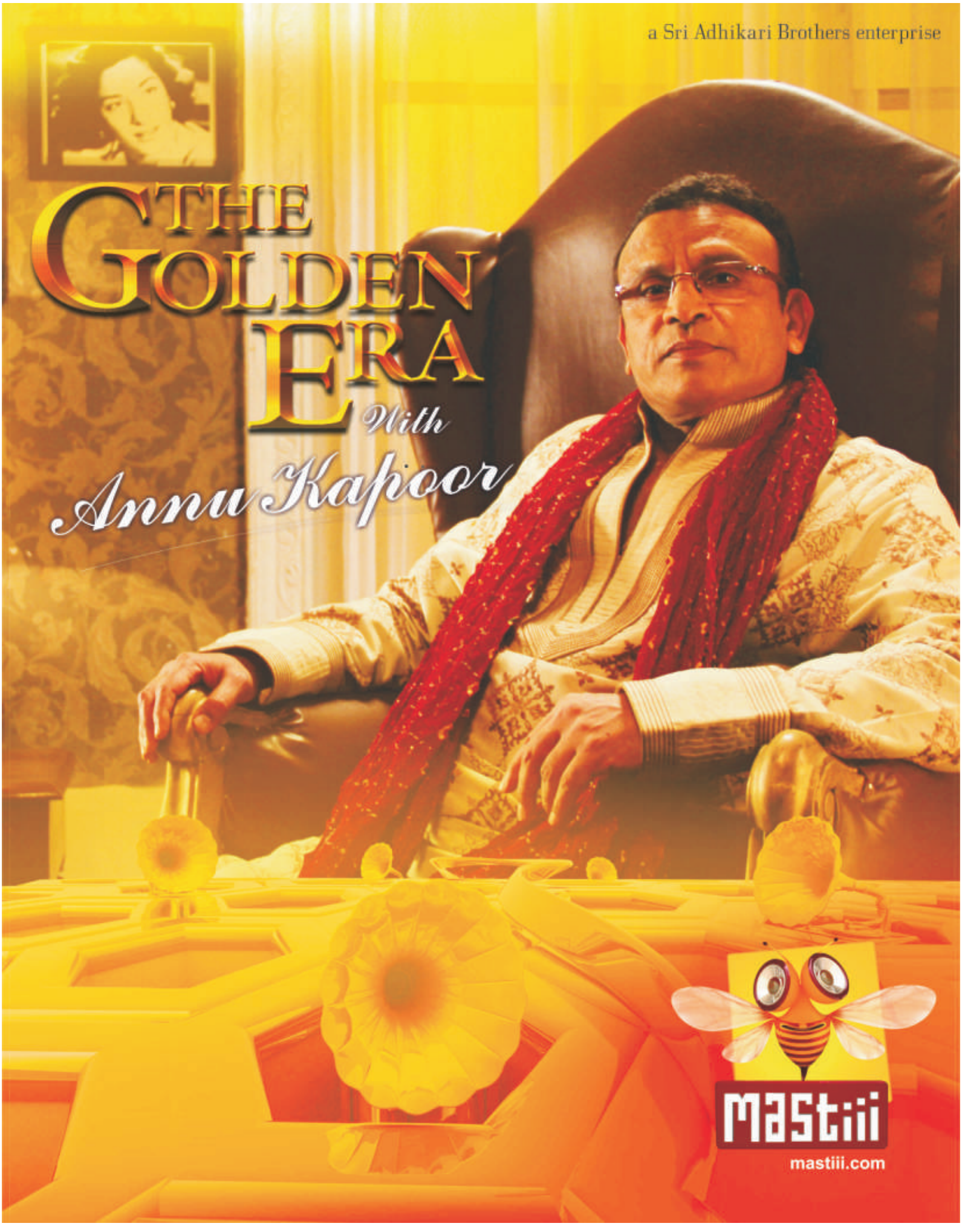
Annual Report 2012-13

SRI ADHIKARI BROTHERS
TELEVISION NETWORK LTD.

MAStiii | दबंग | dhamaal | मायबोली


a Sri Adhikari Brothers enterprise
THE GOLDEN ERA
With
Annu Kapoor
Mastiii
mastiii.com

SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED
18TH ANNUAL REPORT 2012-2013

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GENERAL INFORMATION

BOARD OF DIRECTORS

Gautam Adhikari
Chairman and
Whole-Time Director

Markand Adhikari
Vice-Chairman and
Managing Director

Arun Khakhar
Non-Executive/
Independent Director

Prasannakumar Gawde
Non-Executive/
Independent Director

M. S. Kapur
Non-Executive/
Independent Director

AUDITORS

A. R. Sodha & Co.
Chartered Accountants

BANKERS

Punjab National Bank
Canara Bank

COMPANY SECRETARY

Payal Garg

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 AGENTS

Sharex Dynamic (India) Pvt. Ltd.,
Unit No. 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

CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me immense pleasure to interact with you once again through the foreword to the 18th Annual Report for the year ended 31st March, 2013.

During the year under review broadcasting, content and broadcast delivery platforms have witnessed a sea shift in market dymanics largely arising out of the impact created by the onset of digitalisation in India. Television is the most preferred form of entertainment in India. It has the highest impact of advertising on the audience. India has the third largest TV households globally, after China and the US.

Telecom Regulatory Authority of India (TRAI) along with Indian Broadcasting Foundation (IBF), the representative body for the broadcasters have been making giant strides in altering the anomalies of the market and bringing in better addressable systems leading to better governance. While at one level it seeks to reduce the cost of deliveries for the broadcaster, it is also seeking to provide better viewing to the last mile by reducing the number of advertisement and setting a standard precedent for the broadcasters to follow. The Government's push towards digitalization and addressability for cable television by 2014 is welcomed by all stakeholders of our industry. The move is expected to provide an impetus to DTH and digital cable growth and a positive growth to content distribution in India. It will also cater to the unique and diverse needs of the viewer when it comes to entertainment. To achieve better quality viewing and transparency in revenue earning and sharing, digitalization is the inevitable path forward. Digitalisation will provide superlative experience with digital content, played on digital platform, viewed on a digital screen.

With digitisation there is an increase in localisation of content as well as an increase in the offering of channels in the niche genre. Regional channels are attractive for advertisers due to lower cost of connect with the right audience. The attraction to broadcasters is due to lower cost of content and distribution costs coupled with increasing advertiser's interest. Regionalization has caught the eyes of most established broadcasters, catering to specific interests of the viewers.

Your Company has been closely monitoring the developments and are taking strategic steps to respond positively to the changing environment.

Our channel **'MASTIII'** continues to maintain leadership position in the year under review as well. Our Regional Channels **'DABANGG'** and **'DHAMAAL'** catering to the Hindi speaking belt have been doing extremely well. **'DABANGG'** is also a leader in this Genre in the targeted regions by a huge margin. Most of the National Brands have evinced interest to promote their products on **'DABANGG'**.

The group is also bringing in a vibrant Marathi music cum humour channel **'MAIBOLI'** to add to the existing bouqet of channels.

Digitalisation has opened up exciting new avenues of revenue generation from already expensed out content. Our digital division have launched our channels on digital platforms like Ditto TV and Avani TV. We are also in the process of creating a network of channels on YouTube. Apart from showcasing the rich content base, our digital division shall also produce original content targeted at the new age viewers with a view to understand the patterns and create a robust business model out of it.

Your Company, as mentioned above, will continue to capitalize on the opportunities being presented. We are to bring a host of new ideas, programmes and may be more channels in the near future. We shall continue to produce quality entertainment that would cater to all segments of the society. As it is our philosophy to entertain our viewers with humour, good content and pleasing visuals and exceed their expectations.

I would like to convey my appreciation for the support and the patience you, as shareholders, have extended to the Company over the years. I also would like to acknowledge the contribution of the advertisers, producers, artistes, bankers, employees and all other stakeholders – without your support and trust, this Company would not have been able to deliver the quality entertainment it has always produced.

With warm regards,

Gautam Adhikari
Chairman & Wholetime Director

Place: Mumbai
Date: 8th August, 2013

NOTICE

Notice is hereby given that **18th Annual General Meeting** of the members of Sri Adhikari Brothers Television Network Limited will be held on Friday, the 27th day of September, 2013 at 12.30 P.M. at Celestial Banquets, B-47, Paramount Building, Monginis Factory Lane, Opp. Citi Mall, New Link Road, Oshiwara, Andheri (West) – Mumbai 400 053 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.

2. To declare dividend on Equity Shares for the financial year ended 31st March, 2013.

3. To appoint a Director in place of Mr. Arun Khakhar, who retires by rotation and being eligible, offers himself for re-appointment.

