.46 Lacs.*
 - c. According to the information and explanation given to us, there are no dues relating to Income tax, Sales tax, Wealth tax, Service tax, Custom Duty, Excise Duty, Cess or any other statute, which have not been deposited on account of dispute
10. The Company has no accumulated losses and has not has incurred cash loss during the year. However company had incurred cash loss in the immediately preceding financial year.
 11. 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 interest and principle to bank aggregating to Rs. 258.20 Lacs by 5 to 30 days, Rs.316.26 Lacs by 31 to 60 days.*
 12. 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.
 13. 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.
 14. The Company is not dealing or trading in Shares and Securities.
 15. According to the information and explanation given to and records of the Company examined by us, the company has given corporate guarantee for loans taken by 100% Subsidiary of the company from the bank. The terms and conditions whereof in our opinion are not prima facie prejudicial to the interest of the Company.
 16. According to information and explanation given to us and records examined by us, long term loans availed during the year have been applied for the purpose for which they were obtained
 17. 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.
 18. During the year, the company has made preferential allotment of shares and warrants to Parties covered in the Register maintained under Section 301 of the Companies Act, 1956. As these shares and warrants are issued as per pricing norms stipulated in Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, in our opinion price at which they are issued are not prima facie prejudicial to the interest of the company.
 19. During the year, the Company has not issued any debentures. Accordingly clause 4(xix) of Companies (Auditor's Report) Order, 2003 is not applicable.
 20. According to information and explanation given to us and records examined by us company has not raised any money by public issue during the year under audit. Accordingly clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable.
 21. 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
(FRN. 110324W)

A R Sodha

Partner
M. No 31878

Place: Mumbai

Date: 28th May, 2010

BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
<u>SOURCES OF FUNDS</u>			
Shareholders' Funds			
Share Capital	1	162,585,000	92,835,000
Share Warrant Application Money		34,001,565	-
Reserve & Surplus	2	1,165,677,158	900,397,992
		<u>1,362,263,723</u>	<u>993,232,992</u>
Loan Funds			
Secured Loan	3	371,317,143	425,599,158
Unsecured Loan	4	6,309,655	35,403,333
		<u>377,626,798</u>	<u>461,002,491</u>
Deferred Tax Liability		<u>106,133,528</u>	<u>101,057,413</u>
	TOTAL	<u><u>1,846,024,049</u></u>	<u><u>1,555,292,896</u></u>
<u>APPLICATION OF FUNDS</u>			
Fixed Assets			
Gross Block	5	1,190,859,299	1,196,854,579
Less : Depreciation		<u>327,134,887</u>	<u>260,544,217</u>
Net Block		863,724,412	936,310,362
Capital WIP & Capital Advance		<u>307,445,813</u>	<u>237,000,000</u>
		<u>1,171,170,225</u>	<u>1,173,310,362</u>
Investment	6	438,854,367	211,025,980
Current Assets, Loans & Advances			
Inventories	7	-	1,551,188
Sundry Debtors		157,908,137	111,333,944
Cash & Bank Balances		33,937,082	11,317,832
Loans, Advances & Deposit		<u>129,649,662</u>	<u>103,556,850</u>
		<u>321,494,881</u>	<u>227,759,814</u>
Less : Current Liabilities & Provisions	8		
Current Liabilities		80,269,744	53,890,798
Provisions		<u>23,330,953</u>	<u>22,099,630</u>
		<u>103,600,697</u>	<u>75,990,429</u>
Net Current Assets		217,894,184	151,769,385
Deferred Tax Assets (MAT Credit)		18,105,271	17,494,870
Miscellaneous Expenditure	9	-	1,692,299
(To the extent not written off or adjusted)			
	TOTAL	<u><u>1,846,024,049</u></u>	<u><u>1,555,292,896</u></u>

Notes To Accounts
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 of Directors
For A. R. Sodha & Co.

Chartered Accountants
(FRN. 110324W)

A.R.Sodha

Partner
M.No.31878
Mumbai, 28th May,2010

Gautam Adhikari

Chairman & Whole Time Director

Laxman Vasandani

Company Secretary

Markand Adhikari

Vice Chairman & Managing Director

Mumbai, 28th May,2010

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule	Year Ended 31.03.2010 (Rupees)	Year Ended 31.03.2009 (Rupees)
INCOME			
Sales		281,605,280	220,880,552
Other Income	10	21,483,996	1,889,037
		<u>303,089,276</u>	<u>222,769,589</u>
EXPENDITURE			
Production Expenses	11	122,981,432	112,703,692
(Increase)/Decrease in Inventory	12	1,551,188	(145,648)
Administration Expenses	13	52,764,548	47,505,230
Selling & Distribution Expenses	14	3,266,478	3,151,463
Miscellaneous Expenditure W/off	9	1,692,299	5,544,984
		<u>182,255,945</u>	<u>168,759,721</u>
PROFIT/(LOSS) BEFORE FINANCE CHARGES, DEPRECIATION & TAX		120,833,331	54,009,868
Finance Charges	15	38,484,668	18,351,265
PROFIT/(LOSS) BEFORE DEPRECIATION & TAX		82,348,663	35,658,603
Depreciation	5	78,397,845	70,974,954
PROFIT/(LOSS) BEFORE TAX		3,950,818	(35,316,351)
Provision for Taxation:			
Current Tax		610,401	-
Deferred Tax		4,465,714	11,306,278
Fringe Benefit Tax		-	415,314
Earlier Years(Excess)/Short Provision		-	121,610
PROFIT/(LOSS) AFTER TAX		(1,125,297)	(47,159,553)
Prior Period Income/(Expenses)		-	(1,342,110)
PROFIT/(LOSS) AFTER EXTRA ORDINARY ITEMS		(1,125,297)	(48,501,663)
Profit/(Loss) brought from Previous Year		34,065,906	89,084,307
Balance Carried To Balance Sheet		<u>32,940,609</u>	<u>40,582,644</u>
APPROPRIATION			
Proposed Dividend		9,755,100	5,570,100
Dividend Distribution Tax on Dividend		1,657,879	946,638
Balance Carried To Balance Sheet		<u>21,527,630</u>	<u>34,065,906</u>
		32,940,609	40,582,644
Basic & Diluted Earning Per Share (See Note No.6 of schedule 16)		(0.12)	(5.22)

Notes To Accounts

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 of Directors

For A. R. Sodha & Co.