4. To re-appoint M/s. A. R. Sodha & Co., Chartered Accountants (having FRN:110324W), Mumbai as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

   "RESOLVED THAT pursuant to the provisions of Section 314(1)(b), read with Director's Relatives (Office or Place of Profit) Rules, 2011 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for re-appointment of Mr. Ravi Adhikari, a relative of directors of the Company, as a Creative Director for a further period of 5 years with effect from 1st October, 2013 at remuneration of ₹ 2,50,000/- p.m. inclusive of all amenities and perquisites payable to him.

   RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution".

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other necessary permissions, sanctions and approvals as may be required, the revision in terms of remuneration of Mr. Markand Adhikari as Managing Director of the Company for a remaining period of his tenure w.e.f. 18th August, 2013 to 17th August, 2015 from ₹ 350,000/- p.m. to ₹ 400,000/- p.m. inclusive of salary, perquisites and allowances on such terms and conditions as set out in the draft agreement as placed before the meeting for the purpose of identification be and is hereby approved.

   RESOLVED FURTHER THAT in the event of absence or inadequate profits in any financial year, the remuneration, as approved by this resolution, shall be payable as minimum remuneration to Mr. Markand Adhikari during his tenure as a Managing Director of the Company.

   RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution".

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

   "**RESOLVED THAT** pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and subject to the provisions of Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to any other necessary approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India, Ministry of Finance and/or any other appropriate authorities, including banks, Financial Institutions or other creditors; subject to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 as amended and all applicable regulations framed and notifications issued there under; Securities and Exchange Board of India (Issue of

Capital and Disclosure Requirements) Regulations, 2009, including the guidelines for Qualified Institutional Placement prescribed in Chapter VIII thereof; subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted /to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution, the consent and approval of the members of the Company be and is hereby accorded to create, offer, issue and allot, in the course of one or more public/private offerings in domestic and /or in the course of international offerings with or without green shoe option, equity shares (including Qualified Institutions Placement (QIPs) under ICDR Regulations) and/ or equity shares through Global Depository Receipts (GDRs) and/or American Depository Receipts(ADRs) or Foreign Currency Convertible Bonds (FCCBs) and/or other securities convertible into equity shares at the option of the Company and/or holder(s) of such securities, and/or securities linked to equity shares and/or securities including non convertible debentures with warrants or other securities with or without warrants, which may be either detachable or linked and which warrant has a right exercisable by the warrant holder to subscribe for equity shares and/or any instruments or securities representing either equity shares and/or convertible securities linked to equity shares (including the issue & allotment of equity shares pursuant to a green shoe option, if any), (all of which are hereinafter collectively referred as "securities") to eligible investors under applicable laws, regulations & guidelines whether residents or non residents and/or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds, and/or multilateral financial institutions and/or individuals and/or trustees and/ or stabilizing agents or otherwise, and whether or not such investors are members of the Company, through Prospectus and/or Letter of Offer or Circular and/or on public and/or private/preferential basis, such issue and allotment to be made at such times/ intervals in one or more tranches, for cash, at such price or prices, in such manner and where necessary , in consultation with the Book Running Lead Managers and/or other Advisors or otherwise, on such terms & conditions as the Board, may, in its absolute discretion, decide at the time of issue of securities provided that the total amount raised through the issuance of such securities shall not exceed ₹150 Crores (Rupees One Hundred Fifty Crores) or its equivalent in one or more currencies, including premium if any, as may be decided by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid securities may have all or any terms and conditions or combination of terms in accordance with applicable Regulations, prevalent market practices etc.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the Depository Receipts and/or securities issued pursuant to QIP shall be the date on which the Board of the Company decides to open the proposed issue, or the date on which the holder of securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said equity shares, as the case may be ("Relevant Date").

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering, all such equity shares shall rank *pari passu* with the existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of security or securities representing the same or equity shares, as described herein above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at their discretion deem necessary or desirable for such purpose, including without limitation the utilization of issue proceeds, entering into underwriting and marketing arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit."

By Order of the Board of Directors

Place: Mumbai
Date: 8th August, 2013

Payal Garg
Company Secretary

Registered Office:
6th Floor, Adhikari Chambers,
Oberoi Complex, New Link Road,
Andheri (West),
Mumbai - 400 053

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF ON POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING OF THE MEETING.**

2. Members/Proxies should bring their Attendance Slip duly filled and signed for attending the meeting.

3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto and forms part of this notice.

4. Corporate members are requested to send duly certified copy of the Board resolution pursuant to Section 187 of the Companies Act, 1956 authorising their representatives to attend and vote at the Annual General Meeting or any adjournment thereof.

5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2013 to Friday, 27th September, 2013 (both days inclusive).

6. Dividend on equity shares as recommended by the Board of Directors for the year ended 31st March, 2013, if approved by the members at the ensuing Annual General Meeting, will be paid to those members whose names shall appear in the Register of Members as on the date of the Annual General Meeting of the Company i.e. 27th September, 2013.

7. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company is required to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the said fund or the Company for the amount of dividend so transferred to the fund. Shareholders who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006 or any subsequent financial years are requested to make their claims to the Company.

8. Members desirous of seeking information relating to the accounts and operations of the Company are requested to address their queries to the Company at least 7 days in advance of the meeting to enable the Company to keep the information ready.

9. Members holding shares in physical form are requested to notify immediately any change in their address to the Company or Registrar and Share Transfer Agents - Sharex Dynamic (India) Private Limited quoting their folio number. Members holding shares in electronic form may update such details with their respective Depository Participants.

10. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for crediting the dividend through National Electronic Clearing Services (NECS) to investors wherever ECS and bank details are available. In the absence ECS details, the Company will print the bank account details, if available, on the payment instruments for distribution of dividend.

11. Members are requested to address all correspondences, including dividend mandates to the Registrar and Share Transfer Agents - Sharex Dynamic (India) Private Limited, Unit: Shri Adhikari Brothers Television Network Limited, Unit No. 1, Luthra Industrial Estate, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai- 400 072.

12. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card, etc. having photo identity) while attending the meeting.

13. In pursuance of the Clause 49(IV)(G) of the Listing Agreement, the details of director seeking re-appointment at the ensuing Annual General Meeting to be held on 27th September, 2013 are given below:

Name of Director	**Mr. Arun Khakhar**
Date of Birth	23rd August, 1951
Nationality	Indian
Date of appointment as director	19th December, 1994
Designation	Independent Director
Qualification	Bachelor of Commerce (Accounting & Economics)
Experience/Expertise	More than 32 years of Experience in holding of various Senior Level Management Position
Shareholding in the Company (Equity shares of ₹ 10/- each)	100
List of Directorships held in other Companies	1. TV Vision Limited 2. Hotel Shashi Private Limited
List of Chairmanship and Membership in Other Public Companies (considered only Audit Committee and Shareholders' /Investors Grievance Committee)	Membership in Audit and Investor Grievance Committee of TV Vision Limited
Relationship with existing Directors of the Company	Not Related

Green Initiative

The Ministry of Corporate Affairs (MCA), vide its Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a "Green Initiative" by allowing paperless compliances by the Companies to serve the requisite documents (including notice calling of Annual General Meeting alongwith Annual Report) to its members vide e-mode in pursuance to Section 53 of the Companies Act, 1956. Accordingly, the Company shall be required to update its database by incorporating your designated e-mail ID in its records.

You are thus requested to join with us in Green Initiative of your Company and kindly submit your e-mail ID vide the e-mail updation form given with this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning this letter either by post or by sending scan copy through e-mail at **sabgogreen@sharexindia.in**.

Further, if any of the members still wish to get hard copy/physical copy of aforesaid documents, the request of the same should be made in writing and through e-mail also and the Company undertakes to provide the same at no cost to members.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the Registrar and Share Transfer Agents of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:

Item No. 5

The Board of Directors of the Company appointed Mr. Ravi Adhikari, relative of directors of the Company as Creative Director for a period of 5 years w.e.f. 1st October, 2008, subject to the approval of the members of the Company. The members of the Company in their Annual General Meeting held on 30th September, 2008 approved his appointment. Further, the Board of Directors revised his remuneration w.e.f. 1st October, 2010 for the remaining period of his tenure and the same was approved by the members of the Company in their Annual General Meeting held on 29th September, 2010 .

As the tenure of Mr. Ravi Adhikari as Creative Director expires on 30th September, 2013, the Board of Directors of the Company in their meeting held on 8th August, 2013, re-appointed him for further period of 5 years w.e.f 1st October, 2013 at remuneration of ₹ 2,50,000/- p.m., subject to the approval of members of the Company in their general meeting.