Chartered Accountants
(FRN. 110324W)

A.R.Sodha

Partner

M.No.31878

Mumbai, 28th May,2010

Gautam Adhikari

Chairman & Whole Time Director

Markand Adhikari

Vice Chairman & Managing Director

Laxman Vasandani

Company Secretary

Mumbai, 28th May,2010

CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2010

	(Rs.in Million)	
	For The Year Ended 31.03.2010	For The Year Ended 31.03.2009
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary items	3.95	(35.32)
Adjustments for :		
Depreciation	78.40	70.97
Interest Income	(0.14)	(0.14)
Profit on Sale of Mutual fund units	(0.49)	(0.02)
Loss on sale of fixed assets	0.01	0.17
Interest on Loan funds	26.33	17.80
Share of Profit from Partnership	(0.25)	-
Delayed payment on Dividend Tax	0.09	-
Preliminary / Share Issue Expenses written off	1.69	5.54
Operating profit before working capital changes	<u>109.59</u>	<u>59.01</u>
Adjustments for :		
(Increase)/Decrease in Sundry Debtors & Other Receivables	(87.51)	122.29
(Increase)/Decrease in Inventories	1.55	(0.15)
Increase/(Decrease) in Trade payable and provisions	35.53	(27.92)
Cash generated from operations	<u>59.17</u>	<u>153.24</u>
Direct taxes paid/(refund)	(1.42)	(0.47)
Net cash from operating activities	<u>60.59</u>	<u>152.78</u>
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of/advance for Fixed Assets	(144.57)	(20.94)
Sale of Fixed Assets/ Refund of Capital Advance	68.30	0.42
Sale of Investment	-	-
Investments made during the year	(227.58)	(211.03)
Interest Income Received	0.14	0.14
Profit on Sale of Mutual fund units	0.49	0.02
Net cash from investing activities	<u>(303.22)</u>	<u>(231.39)</u>
C CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Shares & Warrants	222.83	-
Share Issue Expenses	(0.42)	-
Buy Back of FCCB	(207.41)	-
Loan taken	329.27	-
Repayment of Term Loan from Bank	(3.12)	(36.92)
Short Term Loan from Bank	34.75	75.00
Repayment of Short Term Loan	(74.72)	(18.06)
Loan Taken - Vehicle loan	-	0.71
Repayment of Loan - Vehicle Loan	(2.98)	(2.80)
Interest on Car Loan	(1.17)	(1.40)
Interest on term Loan from Bank	(23.93)	(8.43)
Interest on FCCB Debentures	(1.23)	(7.32)
Dividend Paid	(6.60)	(5.57)
Net cash used in financing activities	<u>265.27</u>	<u>(4.81)</u>
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	22.62	(83.42)
Opening balance of cash and cash equivalents	11.32	94.74
Closing balance of cash and cash equivalents	<u><u>33.94</u></u>	<u><u>11.32</u></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
(FRN. 110324W)

A.R.Sodha

Partner
M.No.31878
Mumbai, 28th May,2010

For & on behalf of the Board of Directors

Gautam Adhikari

Chairman & Whole Time Director

Laxman Vasandani
Company Secretary

Mumbai, 28th May,2010

Markand Adhikari

Vice Chairman & Managing Director



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
30,000,000 (P.Y.20,000,000) Equity shares of Rs.10/- each.	<u>300,000,000</u>	<u>200,000,000</u>
Issued, Subscribed & Paid-up		
16,258,500 (P.Y.9,283,500) Equity shares of Rs.10/- each. fully paid up	<u>162,585,000</u>	<u>92,835,000</u>
	<u>162,585,000</u>	<u>92,835,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
A) Capital Reserve	28,467,950	28,467,950
Add: Discount on buy back of Foreign Currency Convertible Bonds)	<u>159,163,709</u>	-
	187,631,659	28,467,950
B) General Reserve	225,110,695	225,110,695
C) Securities Premium Account	612,753,441	612,753,441
Add: Premium on conversion of preferential warrants	119,073,750	-
Less : Expenses on Issue of Shares	<u>420,017</u>	-
	731,407,174	612,753,441
D) Surplus in Profit & Loss Account	21,527,630	34,065,906
	<u>1,165,677,158</u>	<u>900,397,992</u>
SCHEDULE 3		
SECURED LOANS		
Term Loan	329,267,015	3,122,388
(Equitable mortgage of land and all the present and future construction of proposed project at Kandivali and hypothecation of studio equipment ,furniture and fixtures) <i>[Installment due within a year Rs.26,000,000 (P.Y Rs.3,075,000)]</i>		
Short Term Loan From Bank	34,750,592	45,627,603
(Secured against assignment of receivable and first charge on Tv serial & programme rights)		
Debenture A/c (FCCB)	-	366,570,000
Vehicle Loan	7,299,536	10,279,167
(Against Hypothecation of vehicles) <i>[Installment due within a year Rs.3,648,174 (P.Y 4,291,104)]</i>		
	<u>371,317,143</u>	<u>425,599,158</u>
SCHEDULE 4		
UNSECURED LOANS		
Short Terms Loans from Bank	6,309,655	35,403,333
(Secured against personal asset of the Director)		
	<u>6,309,655</u>	<u>35,403,333</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Particulars	(Amount in Rupees)									
	GROSS BLOCK			DEPRECIATION				NET BLOCK		
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	As at 01.04.2009	For the Year Ended 31.03.2010	Adjstment	As at 31.03.2010	As at 31.03.2010	As at 31.03.2009
Business & Commercial Rights	417,178,457	-	-	417,178,457	124,259,614	41,717,846	-	165,977,460	251,200,997	292,918,843
Land & Building	433,225,669	4,135,000	-	437,360,669	17,989,492	7,196,379	-	25,185,871	412,174,798	415,236,177
Plant & Machinery & Media Assets	181,153,523	820,515	-	181,974,038	59,110,613	13,976,273	-	73,086,886	108,887,152	122,042,910
Improvement to Lease Assets	17,326,357	-	-	17,326,357	7,210,705	5,774,875	-	12,985,580	4,340,777	10,115,652
Sets	45,886,346	-	-	45,886,346	7,265,827	2,904,606	-	10,170,433	35,715,913	38,620,519
Furniture & Fixtures	66,448,341	-	-	66,448,341	23,073,065	4,206,180	-	27,279,245	39,169,096	43,375,276
Vehicles	20,324,931	-	763,276	19,561,655	6,483,973	1,868,357	447,316	7,895,014	11,666,641	13,840,958
Computers	15,310,955	1,172,341	11,359,860	5,123,436	15,150,929	763,329	11,359,860	4,554,398	569,038	160,026
TOTAL	1,196,854,579	6,127,856	12,123,136	1,190,859,299	260,544,218	78,397,845	11,807,176	327,134,887	863,724,412	936,310,361
Capital W/P	237,000,000	138,445,813	68,000,000	307,445,813	-	-	-	-	307,445,813	-
Previous Year	1,116,290,241	87,053,538	6,489,200	1,196,854,579	191,015,671	70,974,954	1,446,407	260,544,218	936,310,361	-