Other details of the appointee are as follows:

Name of the Appointee	Mr. Ravi Adhikari
Qualifications	B. Com. from Mumbai University
Designation	Creative Director
Date of re-appointment	1st October, 2013
Tenure of re-appointment	Five Years
Experience	He has worked and is trained under the umbrella of his illustrious father Mr. Gautam Adhikari in many of his projects. He has also worked in the capacity of assistant director with many popular directors.
Remuneration proposed	₹ 250,000/- p.m. w.e.f. 1st October, 2013.
Relation with Directors/ Director(s) interested/ concerned in the resolution	Son of Mr. Gautam Adhikari and relative of Mr. Markand Adhikari.

As per the provisions of Section 314(1)(b) of the Companies Act, 1956, the approval of members is required in case of the appointment of any relative of director(s) holding any office or place of profit, if remuneration exceeds ₹ 50,000/- p.m.

The approval of members is being sought for re-appointment of Mr. Ravi Adhikari as Creative Director and payment of remuneration to him as set out at Resolution No. 5 of the Notice.

The Board recommends the Special Resolution for your approval as set out at item no. 5 of the notice.

Except Mr. Gautam Adhikari and Mr. Markand Adhikari, none of the other Directors of the Company are concerned or interested in the said resolution.

Item No. 6

Mr. Markand Adhikari is the promoter and is associated with the company since inception. He is working as the Managing Director of the Company w.e.f 18th August, 2000. He was re-appointed as the Managing Director of the Company for five years w.e.f. 18th August, 2010.

The Board of Directors of the Company at their meeting held on 8th August, 2013, revised the remuneration from ₹ 350,000/- p.m. to ₹ 4,00,000/- p.m. payable to Mr. Markand Adhikari as Managing Director for a remaining period of his tenure w.e.f. 18th August, 2013 to 17th August, 2015 on such terms and condition as set out in the draft agreement, subject to the approval of the members of the Company.

The Remuneration Committee of the Company at its meeting held on 8th August, 2013 has also approved the payment of remuneration of ₹ 400,000/- p.m. payable to Mr. Markand Adhikari.

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII of the Act are given hereunder:

I. GENERAL INFORMATION:

(1) Nature of Industry: Media Software Production.

(2) Date of Commencement of Commercial Production: The Company is in existence and operational since 1994-95.

(3) Financial Performance during the year ended 31st March, 2013:

EPS (Rs.)	:	1.41
Return on Net worth	:	2.17%
Debt Equity ratio	:	0.19:1

(4) Export performance and Net Foreign Exchange collaboration: Nil

(5) Foreign Investment or collaboration: Nil

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background:

Mr. Markand Adhikari aged 56, is a Bachelor of Arts from University of Bombay. He is associated with the Company since incorporation and is looking after the day to day affairs of our Company.

He began his career with an advertising agency in eighties along with his brother. He was instrumental in creating successful association with National Network Doordarshan, during which period, the Company became the first content production house to be listed on the stock exchange in 1995. He is also credited with having developed the concept of sponsored slot production in the national network and having introduced many innovative formats to Indian television for the first time. He also guides our Company in marketing and product development.

(2) Past remuneration:

The Company is paying a monthly remuneration of ₹ 3,50,000/- p.m. to Mr. Markand Adhikari as a Managing Director since 18th August, 2010 with the approval of the members and the Central Government.

(3) Recognition or awards:

Under the able guidance of Mr. Markand Adhikari, the Company has won various awards like RAPA awards, Indian Tele awards and Hero Honda ITA awards, etc. The Company's flagship programme "Office Office" received more than 31 awards from various bodies.

(4) Job profile and his suitability:

Mr. Markand Adhikari is Vice Chairman and Managing Director of the Company. The Company is managed by him and he is responsible for the day to day management and affairs of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.

(5) Remuneration proposed:

Taking into consideration the size of the Company, profile of the appointee, and responsibilities shouldered by him, the Remuneration Committee and Board of Directors has found it fit to compensate for his efforts and devotion by paying remuneration comparable to that received by Directors in the Media Industry. Hence, the Company proposes to pay remuneration of ₹ 400,000/- p.m. to Mr. Markand Adhikari with effect from 18th August, 2013 for the remaining period his tenure i.e. upto 17th August, 2015.

(6) Comparative remuneration profile:

The remuneration payable to Mr. Markand Adhikari is justified in comparison to remuneration paid in the Industry and the size of the Company.

(7) Pecuniary relationship:

Mr. Markand Adhikari has no pecuniary relationship with the Company, directly or indirectly, or with managerial personnel, except that he is one of the Promoters and relative of the Chairman and Whole Time Director of the Company. He is also among the major shareholders of the Company.

III. OTHER INFORMATION:

(1) Reason for loss or inadequate profits:

The Company managed to earn a net profit after tax of ₹ 349.81 Lacs during the financial year ended 31st March, 2013. The inadequate amount of profit was largely due to stiff competition in the media industry.

(2) Steps taken or proposed to be taken for improvement:

The management has taken concrete steps to further improve the overall business volume and profitability. To overcome the competition, management with a clear cut road map is focusing on long term business models and emerging opportunities in media sector. With its rich experience in the arena, the management is confident of harnessing the same to its advantage.

(3) Expected increase in productivity and profits in measurable terms:

Since the Company is focusing on a prudent mix, which includes traditional platforms as well as emerging opportunities, it is difficult to quantify the increase. On a more macro level the management expects that the turnover should increase at least by 100% in next 3 years.

The above may be treated as an abstract in terms of Section 302 of the Companies Act, 1956.

The Board recommends the Special Resolution for your approval as set out at item no. 6 of the notice.

Except Mr. Gautam Adhikari and Mr. Markand Adhikari, none of the other Directors of the Company are concerned or interested in the said resolution.

Item No. 7

The Company's Production and Content Syndication and Broadcasting Business through its subsidiary Companies are growing at the rapid pace.

In recent past the company through its subsidiaries has launched PAN India and Regional Channels. With the success of launched channels, the Company intend to expand further in Broadcasting Space. To meet the capital expenditure, long term working capital requirements, other requirements arising out of expansion of business activities, and for general corporate purposes including but not limited to repayment or prepayment of loans taken, the Company proposes to mobilize the funds by way of offer/issue and allot in the course of international/ domestic offering (s) in one or more tranches to foreign investors/ domestic financial institution/ mutual funds/ other eligible entities, equity shares of nominal value of ₹ 10/- each or equity shares underlying securities in the form of QIP(s) / GDR(s) / ADR(s) / FCCB(s) and/or any other permitted instruments/securities convertible into equity shares (at a later date as may be determined by the Board of Directors) for an aggregate value not exceeding ₹ 150 Crores (Rupees One hundred fifty crores).

The detailed terms and conditions of the offer will be determined in consultation with Advisors, Lead Managers and Underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The proposed resolution is an enabling resolution conferring authority on the Board of Directors to cover all the present and future contingencies and corporate requirements in terms of Section 81 (1A) of the Companies Act, 1956 and the Listing Agreement entered into with Stock Exchanges, which requires that new shares are first to be offered on *pro-rata* basis to the existing shareholders of the Company, unless the shareholders at a general meeting decides otherwise by passing a special resolution. Accordingly, consent of the shareholders is being sought pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the Listing Agreement executed by the Company with the Stock Exchanges where its shares are listed.

The Board recommends the Special Resolution for your approval as set out at item no. 7 of the notice.

None of the Directors of the Company are concerned or interested in the said resolution.

By Order of the Board of Directors

Place: Mumbai
Date: 8th August, 2013

Payal Garg
Company Secretary

Registered Office:
6th Floor, Adhikari Chambers,
Oberoi Complex, New Link Road,
Andheri (West),
Mumbai - 400 053

DIRECTORS' REPORT

Dear Members,

Your Directors have pleasure in presenting the 18th Annual Report together with the Audited Statements of Accounts of the Company for the financial year ended on 31st March, 2013.

1. Financial Highlights:

(₹ In Millions)

Particulars	**For the year ended 31st March, 2013**	For the year ended 31st March, 2012
Total Revenue from business	606.43	485.64
Earnings before Finance charges, Depreciation & Tax	**162.32**	**134.12**
Less: Finance charge	33.94	27.83
Earnings before Depreciation and Tax (EBDT)	**128.38**	**106.29**
Less: Depreciation	91.87	91.75
Earnings/(Loss) before Tax Adjustments (EBTA)	**36.51**	**14.54**
Tax Expenses	1.52	(2.63)
Profit / (Loss) After Tax (PAT)	**34.99**	**17.17**
Profit b/f from previous year	6.17	6.20
Surplus available for Appropriation	**41.16**	**23.37**
Less: Proposed Dividend	14.97	14.80
Less: Tax on Proposed Dividend	2.43	2.40
Balance carried to Balance Sheet	**23.76**	**6.17**

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

2. Dividend:

Your directors are pleased to recommend a dividend of ₹ 0.60 per Equity Share (Previous Year ₹ 0.60 per Equity Share), for the financial year ended on 31st March, 2013. The outgo on account of this dividend will absorb ₹ 17.40 millions (including dividend tax payable of ₹ 2.43 millions). The dividend, if approved, shall be payable to those members whose names shall appear on the Company's Register of Members as on date of Annual General Meeting of the Company i.e. 27th September, 2013.

3. Directors:

In accordance with the provisions of Section 256 of the Companies Act, 1956, and the Articles of Association of the Company, Mr. Arun Khakhar retires by rotation at the ensuring Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and your Board recommends his re-appointment.

Further, the Board of Directors of the Company in its meeting held on 8th August, 2013 revised the remuneration payable to Mr. Markand Adhikari as Managing Director of the Company for the remaining period of his tenure w.e.f. 18th August, 2013, subject to the approval of the members.

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, 2013 and of the profit 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; and

(d) that they have prepared the annual accounts on a "Going Concern" basis.

5. Subsidiary Companies:

As on 31st March, 2013, the Company had five subsidiary companies, viz.:

Sr. No.	Name of the Subsidiary Company	Status of the Company
1	TV Vision Limited (TVVL)	Wholly Owned Subsidiary Company
2	Westwind Realtors Private Limited (WRPL)	Subsidiary Company
3	MPCR Broadcasting Service Private Limited (MPCR)	Step Down Subsidiary Company
4	UBJ Broadcasting Private Limited (UBJ)	
5	HHP Broadcasting Services Private Limited (HHP)	

During the Previous Year Maiboli Broadcasting Private Limited and SAB Entertainment Network Private Limited, which were subsidiaries of the Company, became Associates with effect from 31st March, 2013.

6. Consolidated Financial Statements:

The Ministry of Corporate Affairs (MCA) vide General Circular No.2/2011 No. 51/12/2007-CL-III dated 8th February, 2011 read with General Circular No.3/2011 No. 5/12/2007-CL-III dated 21st February, 2011 has granted a general exemption from attaching the Balance Sheet of subsidiary companies with its holding Company's Balance Sheet, if the holding Company presents in its Annual Report the Consolidated Audited Financial Statements duly audited by its Statutory Auditors of the Company. The Company is publishing Consolidated Audited Financial Statements in the Annual Report and accordingly the Company is not attaching the Balance Sheets of the subsidiary companies with its Balance Sheet. Further, as required under the said circular, a statement of financial information of the subsidiary companies viz. TV Vision Limited (TVVL), Westwind Realtors Private Limited (WRPL), MPCR Broadcasting Service Private Limited (MPCR), UBJ Broadcasting Private Limited (UBJ), HHP Broadcasting Services Private Limited (HHP) is given in Annexure attached to this report.

The Annual Accounts of the subsidiary companies will be available on the company's website www.adhikaribrothers.com and shall also 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 during the Annual General Meeting.

7. Public Deposits:

Your Company has neither accepted nor renewed any deposit within the meaning of Section 58A and 58AA of the Companies Act, 1956 and rules made thereunder during the year ended 31st March, 2013. However, Public deposits amounting to ₹ 1,31,000/- remained unclaimed as on 31st March, 2013.

8. Change in Share Capital of the Company:

During the year under review, the Authorised Share Capital of the Company was increased from ₹ 35 Crores to ₹ 40 Crores by way of Postal Ballot process, the result of which was declared on 20th November, 2012.

The Company allotted 2,66,500 and 15,000 Equity Shares of ₹ 10/- each on exercise of Options granted under SABTNL ESOP Scheme 2009-10 to the eligible employees of the Company on 9th October, 2012 and 28th February, 2013 respectively. The Equity Shares are listed on BSE Limited and National Stock Exchange of India Limited.

Based on the above changes, the issued, subscribed and paid up Capital of the Company has increased to ₹ 249,445,000/- divided into 24,944,500 Equity Shares of ₹ 10/- each.

9. Auditors:

M/s. A. R. Sodha & Co., Chartered Accountants, Mumbai, the Statutory Auditors of the Company hold office up to the conclusion of the ensuing Annual General Meeting of the Company. 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 to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting.

10. 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 with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are 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. However, considering the business activities carried out by the Company, your directors have nothing to report with respect to conservation of energy.

(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, adoption and innovation:

The Company continues to take prudential measures in respect of technology absorption, adoption and take innovative steps to use the scarce resources effectively.

(D) Foreign Exchange Earnings and Outgo:

The particulars of Foreign Exchange earnings and outgo are as follows:

	Year ended 31st March, 2013 (₹ in Millions)	Year ended 31st March, 2012 (₹ in Millions)
Foreign Exchange earned	27.53	22.26
Foreign Exchange used	95.76	47.53

11. Particulars of Employees:

No employee was in receipt of remuneration exceeding the limits as prescribed under the provisions of Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employee) Rules, 1975, as amended, hence no such particulars are furnished.

12. Corporate Governance:

Pursuant to Clause 49 of the Listing Agreement entered with the Stock Exchanges, the following have been made a part of the annual report and are attached to this report:

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

13. Employees' Stock Options:

The disclosure of Employees Stock Options as per the Clause 12 of Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines 1999, is given in annexure attached to this report.

14. Appreciation:

The Directors acknowledge with gratitude and wish to place on record their deep appreciation for 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: 8th August, 2013

Gautam Adhikari
Chairman and Whole Time Director

ANNEXURES TO DIRECTORS' REPORT

(A) Information as required under General Circular No.2/2011 No. 51/12/2007-CL-III dated 8th February, 2011 issued by the Ministry of Corporate Affairs (MCA) relating to Subsidiary Companies for the year ended 31st March, 2013 under Section 212 of the Companies Act, 1956:

(₹ in millions)

Particulars	TV Vision Limited	Westwind Realtors Private Limited	*UBJ Broadcasting Private Limited	*MPCR Broadcasting Service Private Limited	*HHP Broadcasting Services Private Limited
Share Capital	263.75	10.00	85.00	85.00	135.00
Reserves	(12.91)	(0.08)	(48.14)	(61.89)	(74.93)
Total Assets	1,122.29	49.93	302.78	318.95	480.84
Total Liabilities	871.45	40.01	265.92	295.84	420.77
Investments (except in subsidiary companies)	-	-	-	-	-
Turnover & Other Receipts	550.67	-	137.68	70.29	250.42
Profit/(Loss) before Taxation	27.19	(0.01)	(7.37)	(44.12)	(7.77)
Provision for Taxation	8.42	-	(2.16)	(13.48)	(2.14)
Profit /(Loss) after Taxation	18.77	(0.01)	(5.21)	(30.64)	(5.63)
Proposed Dividend	-	-	-	-	-

*** Wholly owned subsidiary companies of TV Vision Limited**

(B) The disclosure as per Clause 12 of SEBI (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999 are as follows:

Sr. No.	Particulars	Remarks
a.	Options granted	7,00,000
b.	The pricing formula	At par i.e. ₹ 10/- per share
c.	Options vested during the year	Nil
d.	Options exercised during the year	2,81,500
e.	The total number of shares arising on exercise of Options	2,81,500
f.	Options lapsed	1,39,000
g.	Variation of terms of Options	Nil
h.	Money realized by exercise of Options	₹ 28,15,000/-
i.	Total number of Options in force	Nil
j.	Employee wise details of Options granted to:-	
	(i) Senior Managerial Personnel granted during the year	Nil
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	Nil
	(iii) identified employees who were granted option, during any one year , equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant	Nil
k.	Diluted Earnings per share (EPS) pursuant to issue of shares on exercise of Options calculated in accordance with Accounting Standard (AS) 20 'Earning Per Share'	₹ 1.41
l.	Where the company has calculated the employee compensation cost using the intrinsic value of the stock options , the difference between the employee compensation cost so computed and the employee compensation cost that have been recognized if it had used the fair value of the Options, shall be disclosed. The impact of this difference on profits and on EPS of the Company.	Not Applicable
m.	Weighted – average exercise prices and weighted average fair values of Options shall be disclosed separately for Options whose exercise price either equals or exceeds or is less than the market price of the stock.	Exercise Price : ₹ 10.00 per Option Fair Value of Option : ₹ 20.39 per Option
n.	A description of the method and significant assumptions used during the year to estimate the fair values of Options, including the following weighted average information:	
	Method (i) Risk Free Interest Rate (ii) Expected Life (iii) Expected volatility (iv) Expected dividends (v) The price of the underlying share in the market at the time of grant of Options.	a. Black-Scholes Merton Model & b. Binomial Option Pricing Model 7.50% 2 years 62% 2% ₹ 30/-

For and On behalf of the Board of Directors

Place: Mumbai
Date: 8th August, 2013

Gautam Adhikari
Chairman and Whole Time Director

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Company Overview

During the year under review, your company has seen a growth of 25% in terms of revenue which was contributed by growth in both of its revenue streams i.e. from production and commissioning of programs for broadcasters and from syndication of its owned IPR contents. During the year, Company has produced and commissioned programmes for various broadcasters and also leveraged on its syndication business by sublicensing its owned IPR content on limited usage basis to national and international broadcasters

Mastiii, the music and comedy television channel has established its position and became popular channel among Hindi Music genre. Further the channel has maintained his leadership position in the target market. **"DABANGG"** the Regional Entertainment Channel which became a leader in its target market within very first year of launch, continued its leadership against its competitors. **"DHAMAAL"** the Regional Entertainment Channel has increased its reach further by stepping into Gujarat territory.