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
SCHEDULE 6		
UNQUOTED-INVESTMENT		
Lotus Motion Pictures Ltd	210,926,000	210,926,000
In Subsidiaries Company		
Tv Vision Pvt.Ltd.	100,000,000	99,980
(10,000,000 (PY 9,998) shares of Rs.10 each fully paid up)		
Tv Vision Pvt Ltd. - Share application money	24,330,000	-
MPCR Broadcasting Service Pvt Ltd.	16,000,000	-
(1,600,000 (PY Nil) shares of Rs.10 each fully paid up)		
HHP Broadcasting Services Pvt.Ltd	16,000,000	-
(1,600,000 (PY Nil) shares of Rs.10 each fully paid up)		
UBJ Broadcasting Pvt.Ltd.	16,000,000	-
(1,600,000 (PY Nil) shares of Rs.10 each fully paid up)		
UBJ Broadcasting Pvt Ltd. - Share application money	51,500,000	-
Investment In Partnership Firm	4,098,367	-
	438,854,367	211,025,980
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
Programme Episodes	-	1,551,188
Sundry Debtors		
(Unsecured Considered good)		
Outstanding for more than six months	46,949,579	71,979,943
Other debts	110,958,558	39,354,001
[including Rs.42,804,402 (PY Rs.57,647,411) due from Company under same management]	157,908,137	111,333,944
Cash & Bank Balances		
Cash on Hand	482,759	295,105
Balance with Scheduled Banks in		
Current Accounts	31,143,225	2,917,317
Fixed Deposit	2,311,098	8,105,410
	33,937,082	11,317,832
Loans, Advances & Deposits		
(Unsecured, Considered good)		
Premises Deposit	33,000,000	33,000,000
Prepaid Expenses	610,828	1,355,615
Interest Receivable	364,649	339,080
Loan/Advances to Subsidiaries	60,846,563	-
Other Advances & Receivables	34,827,622	68,862,155
[including Rs.3,221,845 (PY Rs.3,150,946) due from Company under same management]	129,649,662	103,556,850

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	AS AT 31.03.2010 (Rupees)	AS AT 31.03.2009 (Rupees)
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors & Other Liability [For dues to Micro, Small and Medium Enterprise refer Note No.14 of Notes to Accounts]	79,746,919	53,247,822
Unclaimed Interest on F.D	199,648	199,648
*Unclaimed Dividend	192,178	312,328
*Unclaimed Fixed Deposit (Kept in a separate Bank A/c)	<u>131,000</u>	<u>131,000</u>
	<u>80,269,744</u>	<u>53,890,798</u>
Provisions:		
For Expenses	10,360,935	1,212,991
For Taxation	610,401	13,423,263
Proposed Dividend	9,755,100	5,570,100
Dividend Distribution Tax	<u>2,604,516</u>	<u>1,893,276</u>
	<u>23,330,953</u>	<u>22,099,630</u>
SCHEDULE 9		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses & Share Issue Expenses		
Opening Balance	1,692,299	7,237,283
Add: Addition During the year	-	-
Less : Written off during the year	<u>1,692,299</u>	<u>5,544,984</u>
	<u>-</u>	<u>1,692,299</u>



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year ended 31.03.2010 (Rupees)	For the Year ended 31.03.2009 (Rupees)
SCHEDULE 10		
OTHER INCOME		
Interest Income	142,805	140,050
Exchange Rate Difference	11,323,681	1,123,974
Sundry Balance Written Back	4,877,378	-
Rent Income	282,500	600,000
Miscellaneous Income	4,611,765	25,013
Share of profit in Partnership Firm	245,867	-
	<u>21,483,996</u>	<u>1,889,037</u>
SCHEDULE 11		
PRODUCTION EXPENSES		
Programme Purchase Cost	108,500,000	72,683,290
Remuneration to Artist & Technicians	4,476,526	19,878,555
Shooting Charges	7,137,078	10,147,938
Location & Equipment Hire Charges	2,163,669	8,400,137
Technical Charges	343,972	321,693
Cassettes Purchase	360,187	1,272,079
	<u>122,981,432</u>	<u>112,703,692</u>
SCHEDULE 12		
(INCREASE)/DECREASE IN INVENTORIES		
Opening Balance	(1,551,188)	(1,405,540)
Closing Balance	-	(1,551,188)
	<u>1,551,188</u>	<u>(145,648)</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	For the Year ended 31.03.2010 (Rupees)	For the Year ended 31.03.2009 (Rupees)
SCHEDULE 13		
ADMINISTRATIVE EXPENSES		
Salaries, Allowances etc.	8,765,338	9,902,922
Contribution To Provident Fund & Others Fund	326,552	472,680
Staff Welfare Expenses	561,832	697,683
Electricity Charges	4,619,892	4,167,523
Communication Expenses	978,670	991,347
Insurance Charges	1,004,783	517,263
Rent, Rates & Taxes	4,444,284	3,132,822
Repairs & Maintenance	1,657,090	1,412,140
Traveling & Conveyance	4,685,444	3,805,995
Legal & Professional Charges	9,130,510	10,403,816
Printing & Stationery	413,629	337,375
Membership & Subscription	300,521	38,350
General Expenses	6,363,544	4,162,019
Audit Fees	500,000	500,000
Loss on Sale of Asset	12,460	168,748
Director Remuneration	9,000,000	6,600,000
Sundry Debit Balance w/off	-	194,547
	<u><u>52,764,548</u></u>	<u><u>47,505,230</u></u>
 SCHEDULE 14		
SELLING & DISTRIBUTION EXPENSES		
Business Promotion Expenses	1,333,974	1,397,978
Advertising & Marketing Expenses	1,932,504	1,753,485
	<u><u>3,266,478</u></u>	<u><u>3,151,463</u></u>
 SCHEDULE 15		
FINANCE CHARGES		
Bank Interest	25,096,321	10,478,759
Interest on FCCB	1,229,179	7,322,464
Others	12,159,168	550,042
	<u><u>38,484,668</u></u>	<u><u>18,351,265</u></u>



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 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.
- Improvement to leased assets are amortised over the period of Lease

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.

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

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) Borrowing Cost:

Borrowing costs directly attributable to development of qualifying asset are capitalized till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. Other Borrowing costs are recognized as expense and debited to P&L a/c.

j) 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

k) 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.

l) 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, the company has bought back all the outstanding FCCBs at an average discount of 43.42%. The discount of Rs. 159.10 million on buy back has been credited to Capital Reserve.

3. PREFERENTIAL ISSUE

During the year, the company has allotted 91,75,000 warrants on 19th November, 2009 and 29,25,000 on 28th January, 2010 issued on preferential basis. These warrants are convertible into equivalent number of equity shares issued @ of Rs.25.25 and Rs.31.85 respectively. On 27th March, 2010 the Company has allotted 69,75,000 equity shares on conversion of 50,50,000 warrants from 1st tranche and 19,25,000 warrants from the 2nd tranche at the price of Rs.25.25 & Rs.31.85 respectively.