Industry Overview

Indian Media and Entertainment industry is anticipated to clock revenues worth 917 billion INR, growing 11.8 per cent in 2013 (up from 820 billion INR in 2012) and is projected to grow at a healthy compounded annual growth rate (CAGR) of 15.2 per cent to reach 1661 billion INR by 2017, says the FICCI-KPMG Media and Entertainment 2013 report.

Indian Media and Entertainment industry is among the fastest growing industries and is set to grow robustly over the next few years in view of improving macro-economic conditions, move to digitization, higher disposable incomes, rising spending power, role of foreign Direct investment and positive demographic indicators.

Digitisation of cable is expected to bring in transparency and increase subscription revenues for Broadcasters and Multi System Operators (MSOs). It is also expected to reduce carriage fees, building a case for the launch of niche channels and investment in content for existing channels.

Opportunities and Threat

Opportunities

Learning Curve: The immense experience of the promoters in the media industry has proved to be an added advantage in understanding the taste of audience and producing differentiated contents.

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

Digitization and Convergence : Digital 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.

Challenges and Threats

Differentiated Products: Due to increase in the number of channels content produced needs to be unique to attract viewers.

Low Entry Barriers: Vast plethoras of channels are available at viewer's disposal which has given rise to increased competition.

Increased Payouts: With a view to produce differentiated content, the production cost has increased.

Consistency: Consistency of programming quality is essential to maintain targeted revenues.

Financials

1. Share Capital

As on 31st March 2013, the Authorized Share Capital of the Company stood at Rs.400 millions divided into 40 millions Equity Shares of ₹ 10/- each. The paid up equity capital of the Company was ₹ 249.45 millions comprising of 24.94 millions Equity Shares of ₹ 10/- each.

2. Reserves And Surplus:

The total Reserves and Surplus as at 31st March 2013 amounted to ₹ 1364.29 millions. The reserves include Capital Reserves of ₹ 187.63 millions, General Reserves of ₹ 225.11 millions, the Security Premium Accounts of ₹ 927.79 millions and surplus as per the Statement of Profit and Loss of ₹ 23.76 millions.

3. Secured Loans:

The total secured loan as at 31st March, 2013 stood at ₹ 308.29 millions comprising of Term Loan from Banks of ₹ 296.65 millions and vehicle loan of ₹ 11.64 millions.

4. Unsecured Loans:

There is no unsecured loan as on 31st March, 2013.

5. Fixed Assets:

Depreciation of ₹ 91.87 millions was charged to the statement of Profit and Loss. The Net Block of Fixed Assets as on 31st March, 2013 was ₹ 791.50 millions. The Capital WIP amounted to ₹ 121.63 millions.

6. Investments:

The total investments as on 31st March, 2013 stood at ₹ 594.65 millions comprising of investment in wholly owned Subsidiary Companies and Associate Concerns.

7. Revenues:

The Company earned total revenues of ₹ 606.43 millions during the year ended 31st March 2013 as against ₹ 485.64 millions of the previous year ended 31st March 2012.

8. Expenses:

The operating expenses of the Company for the year ended 31st March, 2013 is ₹ 444.11 millions as against ₹ 351.52 millions for the previous year ended 31st March, 2012.

Critical Accounting Policies

The principles of revenue recognition are as under:

Revenue from sale of program/content rights is recognized when the relevant program/content is delivered.

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

Segment Wise Performance

The Group's reportable operating segments have been determined in accordance with the internal management structure, which is organized based on the operating business segments. During the year group has two operating Business Segment i.e. a) Content production and Distribution and b) Broadcasting. The group does not have any segment based on geographical location.

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.

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.

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 Syndication to various broadcasters, aggregators 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.

Outlook

Companies in the Indian Media and Entertainment Industry are currently poised for substantial growth, organic as well as inorganic. The digital transformation of the industry has finally entered the implementation phase. Given the impetus introduced by digitization, continued growth of regional media, strength in the film sector and fast increasing new media businesses The mid and long-term outlook remains positive, and India continues to remain a key strategic market for leading international broadcasters as reported by FICCI-KPMG Media and Entertainment 2013 report.

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.

Cautionary Statement

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

For and On Behalf of the Board of Directors

Place: Mumbai
Date: 8th August, 2013

Gautam Adhikari
Chairman and Whole Time Director

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

Corporate governance is a reflection of our culture, policies, our relationship with stakeholders, and our commitment to values. It is an essential system by which companies are directed and controlled by the management in the best interest of the stakeholders and others. Corporate Governance ensures fairness, transparency and integrity of the management. Corporate Governance is a way of life, rather than a mere legal compulsion. It further inspires and strengthens investor's confidence and commitment to the Company. The Company, through its Board and Committees, endeavor's to strike and deliver the highest governing standards for the benefit of its stakeholders.

In compliance with the disclosure requirements of Clause 49 of the Listing Agreement executed with the Stock Exchanges, the details are set out below:

2. BOARD OF DIRECTORS

a) Composition of the Board and other Directorships of the Board Members

The Directors of the Company are in a fiduciary position, empowered to oversee the management functions with a view to ensure its effectiveness and enhancement of shareholders' value. The Board reviews and approves management's strategic plans and business objectives and monitors the Company's strategic direction.

The Company has composition of an appropriate mix of Executive and Non-Executive/Independent Directors on its Board. The composition of the Board of Directors of the Company as on 31st March, 2013 was as follows:

Name of the Director	Category of the Director	No. of Directorships held in Other Public Limited companies	No. of committee positions held in other Public Limited Companies	
			Chairman	Member
Mr. Gautam Adhikari	Chairman and Whole Time Director	1	-	2
Mr. Markand Adhikari	Vice Chairman and Managing Director	1	-	-
Mr. Arun Khakhar	Non-Executive/ Independent Director	1	-	2
Mr. Prasannakumar Gawde	Non-Executive/ Independent Director	2	3	-
Mr. M. S. Kapur	Non-Executive/ Independent Director	8	2	4

Note:

1. In accordance with Clause 49 of the Listing Agreement, Membership/Chairmanships of only the Audit Committee and Shareholders'/Investors' Grievance Committee of all other Public Limited Companies are considered.

2. The directorship held by directors as mentioned above do not include Alternate Directorships and Directorships in Foreign Companies, Section 25 Companies and Private Companies.

b) Attendance at the Board Meetings and last Annual General Meeting

During the year under review, the Board of Directors met 17 (Seventeen) times viz.:

1	10th May, 2012	10	7th September, 2012
2	15th May, 2012	11	8th October, 2012
3	3rd July, 2012	12	9th October, 2012
4	20th July, 2012	13	10th November, 2012
5	3rd August, 2012	14	20th November, 2012
6	14th August, 2012	15	4th February, 2013
7	29th August, 2012	16	28th February, 2013
8	4th September, 2012	17	25th March, 2013
9	6th September, 2012		

The attendance of the Directors at the Board meetings held during the year 2012-13 and at the last Annual General Meeting of the Company held on 28th September, 2012 is as follows:

Name of the Director	No. of Board meetings attended	Attendance at Last AGM
Mr. Gautam Adhikari	17	Yes
Mr. Markand Adhikari	17	Yes
Mr. Arun Khakhar	11	No
Mr. Prasannakumar Gawde	6	Yes
Mr. M. S. Kapur	9	Yes

c) Information placed before the Board Members

Matters discussed at Board meetings generally relate to Company's business, quarterly/half yearly/annual results, review of the reports of the Audit Committee, taking note of the minutes of the various committees 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 and Auditor's Certificate on Compliance of Corporate Governance

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

e) Relationship between Directors

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

3. AUDIT COMMITTEE

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

During the financial year 2012 -13, the Audit Committee met 5 (Five) times viz. 15th May, 2012, 14th August, 2012, 29th August, 2012, 10th November, 2012, and 4th February, 2013. Details of meetings attended by each member during the year ended 31st March, 2013 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	Member	5

The Company Secretary and Compliance officer of the Company acts as Secretary to the committee.

Statutory Auditors are invitee at the Audit Committee Meetings.