The proceeds from issue of shares and warrants has been utilized as follows

Rs. in Million

Issue :	Amount
Proceeds from issue of 69,75,000 shares	188.82
Proceeds from 25% deposit for balance warrants	34.00
Net proceeds received	222.82
Application :	
a) Amount invested in wholly owned subsidiaries	
By way of Equity Contribution	98.83
By way of Loan/Advances	36.20
b) Amount utilized for repayment of debts	75.45
c) Amount utilized for working capital	12.34
Total Applications	222.82

4. SEGMENT REPORTING :

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

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS
5. RELATED PARTIES DISCLOSURES :
(a) List of Related Parties & Relationship :

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
TV Vision Private Limited	Wholly owned Subsidiary Company
MPCR Broadcasting Service Private Limited	Wholly owned Subsidiary Company
UBJ Broadcasting Private Limited	Wholly owned Subsidiary Company
HHP Broadcasting Services Private Limited	Wholly owned Subsidiary Company
Westwind Realtors Private Limited	Subsidiary Company
Sri Adhikari Brothers & View Entertainment	50% Partnership Firm
Key Management Personnel	
Gautam Adhikari	Chairman & Whole Time Director
Markand Adhikari	Vice Chairman & Managing Director
Relative of Key Management Personnel	
Heeren Adhikari	Brother of Key Management Personnel
Urvee Adhikari	Daughter of Key Management Personnel
Kanchan Adhikari	Wife of Key Management Personnel
Ravi Adhikari	Son of Key Management Personnel
Kailashnath Adhikari	Son of Key Management Personnel
Others	
Sri Adhikari Brothers Media Limited	Directors having Substantial Interest
Broadcast Initiatives Limited	Directors having Substantial Interest
Technocraft Media Private Limited	Directors having Substantial Interest
Dream Merchant Cinema Private Limited	Directors having Substantial Interest
Cinema Today Private Limited	Directors having Substantial Interest
Regional Broadcasters Private Limited	Directors having Substantial Interest
Sri Adhikari Brothers Assets Holding Private Limited	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	- (-)	- (-)	- (-)	0.97 (44.66)	0.97 (44.66)
Rendering of Services / Reimbursement of expenses	0.55 (0.70)	9.12 (6.72)	1.33 (1.04)	- (0.11)	11.00 (8.57)
Outstanding balance included in current liabilities	0.96 (0.97)	20.05 (-)	0.32 (0.39)	- (-)	21.33 (1.36)
Advance/Loan/Deposit Given	69.28 (-)	- (-)	- (-)	6.43 (1.85)	75.71 (1.85)
Outstanding Balance included in Current Assets	60.85 (-)	33.00 (33.00)	- (-)	46.63 (60.80)	140.48 (93.80)
Advance/Loan/Deposit Taken	- (-)	- (-)	- (-)	0.69 (0.52)	0.69 (0.52)
Investment Mode	223.73 (-)	- (-)	- (-)	3.85 (-)	227.58 (-)
Capital Contribution received	- (-)	- (-)	92.63 (-)	- (-)	92.63 (-)

Figure in parenthesis are comparative figure of Previous Year

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

6. EARNING PER SHARE:

Particulars	31 st March 2010	31 st March 2009
Profit / (Loss) after Tax (Rupees)	(1,125,297)	(48,501,661)
Weighted average number of shares outstanding during the year. (Face Value Rs. 10 per share)	93,79,048	9,283,500
Basic Earning Per share (Rupees)	(0.12)	(5.22)

7. CONSOLIDATION OF FINANCIAL STATEMENTS:

SABe TV Ltd, a WOS of the 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 earlier year against the amount payable to the WOS. Accordingly, company has not consolidated Financial Statements of SABe TV Ltd.

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 31st March 2010 are as follows.

(Rs. in Million)

Deferred Tax Liability:	As at 31 st March 2010	As at 31 st March 2009
Depreciation & Miscellaneous Expenditure	106.33	101.20
Leave Encashment	(0.20)	(0.14)
Net Deferred Tax Liability	106.13	101.06
Deferred Tax Asset:		
MAT Credit	18.10	17.49
Total Deferred Tax Asset	18.10	17.49

8. The disclosure required under Accounting Standard 15 "Employee Benefits" are given below

Defined Contribution Plan

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

(Rs.in Million)

Particulars	31st March 2010	31st March 2009
Employers Contribution to Provident Fund	0.23	0.36

Defined Benefits Plan

Employees Gratuity Fund Scheme manage 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.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs. in Million)

Particulars	Gratuity		Leave Encashment	
	March 10	March 09	March 10	March 09
(A) Reconciliation of opening and closing balances of Defined Benefits Obligation				
Defined Benefit Obligation at beginning of the year	0.80	0.79	0.40	0.81
Current Service Cost	0.14	0.14	0.22	0.01
Interest Cost	0.06	0.06	0.03	0.06
Actuarial (gain)/loss	0.04	0.06	0.41	0.45
Benefits Paid	0.18	0.25	0.09	0.12
Defined Benefit obligation at year end	0.86	0.80	0.97	0.40
(B) Reconciliation of Opening and closing balances of fair value of plan assets				
Fair value of plan assets at the beginning of the year	0.60	0.79	-	-
Expected return on plan assets	0.05	0.06	-	-
Actuarial/(Gain) Loss	0.01	-	-	-
Employer Contribution	0.34	-	-	-
Benefits Paid	0.18	0.25	-	-
Fair value of plan assets at the year end	0.82	0.60	-	-
Actual return on plan assets	0.06	0.06	-	-
(C) Reconciliation of fair value of assets and obligation				
Fair value of plan assets as at 31st March	0.82	0.60	-	-
Present Value of obligation as at 31 st March	0.86	0.80	-	-
Amount recognized in Balance Sheet	0.04	0.20	-	-
(D) Expenses recognized during the year (under head "Employment Cost")				
Current Service Cost	0.14	0.14	0.22	0.01
Interest Cost	0.01	0.06	0.03	0.06
Actuarial(gain)/loss	0.03	-	0.41	0.45
Net Cost	0.18	0.20	0.66	0.52
(E) Investment details				
LIC Group Gratuity (Cash Accumulation) Policy	95.58%	73.75%		
(F) Actuarial Assumption				
Mortality Table (LIC)	LIC (1994 – 96) Ultimate		LIC (1994 – 96) Ultimate	
Discount rate (per annum)	8%		8%	
Expected Rate of Return on Plan assets	8%		-	
Rate of Escalation in Salary (per annum)	5%		5%	

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

9. CAPITAL COMMITMENTS:

Estimated amount of contracts outstanding on account of capital commitment (net of advances) is Rs.33.10 Million (P.Y. 27.7 Million).

10. CONTINGENT LIABILITIES:

(Rs. in Million)

PARTICULARS	As at 31.03.2010	As at 31.03.2009
Claims against the Company not acknowledged as Debt	20.00	20.00
Custom Duty obligation for EPCG Scheme	4.59	4.59

11. 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.

12. 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 31.03.2010		12 Months Ended 31.03.2009	
	Quantity (Nos.)	Rs. In Million	Quantity (Nos.)	Rs. In Million
(a) Raw material (cassettes) consumed	449	0.36	1,376	1.27
(b) Value of imported & indigenous Raw material (cassettes) consumed:	Rs. In Million	%	Rs. In Million	%
(i) Imported	-	-	-	-
(ii) Indigenous				
(Rs. in Million)				
(c) Value of imports calculated on C.I.F basis		12 Months ended 31.03.2010	12 Months ended 31.03.2009	
(ii) Capital Goods		-	-	
(d) Expenditure in foreign currency				
(i) Travelling			21.28	7.85
(ii) Exchange Loss			-	0.03
(e) Earning in foreign exchange:				
(i) Export of Television Programmes on F.O.B basis				
(ii) Exchange Gain			0.95	1.12
(f) Directors Remuneration				
a) Salaries			9.00	6.6
b) Perquisites			0.12	0.12
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.				
(g) 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)			0.10	0.04

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**13. CURRENT ASSETS AND CURRENT LIABILITIES:**

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.