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/re-appointment 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 solely comprised of Non-Executive/Independent Directors, comprising of Mr. Arun Khakhar, Mr. Prasannakumar Gawde and Mr. M. S. Kapur. Mr. Arun Khakhar is Chairman of the Committee.

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

The Company Secretary and Compliance Officer of the Company acts as Secretary to the committee.

The broad terms of reference of the Remuneration Committee are to recommend the remuneration payable to Executive Directors of the Company

Details of Remuneration/ Sitting fees paid/ No. of Equity shares held by the Directors during the year ended 31st March, 2013

(₹ in millions except no. of shares)

Name	Category	Salary	Perquisites or Allowances	Stock Option	Sitting Fees	Total	No. of Shares held
Mr. Gautam Adhikari	Chairman & Whole-Time Director	4.80	-	-	-	4.80	2,068,129
Mr. Markand Adhikari	Vice Chairman & Managing Director	4.20	-	-	-	4.20	2,068,528
Mr. Arun Khakhar	Non-Executive/ Independent Director	-	-	-	-	-	100
Mr. Prasannakumar Gawde	Non-Executive/ Independent Director	-	-	-	0.09	0.09	NIL
Mr. M. S. Kapur	Non-Executive/ Independent Director	-	-	-	0.26	0.26	NIL

5. INVESTORS' GRIEVANCE COMMITTEE

During the financial year 2012-13, the Committee comprised solely of Non-Executive/ Independent Directors comprising of Mr. Arun Khakhar, Mr. Prasannakumar Gawde and Mr. M. S. Kapur. Mr. Arun Khakhar is Chairman of the Committee.

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

During the year review, the Committee met 4 (Four) times viz. on 15th May, 2012, 14th August 2012, 10th November, 2012, and 4th February 2013 .Details of meetings attended by each member during the year ended 31st March, 2013 are 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	Member	4

The Company Secretary and Compliance officer of the Company acts as Secretary to the committee.

Status of Investors' Complaint

Opening	Received during the year	Resolved during the year	Pending
0	2	2	0

Name and designation of the Compliance Officer

Mrs. Payal Garg, Company Secretary is Compliance Officer of the Company.

6. SHARE TRANSFER COMMITTEE

The Committee comprises of solely of Executive Directors comprising of Mr. Gautam Adhikari and Mr. Markand Adhikari.

The Share Transfer Committee is empowered to consider and approve the physical transfer, transmission, transposition of the shares.

During the year under review, the Share Transfer Committee met 2 (Two) times on 10th July, 2012 and 20th October, 2012. Details of meetings attended by each member during the year ended 31st March, 2013 are as follows:

Name of the member	Member/Chairman	No. of Meetings attended
Mr. Gautam Adhikari	Chairman	2
Mr. Markand Adhikari	Member	2

The Company Secretary and Compliance officer of the Company acts as Secretary to the committee.

7 . SUBSIDIARY COMPANIES

As on 31st March, 2013, the Company had five Subsidiary Companies:

a) Subsidiary Companies:
   1. TV Vision Limited
   2. Westwind Realtors Private Limited

b) Step down Subsidiary Companies:
   1. UBJ Broadcasting Private Limited (subsidiary of TV Vision Limited)
   2. MPCR Broadcasting Service Private Limited (subsidiary of TV Vision Limited)
   3. HHP Broadcasting Services Private Limited (subsidiary of TV Vision Limited)

During the Previous Year Maiboli Broadcasting Private Limited and SAB Entertainment Network Private Limited, which were subsidiaries of the Company, became Associates with effect from 31st March, 2013.

Except TV Vision Limited, no other subsidiary Company fall under the norms prescribed in Clause 49 of the Listing Agreement for "*Material non-listed Indian Subsidiaries*". The requirements of Clause 49 of the Listing Agreement with regard to subsidiary companies have been complied with.

8. GENERAL BODY MEETINGS

A) GENERAL BODY MEETINGS

Details of date, time and location where last three Annual General Meetings (AGMs) were held are given below:

Financial Year	AGM	Date of AGM	Time	Location of the meeting
31st March, 2012	17th AGM	28th September, 2012	1.00 p.m.	Celestial Banquets, B-47, Paramount Bldg., Monginis Factory Lane, Opp. Citi Mall, New Link Road, Oshiwara, Andheri (West) – Mumbai 400 053
31st March, 2011	16th AGM	28th September, 2011	11.00 a.m.	Indian Medical Association, J. R. Mhatre Marg, JVPD Scheme, Vile Parle (West), Mumbai - 400 049
31st March, 2010	15th AGM	29th September, 2010	11.00 a.m.	Indian Medical Association, J. R. Mhatre Marg, JVPD Scheme, Vile Parle (West), Mumbai - 400 049

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

AGM held on	Purpose of Resolution
28th September, 2012	1. To create, issue, offer and allot securities of the Company as QIPs/FCCBs/GDRs/ADRs or other permissible securities/ instruments, for a value not exceeding ₹ 150 Crores.
28th September, 2011	1. To re-appoint Mr. Gautam Adhikari as Whole Time Director of the Company for further period of three years w.e.f. 1st October, 2011 on a remuneration of ₹ 4,00,000/- per month. 2. To adopt new Set of Articles of Association of the Company. 3. To create, issue, offer and allot securities of the Company as QIPs/FCCBs/GDRs/ADRs or other permissible securities/ instruments, for a value not exceeding ₹ 125 Crores.
29th September, 2010	1. To re-appoint Mr. Markand Adhikari as the Managing Director for a further period of five years w.e.f. 18th August, 2010 on a remuneration of ₹ 3,50,000/- per month. 2. Increase in the remuneration payable to Mr. Ravi Adhikari, Creative Director from ₹ 50,000/- to ₹ 75, 000/- per month w.e.f. 1st October, 2010 for the remaining period of his tenure.

None of the businesses proposed to be transacted in the ensuing Annual General Meeting require passing a Special Resolution through Postal Ballot.

B) POSTAL BALLOT PROCESS

During the year under review, the Company conducted postal ballot process one time. The details of the postal ballot process are as follows:

The Company dispatched Postal Ballot Notice to its shareholders on 18th October, 2012. 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 Resolution by Postal Ballot) Rules, 2011. 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 20th November, 2012.

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	Increase in authorized capital from ₹35,00,00,000/- to ₹ 40,00,00,000/- divided into 4,00,00,000 equity shares of ₹10/- each	239	211	14236990	14235850 (99.9920)	1140 (0.0080)

The aforesaid resolution was passed with requisite majority.

9. DISCLOSURES

a) Related Party Transactions

Transactions with related parties are disclosed in Note No. 26 of Notes to Accounts to the Financial Statements in the Annual Report. These transactions do not have any conflicts with the Company's interest. The Audit Committee has reviewed these transactions.

b) Disclosure of Accounting Treatment

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

c) Disclosure of Risk Management

The Company has adequate risk assessment and minimization procedure.

d) Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market. 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

The Company has no formal Whistle Blower policy, however it takes cognizance of complaint made and suggestions given by the employees and whenever necessary, suitable corrective steps are taken for it. No employee was denied to access the audit committee for the same purpose.

f) CEO/CFO Certification

In terms of the requirements of Clause 49(V) of the Listing Agreement, the Vice-Chairman and Managing Director of the Company has submitted necessary certificate to the Board at its meeting held on 24th May, 2013 confirming 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.

10. MEANS OF COMMUNICATION

Publication of Quarterly Results

The financial results are published in "Business Standard" and "Mahanayak" in compliance with Listing Agreement. Also the results are made 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.

11. GENERAL INFORMATION FOR SHAREHOLDERS

a) Date, Time and Venue of Annual General Meeting	**Date** : 27th September, 2013 **Day** : Friday **Time** : 12.30 p.m. **Venue** : Celestial Banquets, B-47, Paramount Building, Monginis Factory Lane, Opp. Citi Mall, New Link Road, Oshiwara, Andheri (West) – Mumbai 400 053
b) Financial Calendar (2013-14)	**Tentative Dates** i) First Quarter Results - On 8th August, 2013 ii) Second Quarter Results - By 14th Novermber, 2013 iii) Third Quarter Results - By 14th February, 2014 iv) Fourth Quarter/Yearly Results - By 30th May, 2014 (Audited Results).
c) Date of Book Closure	Monday, 23rd September 2013 to Friday 27th September, 2013 (both days inclusive)
d) Dividend payment date	From 7th October, 2013 to 14th October, 2013

e) Listing on Stock Exchanges	The Equity Shares of the Company are listed on: 1. National Stock Exchange of India Ltd. 2. BSE Ltd. The Company has paid the necessary Listing fees to BSE Ltd. and National Stock Exchange of India Ltd. for the year 2013-14
f) Scrip Code / Symbol	BSE : 530943, NSE : SABTN
g) Demat ISIN for CDSL and NSDL	INE416A01036

h) Unclaimed Dividends:

As per the provisions of Section 205C of the Companies Act, 1956, any dividend remained unpaid / unclaimed for a period of seven years, needs to be transferred to the Investor Education and Protection Fund administered by the Central Government. The unpaid/ unclaimed dividends upto the financial years 2003-2004 have been transferred to the said fund. The members who have not claimed their dividend for the financial year 2005-06 and subsequent years may write to the Company immediately.