14. DETAILS ABOUT THE MICRO, SMALL AND MEDIUM ENTERPRISES

In absence of information regarding vendors covered under the Micro, Small and Medium Enterprises Development Act, 2006, disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has not been given

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

As per our report of even date

For & on behalf of the Board of Directors

For A. R. Sodha & Co.
Chartered Accountants
(FRN. 110324W)

Gautam Adhikari
Chairman & Whole Time Director

A R Sodha
Partner
M No 31878
Mumbai : 28th May, 2010

Laxman Vasandani
Company Secretary
Mumbai : 28th May, 2010

Markand Adhikari
Vice Chairman & Managing Director



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	31/03/2010		

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

Public Issue	NIL	Right Issue	NIL
Bonus Issue	NIL	Private Placement	69,750

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

Total Liabilities	1,846,024	Total Assets	1,846,024
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Source of Funds

Paid up Capital	162,585	Reserve & Surplus	1,165,677
Share Application Money	34,002	Secured Loans	371,317
Unsecured Loans	6,309	Deferred Tax Liability	106,134

Application of Funds

Net Fixed Assets	1,171,170	Investments	438,854
Net Current Assets	217,894	Misc. Expenditure	NIL
Deferred Tax Assets (MAT Credit)	18,106		

IV Performance of Company (Rs.in Thousand)

Turnover	303,089	Total Expenditure	299,138
Profit before Tax	3,951	Profit after Tax	(1,125)
Earning per Share (Rs.)	(0.12)	Dividend Rate %	6

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 of Directors

Gautam Adhikari

Chairman & Whole Time Director

Markand Adhikari

Vice Chairman & Managing Director

Laxman Vasandani

Company Secretary

Mumbai, 28th May, 2010

AUDITORS' REPORT

To,

The Members,
Sri Adhikari Brothers Television Network Ltd
MUMBAI

We have audited the attached Consolidated Balance Sheet of **Sri Adhikari Brothers Television Network Ltd**, its subsidiaries and Joint Vebture (referred to as 'Group') as at March 31, 2010 and the Consolidated Profit and Loss Account and the consolidated 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. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21, Consolidated Financial Statements and Accounting Standard (AS) 27, Financial reporting of Interest in Joint Venture issued by the Institute of Chartered Accountants of India.

We report that in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements gives a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2010 and
- ii) In the case of Consolidated Profit & Loss Account of the results for the year ended on that date.
- iii) In the case of Consolidated Cash Flow Statement, of the Cash flows for the year ended on that date.

For A. R. SODHA & CO.
Chartered Accountants,

(A R Sodha)
Partner
M. No. 31878
FRN : 110324W

Place: Mumbai.
Date : 28th May, 2010


CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2010

	Schedule	AS AT 31.03.2010 (Rupees)
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	1	162,585,000
Share Warrant Application Money		34,001,565
Reserve & Surplus	2	<u>1,165,655,474</u>
		<u>1,362,242,039</u>
Loan Funds		
Secured Loan	3	531,392,336
Unsecured Loan	4	<u>6,401,655</u>
TOTAL		<u>537,793,991</u>
Minority Interest		3,293,300
Deferred Tax Liability		<u>106,133,528</u>
		<u><u>2,009,462,858</u></u>
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	5	1,358,712,475
Less : Depreciation		<u>327,134,887</u>
Net Block		1,031,577,588
Capital WIP & Capital Advance		<u>307,445,813</u>
		<u>1,339,023,401</u>
Investment	6	210,926,000
Current Assets, Loans & Advances		
Inventories	7	10,317,144
Sundry Debtors		164,304,592
Cash & Bank Balances		35,565,061
Deposit & Advances		<u>364,999,841</u>
		<u>575,186,638</u>
Less : Current Liabilities & Provisions	8	
Current Liabilities		128,409,238
Provisions		<u>23,552,055</u>
		151,961,293
Net Current Assets		423,225,345
Deferred Tax Assets(Mat Credit)		18,105,271
Miscellaneous Expenditure	9	1,612,200
(To the extent not written off or adjusted)		
Pre-Operative Expenses		<u>16,570,641</u>
TOTAL		<u><u>2,009,462,858</u></u>

Notes To Accounts

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 of Directors****For A. R. Sodha & Co.**Chartered Accountants
(FRN. 110324W)**A.R.Sodha**

Partner

M.No.31878

Mumbai, 28th May,2010

Gautam Adhikari

Chairman & Whole Time Director

Markand Adhikari

Vice Chairman & Managing Director

Laxman Vasandani

Company Secretary

Mumbai, 28th May,2010

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

	Schedule	Year Ended 31.03.2010 (Rupees)
INCOME		
Sales		295,905,280
Other Income	10	20,763,625
		<u>316,668,905</u>
EXPENDITURE		
Production Expenses	11	136,729,078
(Increase)/Decrease in Inventory	12	655,416
Administration Expenses	13	53,389,795
Distribution & Marketing	14	3,266,478
Miscellaneous Expenditure W/off	9	1,692,299
		<u>195,733,066</u>
PROFIT/(LOSS) BEFORE FINANCE CHARGES, DEPRECIATION & TAX		120,935,840
Finance Charges	15	38,490,624
PROFIT/(LOSS) BEFORE DEPRECIATION & TAX		82,445,216
Depreciation	5	78,397,845
PROFIT/(LOSS) BEFORE TAX		4,047,371
Provision for Taxation:		
Current Tax		720,348
Deferred Tax		4,465,714
Fringe Benefit Tax		-
Earlier Years(Excess)/Short Provision		-
PROFIT/(LOSS) AFTER TAX		(1,138,691)
Prior Period Income/(Expenses)		-
PROFIT/(LOSS) AFTER EXTRA ORDINARY ITEMS		(1,138,691)
Less : Minority Interest (Share in Loss)		(4,425)
PROFIT/(LOSS) for the Period		(1,134,265)
Profit/(Loss) brought from Previous Year		34,053,190
Balance Carried To Balance Sheet		<u>32,918,925</u>
APPROPRIATION		
Proposed Dividend		9,755,100
Dividend Distribution Tax on Dividend		1,657,879
Balance Carried To Balance Sheet		<u>21,505,946</u>
		<u>32,918,925</u>
Basic & Diluted Earning Per Share (See Note No 7 of schedule 16)		(0.12)

Notes To Accounts
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 of Directors
For A. R. Sodha & Co.

 Chartered Accountants
(FRN. 110324W)

Gautam Adhikari

Chairman & Whole Time Director

A.R.Sodha

Partner

M.No.31878

Mumbai, 28th May,2010

Laxman Vasandani

Company Secretary

Mumbai, 28th May,2010

Markand Adhikari

Vice Chairman & Managing Director

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2010

	(Rs.in Million) For The Year Ended 31.03.2010
A CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit / (Loss) before Tax and Extraordinary items	4.05
Adjustments for :	
Depreciation	78.40
Interest Income	(0.14)
Profit on Sale of Mutual fund units	(0.49)
Loss on sale of fixed assets	0.01
Interest on Loan funds	26.33
Share of Profit from Partnership	-
Interest on Delayed payment of Dividend Tax	0.09
Preliminary / Share Issue Expenses written off	1.69
Operating profit before working capital changes	109.92
Adjustments for :	
(Increase)/Decrease in Sundry Debtors & Other Receivables	(326.17)
(Increase)/Decrease in Inventories	(8.77)
Increase/(Decrease) in Trade payable and provisions	69.39
Cash generated from operations	(155.63)
Direct taxes paid/(refund)	0.16
Net cash from operating activities	(155.78)
B CASH FLOW FROM INVESTING ACTIVITIES	
Purchase of/advance for Fixed Assets	(296.25)
Sale of Fixed Assets/ Refund of Capital Advance	68.30
Sale of Investment	-
Investments made during the year	(0.00)
Interest Income Received	0.14
Profit on Sale of Mutual fund units	0.49
Net cash from investing activities	(227.31)
C CASH FLOW FROM FINANCING ACTIVITIES	
Proceeds from Issue of Shares & Warrants	222.83
Preliminary & Pre-Operative Exp	(8.04)
Buy Back of FCCB	(207.41)
Loan taken	489.34
Repayment of Term Loan from Bank	(3.12)
Short Term Loan from Bank	34.75
Repayment of Short Term Loan	(74.72)
Loan Taken - Vehicle loan	
Repayment of Loan - Vehicle Loan	(2.98)
Interest on Car Loan	(1.17)
Interest on term loan from Bank	(34.45)
Interest on FCCB Debentures	(1.23)
Dividend Paid	(6.60)
Net cash used in financing activities	407.20
Net decrease in cash and cash equivalents (A+B+C)	24.10
Opening balance of cash and cash equivalents	11.47
Closing balance of cash and cash equivalents	35.57

Notes:

- 1 The Cash Flow Statement has been prepared as per Indirect Method.
- 2 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
(FRN. 110324W)

A.R.Sodha
Partner
M.No.31878
Mumbai, 28th May,2010

For & on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director

Laxman Vasandani
Company Secretary
Mumbai, 28th May,2010

Markand Adhikari
Vice Chairman & Managing Director

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT
31.03.2010
(Rupees)

SCHEDULE 1
SHARE CAPITAL
Authorised

30,000,000 (P.Y.20,000,000) Equity shares of Rs.10/- each. 300,000,000

Issued, Subscribed & Paid-up

16,258,500 (P.Y.9,283,500) Equity shares of Rs.10/- each fully paid up 162,585,000
162,585,000

SCHEDULE 2
RESERVES & SURPLUS

A)	Capital Reserve	28,467,950
	Add: Discount on buy back of foreign Currency Convertible Bonds	<u>159,163,709</u>
		<u>187,631,659</u>
B)	General Reserve	225,110,695
C)	Securities Premium Account	612,753,441
	Add: Premium on conversion of preferential warrants	119,073,750
	Less: Expenses on Issue of shares	<u>420,017</u>
		<u>731,407,174</u>
D)	Surplus in Profit & Loss Account	<u>21,505,946</u>
		<u><u>1,165,655,474</u></u>

SCHEDULE 3
SECURED LOANS

Term Loan		489,342,208
	(Equitable mortgage of land and all the present and future construction of proposed project at Kandivali and hypothecation of studio equipment, furniture and fixture, Negative lien on Programme Library and first charge on future receivable)	
	(Installment due within a year Rs.28,000,000)	
	Short Term Loan From Bank	34,750,592
	(Secured against assignment of receivable and first charge on TV serial & Programme rights)	
	Vehicle Loan	7,299,536
	(Against Hypothecation of vehicles)	
	(Installment due within a year Rs.3,648,174)	
		<u><u>531,392,336</u></u>

SCHEDULE 4
UNSECURED LOANS

From Directors		92,000
	Short Terms Loans from Bank	6,309,655
	(Secured against personal asset of the Director)	
		<u><u>6,401,655</u></u>



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**SCHEDULE 5
FIXED ASSETS**

Particulars	(Amount in Rupees)						
	GROSS BLOCK			DEPRECIATION			NET BLOCK
	As at 01.04.2009	Additions	Deductions	As at 31.03.2010	For the Period Ended 31.03.2010	Adjustment	As at 31.03.2010
Channel Development Cost	-	5,180,679	-	5,180,679	-	-	5,180,679
Business & Commercial Rights	417,178,457	146,500,000	-	563,678,457	41,717,846	-	397,700,997
Land & Building	449,398,166	4,135,000	-	453,533,166	7,196,379	-	428,347,295
Plant & Machinery & Media Assets	181,153,523	820,515	-	181,974,038	13,976,273	-	108,887,152
Improvement to Lease Asset	17,326,357	-	-	17,326,357	5,774,875	-	4,340,777
Sets	45,886,346	-	-	45,886,346	2,904,606	-	35,715,913
Furniture & Fixtures	66,448,341	-	-	66,448,341	4,206,180	-	39,169,096
Vehicles	20,324,931	-	763,276	19,561,655	1,858,357	447,316	11,666,641
Computers	15,310,955	1,172,341	11,359,860	5,123,436	763,329	11,359,860	569,038
TOTAL	1,213,027,076	157,808,535	12,123,136	1,358,712,475	78,397,845	11,807,176	1,031,577,588
Capital W/P & Capital Advance	237,000,000	138,445,813	68,000,000	307,445,813	-	-	307,445,813

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT
31.03.2010
(Rupees)

SCHEDULE 6
UNQUOTED-INVESTMENT

Lotus Motion Pictures Ltd

210,926,000

210,926,000

SCHEDULE 7
CURRENT ASSETS, LOANS & ADVANCES
Inventories

Programme Episodes

10,317,144

10,317,144

Sundry Debtors

(Unsecured Considered good)

Outstanding for more than six months

Other debts

(including Rs,42,804,402 due from Company under same management)

46,949,579

117,355,013

164,304,592

Cash & Bank Balances

Cash on Hand

600,493

Balance with Scheduled Banks in

Current Accounts

32,653,470

Fixed Deposit

2,311,098

35,565,061

Loans, Advances & Deposits
(Unsecured, Considered good)

Premises Deposit

33,000,000

Prepaid Expenses

610,828

Interest Receivable

364,649

Deposit & Other Advances

331,024,364

(Including Rs,3,221,845 due from Company under same management)

364,999,841


SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

AS AT
31.03.2010
(Rupees)

SCHEDULE 8
CURRENT LIABILITIES & PROVISIONS
Current Liabilities

Sundry Creditors & Other Liability	114,051,151
Unclaimed Interest on F.D	199,648
*Unclaimed Dividend	192,178
*Unclaimed Fixed Deposit	131,000
Membership Contribution	<u>13,835,261</u>
(*Kept in a separate Bank A/c)	<u><u>128,409,238</u></u>

Provisions:

For Expenses	10,472,091
For Taxation	720,348
Proposed Dividend	9,755,100
Dividend Distribution Tax	<u>2,604,516</u>
	<u><u>23,552,055</u></u>