The details of due date for transfer of unpaid/unclaimed dividend is as follows:

Year	Dividend Rate per share	Date of Declaration	Due Date for transfer to IEPF
2005-06	₹0.12	28th September, 2006	4th November, 2013
2006-07	₹0.12	27th September, 2007	3rd November, 2014
2007-08	₹0.60	30th September, 2008	6th November, 2015
2008-09	₹0.60	30th September, 2009	6th November, 2016
2009-10	₹0.60	29th September, 2010	5th November, 2017
2010-11	₹0.60	28th September, 2011	4th November, 2018
2011-12	₹0.60	28th September, 2012	4th November, 2019

i) Market Price Data

The monthly high and low quotations of shares traded on National Stock Exchange of India Ltd. and BSE Ltd. during each month in the financial year are as follows:

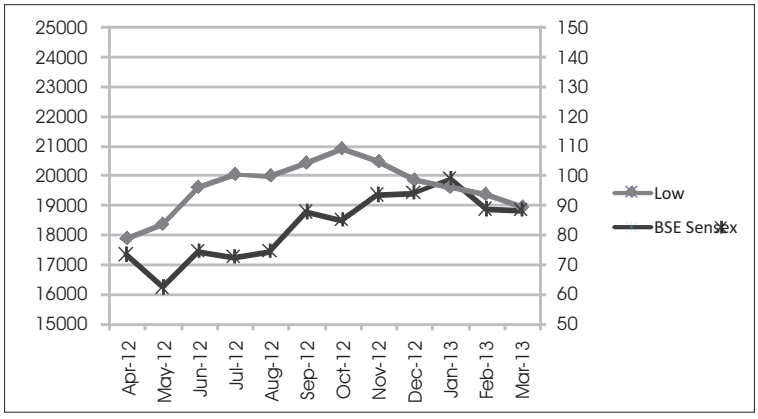
Month	National Stock Exchange of India Limited		BSE Limited	
	Price (₹)*		Price (₹)**	
	High	Low	High	Low
Apr-12	73.90	70.00	79.00	70.00
May-12	82.50	63.00	83.80	64.80
Jun-12	96.00	74.00	96.00	75.00
Jul-12	100.00	87.00	100.65	80.35
Aug-12	100.00	90.75	99.90	91.05
Sep-12	105.40	93.00	104.35	94.00
Oct-12	105.50	88.30	109.00	91.00
Nov-12	102.70	93.05	104.90	93.60
Dec-12	102.50	90.05	98.80	88.00
Jan-13	96.40	74.00	96.40	85.05
Feb-13	94.90	85.05	94.00	84.40
Mar-13	90.50	75.50	89.45	81.00

*Source: www.nseindia.com

**Source: www.bseindia.com

j) 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.



k) Registrar and Share Transfer Agents

Sharex Dynamic (India) Private Limited,
Unit: Sri Adhikari Brothers Television Network 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

l) Share Transfer System

All shares sent or transferred in physical form are registered by the Registrar and Share Transfer Agents within 15 days of the lodgment, if documents, are found in order. Shares under objection are returned within two weeks. All requests for dematerialization of shares processed and the confirmation is given to the respective depositories i.e National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) within 21 days.

m) Category wise distribution of equity shareholding as on 31st March, 2013

Category	Number of shares held	Percentage of Shareholding (%)
Promoter and Promoter Group	10991259	44.06
Mutual Funds/ UTI	900	0.00
Financial Institutions/ Banks	168279	0.67
Venture Capital Funds	10	0.00
Insurance Companies	206950	0.83
Foreign Institutional Investors	1100	0.00
Bodies Corporate	10098541	40.48
Individuals	3446957	13.82
Clearing Member	15670	0.06
NRIs	14734	0.06
Directors	100	0.00
Total	**24944500**	**100.00**

n) Distribution of shareholding as on 31st March, 2013

Nominal value of Shares	Number of shareholders	% of total number of shareholders	Nominal Value Shares (in ₹)	% of Total Nominal Value of shares
1 to 5000	10038	92.36	10412920	4.17
5001 to 10000	427	3.93	3448360	1.38
10001 to 20000	167	1.54	2642560	1.06
20001 to 30000	74	0.68	1913670	0.77
30001 to 40000	34	0.31	1222300	0.49
40001 to 50000	23	0.21	1052240	0.42
50001 to 100000	37	0.34	2875340	1.15
100001 to above	62	0.63	225877610	90.55
TOTAL	**10862**	**100.00**	**249445000**	**100.00**

o) Dematerialization of shares and Liquidity

About 99.79% of the shares have been dematerialized as on 31st March, 2013. The Equity shares of the Company are traded on, BSE Limited and National Stock Exchange of India Limited.

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

OPTIONS GRANTED UNDER SABTNL ESOP SCHEME 2009-10:

The Company has granted 7,00,000 options under SABTNL ESOP Scheme 2009-10 to the eligible employees of the Company on 15th April, 2010. Out of these options, 4,20,500 options were outstanding at the beginning of the year. Out of these options vested, 2,81,500 were exercised by the Employees of the Company and balance 1,39,000 options were lapsed during the year 2012-13. The Equity shares issued out of options exercised by the employees are listed on both the Stock Exchanges.

The Company has not issued any ADR(s,) GDR(s), warrants or any other convertible instruments except as mentioned above.

q) Address for Investor Correspondence

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

Sharex Dynamic (India) Private Limited,
Unit: Sri Adhikari Brothers Television Network 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

For general correspondence:
Mrs. Payal Garg
The Company Secretary and Compliance Officer
Sri Adhikari Brothers Television Network Ltd.
6th Floor,Adhikari Chambers,
Oberoi Complex, New Link Road,
Andheri (West), Mumbai 400 053.
Tel.: 91-22-40230000
Fax: 91-22-26395459
Email: investorservices@adhikaribrothers.com

DECLARATION REGARDING COMPLIANCE OF CODE OF CONDUCT

To the best of my knowledge and belief, I hereby confirm that all the members of the Board and the Senior Management Personnel of the Company have complied with the provisions of the Code of Conduct as laid down by the Company during the financial year ended on 31st March, 2013.

For Sri Adhikari Brothers Television Network Ltd.

Place: Mumbai
Date: 8th August, 2013

Markand Adhikari
Vice Chairman and Managing Director

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, 2013 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 and 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

Place: Mumbai
Date: 8th August, 2013

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Sri Adhikari Brothers Television Network Ltd.

We have audited the accompanying Financial Statements of Sri Adhikari Brothers Television Network Ltd. ("the Company") which comprise the Balance sheet as at 31st March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the Financial Statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India.

(I) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

(ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and

(iii) in the case of the Cash Flow Statement, of the Cash Flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

2. As required by Section 227(3) of the Act, 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 account as required by law have been kept by the Company so far as appears from our examination of those books;

c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d. in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956; and

e. on the basis of written representations received from the directors as on 31st March, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

A. R. Sodha
Partner
M. No 31878

Place: Mumbai
Date: 24th May, 2013

ANNEXURE TO AUDITORS' REPORT

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. According to information given to us, Fixed Assets have 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 and 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 and no material 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 5 parties covered in the register maintained under Section 301 of the Companies Act, 1956.The maximum amount outstanding during the year is ₹ 6084.45 Lacs and the year end Balance is ₹ 4582.85 Lacs.

   b. According to information and explanation furnished to us, the rate of interest and other terms and conditions are not prejudicial to the interest of the Company.

   c. According to information and explanation given to us these loans are repayable on demand and during the year Company has not demanded the repayment of loan, hence question of regularity of payment of principal does not arise.

   d. As Company has not demanded the repayment of loan hence there is no 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) and (g) of Companies (Auditors' 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, fixed assets 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. The Company has not accepted deposits from the public within the meaning of Section 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975. Accordingly Clause 4(vi) of the 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 its business.

8. We have broadly reviewed the cost records maintained by the Company pursuant to the companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie* the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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.

   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.

   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 except as stated below

Name of statute	Nature of dues	Year(s) to which it pertains	Amount Not Paid (₹)	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Demand	2000-01	₹294.10	Mumbai High Court

10. The Company's has no accumulated loss at the end of the financial year and the Company has not incurred cash loss during the year and in the immediately preceding financial year.

11. According to the records of the Company examined by us and the information and explanations given to us, the Company has no default in repayment of dues to any financial institution or bank as at the Balance Sheet date.