SCHEDULE 9
MISCELLANEOUS EXPENDITURE

(To the extent not written off or adjusted)

Preliminary Expenses & Share Issue Expenses

Opening Balance	1,692,299
Add: Addition During the year	1,612,200
Less : Written off during the year	<u>1,692,299</u>
	<u><u>1,612,200</u></u>

SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended
31.03.2010
Rupees

SCHEDULE 10
OTHER INCOME

Interest Income	142,805
Exchange Rate Difference	11,323,681
Sundry Balance Written Back	4,877,378
Rent Income	282,500
Miscellaneous Income	4,136,677
Share of profit in Partnership firm	584
	20,763,625

SCHEDULE 11
PRODUCTION EXPENSES

Programme Purchase Cost	108,500,000
Remuneration to Artist & Technicians	13,435,805
Shooting Charges	9,583,957
Location & Equipment Hire Charges	4,193,877
Technical Charges	411,873
Cassettes Purchase	603,567
	136,729,078

SCHEDULE 12
(INCREASE)/DECREASE IN INVENTORIES

Opening Balance	(1,551,188)
Closing Balance	(895,772)
	655,416


SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

For the Year ended

31.03.2010

Rupees

SCHEDULE 13**ADMINISTRATIVE EXPENSES**

Salaries, Allowances etc.	9,245,913
Contribution To Provident Fund & Others Fund	326,552
Staff Welfare Expenses	561,832
Electricity Charges	4,619,892
Communication Expenses	978,670
Insurance Charges	1,004,783
Rent, Rates & Taxes	4,445,534
Repairs & Maintenance	1,657,090
Traveling & Conveyance	4,722,299
Legal & Professional Charges	9,143,010
Printing & Stationery	416,091
Membership & Subscription	300,521
General Expenses	6,406,619
Audit Fees	548,530
Loss on Sale of Asset	12,460
Director Remuneration	9,000,000
	<u>53,389,795</u>

SCHEDULE 14**DISTRIBUTION & MARKETING**

Business Promotion Expenses	1,333,974
Advertising & Marketing Expenses	1,932,504
	<u>3,266,478</u>

SCHEDULE 15**FINANCE CHARGES**

Bank Interest	17,372,724
Interest onf FCCB	8,952,776
Others	12,165,124
	<u>38,490,624</u>

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS**SCHEDULE: 16****ACCOUNTING POLICIES & NOTES TO ACCOUNTS****1. GENERAL**

Significant Accounting policies and notes to this Consolidated Financial Statements (CFS) are intended to serve as means of informative disclosure and a guide to better understand the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements. Reference in these notes to Company, Companies or Group shall mean to include Sri Adhikari Brothers Television Limited or its subsidiaries or Joint Ventures consolidated in the financial statements, unless otherwise stated.

2. SIGNIFICANT ACCOUNTING POLICIES**a. Basis for preparation of Financial Statements**

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

b. Use of Estimates

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

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the parent, its subsidiaries and Joint Venture made upto 31st March each year. All significant inter-company transactions and balances are eliminated on consolidation.

d. 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.

e. Fixed Assets & Intangibles

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.

All the expenses relating to setting up of Channel to the extent it relate to the period till the date of commercial launch of channel are classified as Channel Development under the head Fixed Assets.

One time Purchase of perpetual rights of various contents to support 24 hour channel format has been capitalized as "Business & Commercial Rights"

**SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS****f. 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.

Improvement to leased assets are amortised over the period of Lease

Intangible Assets comprising of Channel Development Cost & Business & Commercial Rights will be amortized over a period of 10 years on straight line basis from the date of commercial launch of the channel.

g. 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.

h. Inventory

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

Till the commercial launch of channel, cost incurred for production of contents has been shown as Inventory and has been valued at cost. On commercial launch of the channel same will be charged to profit and loss account on 1st telecast basis.

i. Foreign Currency Transaction**i. Initial Recognition**

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

ii. Conversion

Foreign Currency monetary items are reported using exchange rate as on 31st March. Non Monetary items, which are carried in items of historical cost denominated in a foreign currency, are reported using exchange rate at the date of the transaction.

iii. 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.

j. 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.

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Other short term employee benefits are charged to profit & loss account on accrual basis.

k. Borrowing Cost

Borrowing costs directly attributable to development of qualifying asset are capitalized till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. Other borrowing costs are recognised as expenses in the period in which they are incurred.

l. 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 difference between taxable income and accounting income for the year and reversal of timing difference 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 assets are recognised 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 realised. 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 realised.

m. Earning Per Share

Basic earnings per share are 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.

n. Provisions

A provision is recognised 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.

3. NOTES TO ACCOUNTS

1. The Subsidiaries and Joint Venture considered in the consolidated financial statements

Name of Subsidiary/ Joint Venture	Financial year of Subsidiary ended on	Extent of Holding/Interest	Country of Incorporation
TV Vision Private Limited	31 st March, 2010	100%	India
MPCR Broadcasting Service Private Limited	31 st March, 2010	100%	India
UBJ Broadcasting Private Limited	31 st March, 2010	100%	India
HHP Broadcasting Services Private Limited	31 st March, 2010	100%	India
Westwind Realtors Private Limited	31 st March, 2010	66.96%	Indian
SAB & View Entertainment	31 st March, 2010	50%	India

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 earlier year against the amount payable to the WOS. Accordingly, company has not consolidated Financial Statements of SABe TV Ltd.



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

2. FOREIGN CURRENCY CONVERTIBLE BONDS (FCCB)

During the year, the company has bought back all the outstanding FCCBs at an average discount of 43.42%. The discount of Rs. 159.10 million on buy back has been credited to Capital Reserve.

3. PREFERENTIAL ISSUE

During the year, the company has allotted 91,75,000 warrants on 19th November, 2009 and 29,25,000 on 28th January, 2010 issued on preferential basis. These warrants are convertible into equivalent number of equity shares issued @ of Rs.25.25 and Rs.31.85 respectively. On 27th March, 2010 the Company has allotted 69,75,000 equity shares on conversion of 50,50,000 warrants from 1st tranche and 19,25,000 warrants from the 2nd tranche at the price of Rs.25.25 & Rs.31.85 respectively.

The proceeds from issue of shares and warrants has been utilized as follows

Rs. in Million

Issue :	Amount
Proceeds from issue of 69,75,000 shares	188.82
Proceeds from 25% deposit for balance warrants	34.00
Net Proceeds Received	222.82
Application :	
a) Amount Invested in wholly owned subsidiaries	
By way of Equity Contribution	98.83
By way of Loan/Advances	36.20
b) Amount utilized for repayment of debts	75.45
c) Amount utilized for working capital	12.34
Total Applications	222.82

4. Segment Reporting :

During the year under consideration the Group has two operating Segment i.e. Content production & distribution and Broadcasting. As the Broadcasting, does not fall within the parameters of "reportable segment" enunciated in Accounting Standard 17 "Segmental Reporting", the company has only one reportable segment i.e. Content production & distribution. In view of above and considering Accounting Standard Interpretation 20 "Disclosure of Segment Information", the company has not furnished the Segmental Reporting.

5. Related Party Disclosure

- a. The Group has entered into the following related party transactions; such parties and transactions are identified as per Accounting Standard 18 issued by The Institute of Chartered Accountants of India:

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Key Management Personnel	
Gautam Adhikari	Chairman & Whole Time Director
Markand Adhikari	Vice Chairman & Managing Director

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Relative of Key Management Personnel	
Heeren Adhikari	Brother of Key Management Personnel
Urvee Adhikari	Daughter of Key Management Personnel
Kanchan Adhikari	Wife of Key Management Personnel
Ravi Adhikari	Son of Key Management Personnel
Kailashnath Adhikari	Son of Key Management Personnel
Others	
Sri Adhikari Brothers Media Limited	Directors having Substantial Interest
Broadcast Initiatives Limited	Directors having Substantial Interest
Technocraft Media Private Limited	Directors having Substantial Interest
Dream Merchant Cinema Private Limited	Directors having Substantial Interest
Cinema Today Private Limited	Directors having Substantial Interest
Regional Broadcasters Private Limited	Directors having Substantial Interest
Sri Adhikari Brothers Assets Holding Private Limited	Directors having Substantial Interest

b. Transactions With Related Parties

(Rs. in million)

Transactions	Key Management Personnel	Relatives of Key management personnel	Others	Total
Rendering of Services / Reimbursement of expenses	9.12	1.33	-	10.45
Outstanding balance included in current liabilities	20.14	0.32	-	20.46
Advance/Loan/Deposit Given	-	-	4.93	4.93
Outstanding Balance included in Current Assets	33.00		46.58	79.48
Advance/Loan/Deposit Taken	-	-	0.69	0.69
Capital Contribution received	-	43.26	-	43.26

6. Capital Commitment and capital Work in Process

Estimated amount of contracts outstanding on account of capital commitment (net of advances) is Rs 33.10 Million.

7. Earning Per Share

(Rs. in million)

Particulars	31st March 2010
Profit / (Loss) after Tax (Rupees)	(1,138,691)
Weighted average number of shares outstanding during the year. (Face Value Rs. 10 per share)	93,79,048
Basic Earning Per share (Rupees)	(0.12)

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

8. Deferred Tax Asset

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 31st March 2010 are as follows

(Rs. in million)

Deferred Tax Liability:	As at 31 st March 2010
Depreciation & Other Expenditure	106.33
Leave Encashment	(0.20)
Net Deferred Tax Liability	106.13
Deferred Tax Asset:	
MAT Credit	18.10
Total Deferred Tax Asset	18.10

Considering principle of prudence as enunciated in Accounting Standard 22 "Accounting for Taxes on Income" with regards to availability of sufficient future taxable income with virtual certainty, deferred tax assets for the current year have not been recognised on unabsorbed depreciation and carry forward business loss.

9. Contingent Liabilities:

(Rs. in Millions)

PARTICULARS	As at 31.03.2010
Claims against the Company not acknowledged as Debt	20.00
Custom Duty obligation for EPCG Scheme	4.59

10. 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.

11. This being the first year of consolidation comparative figures of previous year has not been provided.

As per our report of even date

For & on behalf of the Board of Directors

For A. R. Sodha & Co.

Chartered Accountants
(FRN. 110324W)

Gautam Adhikari

Chairman & Whole Time Director

A R Sodha

Partner

M No 31878

Mumbai : 28th May, 2010

Laxman Vasandani

Company Secretary

Mumbai : 28th May, 2010

Markand Adhikari

Vice Chairman & Managing Director



SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

Information in pursuance of section 212(8) of the Companies Act, 1956 relating to Subsidiary Companies for the year ended 31st March, 2010.

(Rs. in millions)

Particulars	TV Vision Private Limited	MPCR Broadcasting Service Private Limited	UBJ Broadcasting Private Limited	HHP Broadcasting Services Private Limited	WestWind Realtors Private Limited
Share Capital	100.00	16.00	16.00	16.00	10.00
Reserves	Nil	Nil	Nil	Nil	Nil
Total Assets	275.84	32.66	113.16	35.14	50.47
Total Liabilities	168.71	16.99	45.99	19.47	40.50
Investments	Nil	Nil	Nil	Nil	Nil
Turnover	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) before Taxation	Nil	Nil	Nil	Nil	(0.01)
Provision for Taxation	Nil	Nil	Nil	Nil	Nil
Profit/(Loss) after Taxation	Nil	Nil	Nil	Nil	(0.01)
Proposed Dividend	Nil	Nil	Nil	Nil	Nil

Information pursuant to section 212(1)(e) of the Companies Act, 1956 relating to Subsidiary Companies:

Financial year of the subsidiary Company ended on	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010	31 st March, 2010
Date on which it became subsidiary	1 st November, 2008	24 th December, 2009	24 th December, 2009	24 th December, 2009	31 st May, 2000
Shares of the Subsidiary Companies held on 31 st March, 2010					
(i) Number of equity shares of face value of Rs.10/- each held by Sri Adhikari Brothers Television Network Limited	1,00,00,000	16,00,000	16,00,000	16,00,000	6,69,600
(ii) Extent of Holding (%)	100%	100%	100%	100%	66.96%
Net aggregate amount of profit (loss) of the subsidiary so far as they concern members of the Company					
(a) Dealt within the accounts of the Company for the year ended 31 st March, 2010	Nil	Nil	Nil	Nil	Nil
(b) Not dealt with in the accounts of the Company for the year ended 31 st March, 2010	Nil	Nil	Nil	Nil	(Rs.8,969)
Net aggregate amount of profit (loss) of the subsidiary for the previous years so far as they concern members of the Company					
(a) Dealt within the accounts of the Company	Nil	Nil	Nil	Nil	Nil
(b) Not dealt with in the accounts of the Company	Nil	Nil	Nil	Nil	(Rs.12,716)
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 ended 31 st March, 2010	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

For & on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director
Mumbai, 28th May, 2010

Markand Adhikari
Vice Chairman & Managing Director

Laxman Vasandani
Company Secretary

Have a MASTiii BREAK

Suresh Menon

Howard Rosemeyer

Raju Shrivastava

Raghavendra Sharda

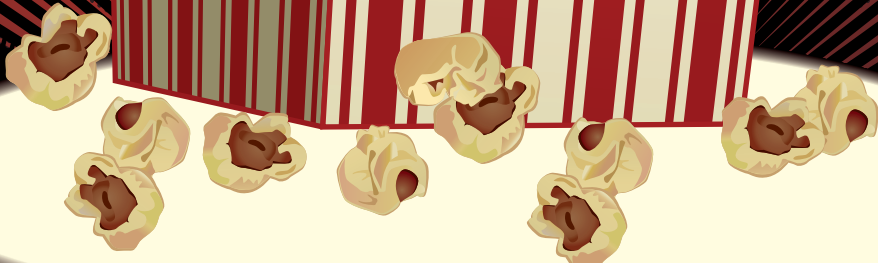
Shailesh Lodha

Soneer Vadhera

Nikhil Ratnaparkhi

Kunal Kumar

Sunil Pal





**SRI ADHIKARI BROTHERS
TELEVISION NETWORK LTD.**

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