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 (Auditors' Report) Order, 2003 is not applicable.

14. The Company is not dealing or trading in Shares and Securities. Accordingly clause 4(xiv) Companies (Auditors' Report) Order, 2003 is not applicable.

15. According to the information and explanation given to us and records of the Company examined by us, the company has given corporate guarantee for loans taken by Subsidiaries 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, during the year Company has not taken any term loan during the year. Accordingly Clause 4(xvi) Companies (Auditor's Report) Order, 2003 is not applicable.

17. According to the information and explanations given and overall examination of records furnished to us, funds raised on short-term basis have not, prima facie, been used for long-term purpose.

18. During the year, the Company has not made preferential allotment of shares and warrants to Parties covered in the Register maintained under Section 301 of the Companies Act, 1956. Accordingly clause 4(xviii) of Companies (Auditors' Report) Order, 2003 is not applicable.

19. During the year, the Company has not issued any debentures. Accordingly clause 4(xix) of Companies (Auditors' 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 (Auditors' 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 Accountants
(FRN 110324W)

A R Sodha
Partner
M. No 31878

Place: Mumbai
Date: 24thMay, 2013

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Notes	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**249,445,000**	246,630,000
Reserve & Surplus	3	**1,364,293,542**	1,348,150,450
		1,613,738,542	1,594,780,450
Non Current Liabilities			
Long Term Borrowings	4	**64,490,879**	247,474,268
Long Term Provisions	5	**937,972**	957,760
Deferred Tax Liability		**100,644,169**	103,626,261
		166,073,020	352,058,289
Current Liabilities			
Short Term Borrowings	6	**-**	8,311,430
Trade Payables	7	**58,928,713**	20,252,412
Other Current Liabilities	8	**278,325,920**	223,941,311
Short Term Provisions	9	**38,247,308**	38,844,058
		375,501,941	291,349,211
TOTAL		**2,155,313,502**	2,238,187,950
ASSETS			
Non-Current Assets			
Fixed Assets	10		
Tangible Assets		**662,544,990**	706,022,739
Intangible Assets		**128,959,932**	167,765,305
Capital Work-in-Progress		**121,625,142**	104,200,296
		913,130,064	977,988,340
Non-current Investment	11	**594,650,000**	455,100,000
Long Term Loans & Advances	12	**64,903,752**	70,446,334
Current Assets			
Current Investments	13	**-**	135,000,000
Trade Receivables	14	**87,036,096**	121,699,046
Cash and Bank Balances	15	**10,629,141**	3,041,014
Short Term Loans & Advances	16	**471,425,162**	471,910,401
Other Current Assets	17	**13,539,287**	3,002,813
		582,629,686	734,653,275
TOTAL		**2,155,313,502**	2,238,187,950
Significant Accounting Policies	1		

Accompanying notes are integral parts of the Financial Statements

As per our report of even date

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

A. R. Sodha
Partner
M.No.31878

Place: Mumbai
Date: 24th May, 2013

For and on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director

Markand Adhikari
Vice Chairman & Managing Director

Payal Garg
Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Notes	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
INCOME			
Revenue form Operations		**601,940,113**	484,495,655
Other Income	18	**4,487,898**	1,142,223
		606,428,011	485,637,878
EXPENSES			
Operational Cost	19	**371,660,962**	262,656,861
(Increase)/Decrease in Inventory		**-**	-
Employee Benefit Expenses	20	**14,507,273**	19,036,453
Other Expenses	21	**57,943,839**	69,824,642
Finance Cost	22	**33,941,101**	27,830,675
Depreciation	10	**91,869,126**	91,749,700
Total		**569,922,301**	471,098,331
Profit before Tax		**36,505,710**	14,539,547
Tax Expenses			
Current Tax		**6,494,029**	2,909,036
Deferred Tax		**(2,982,091)**	(2,683,112)
Mat Credit Entitlement		**(1,988,203)**	(2,868,091)
Earlier Years Short Provision		**-**	10,766
		1,523,735	(2,631,401)
Profit/(Loss) after tax		**34,981,975**	17,170,948
Basic Earning Per Share (refer note 25)		**1.41**	0.71
Diluted Earning Per Share (refer note 25)		**1.41**	0.70
Significant Accounting Policies	**1**		

Accompanying notes are integral parts of the Financial Statements

As per our report of even date

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

A. R. Sodha
Partner
M.No.31878

Place: Mumbai
Date: 24th May, 2013

For and on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director

Markand Adhikari
Vice Chairman & Managing Director

Payal Garg
Company Secretary

CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2013

	Particulars	For the Year ended 31.03.2013 (₹)	For the Year ended 31.03.2012 (₹)
A	**Cash flow from Operating Activities:**		
	Net Profit before Tax as per Profit and Loss Account	**36,505,710**	14,539,547
	Adjustment for:		
	Depreciation	**91,869,126**	91,749,700
	Interest Income	**(142,609)**	(56,457)
	Loss on sale of fixed assets	**1,380,870**	-
	Deferred Employee Compensation Cost	**(1,368,346)**	1,969,669
	Share of Profit from Partnership	**(46,250)**	-
	Bank Interest	**33,941,101**	27,830,675
	Operating Profit before Working Capital changes	**162,139,601**	136,033,134
	Adjustment for change in working capital:		
	(Increase) / Decrease in Inventories	**-**	932,500
	(Increase) / Decrease in Trade Receivables	**34,662,950**	(14,971,740)
	(Increase) / Decrease in Advances & Other Current Assets	**58,225**	(171,878,504)
	Increase / (Decrease) in Current Liabilities	**55,214,295**	(48,961,346)
	Cash generated from Operations	**252,075,071**	(98,845,956)
	Direct Taxes (Paid)/Refund	**(23,886,073)**	(108,135)
	Net Cash used in Operating Activities	**228,188,998**	(98,954,091)
B	**Cash flow from Investing Activities:**		
	Purchase of/advance for Fixed Assets	**(22,616,645)**	(29,094,852)
	Sale of Fixed Assets/ Refund of Capital Advance	**24,200,000**	-
	Investments made	**(139,550,000)**	(255,100,000)
	Sale of Current Investments	**135,000,000**	320,926,000
	Amount Withdrawn from Partnership Firm	**46,250**	1,379,621
	Interest Income Received	**142,609**	56,457
	Net Cash used in Investing Activities	**(2,777,786)**	38,167,226
C	**Cash flow from Financing Activities:**		
	Proceeds from Issue of Shares & Warrants	**2,815,000**	55,107,500
	Proceeds from Long Term Borrowing	**-**	173,902,629
	Repayment of Long Term Borrowing	**(150,772,660)**	(68,697,567)
	Increase/(decrease) in Short Term Borrowing	**(8,311,430)**	(54,574,669)
	Dividend Paid	**(14,797,800)**	(14,797,800)
	Dividend Distribution Tax Paid	**(6,932,077)**	-
	Bank Interest paid	**(39,824,118)**	(29,353,460)
	Net Cash generated from Financing Activities	**(217,823,085)**	61,586,633
	Net increase in Cash and Cash equivalents	**7,588,127**	799,768
	Opening balance of Cash and Cash equivalents	**3,041,014**	2,241,246
	Closing balance of Cash and Cash equivalents	**10,629,141**	3,041,014

As per our report of even date

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

A. R. Sodha
Partner
M.No.31878
Place: Mumbai
Date: 24th May, 2013

For and on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director

Markand Adhikari
Vice Chairman & Managing Director

Payal Garg
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1 General

These Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis and comply in all material aspects with the Accounting Standards notified under Section 211 (3C), Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

1.2 Use of Estimate

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of Assets and Liabilities (including Contingent Liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the Financial Statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Provisions, Contingent Liabilities and Contingent Assets

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 to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to affect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

1.4 Fixed Assets

Tangible Fixed Assets

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

Intangible Fixed Assets

Intangible Fixed Assets are carried at cost less accumulated amortisation and impairment losses, if any. The Cost of intangible assets comprises of cost of purchase, production cost and any attributable expenditure on making the asset ready for its intended use.

Capital Work in Progress

Capital Work in progress are assets that are not yet ready for their intended use which comprises cost of purchase and related attributable expenditures.

1.5 Depreciation/Amortisation

Tangible Fixed Assets

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.

Improvement to Lease Assets is amortised over a balance period of lease on straight line basis.

Intangible Fixed Assets

Intangible fixed assets are amortised over a period of 10 years on *Pro Rata* Basis.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

1.6 Inventories

Cassettes and tapes are charged of fully in the year of purchase.

Inventories are valued at lower of cost or net realisable value. The cost of each episode of program is determined on the basis of average cost.

Where carrying amount of inventories does not exceeds recoverable amount in the ordinary course of business or where management does not anticipate any future economic benefit flowing from it appropriate loss has been provided.

1.7 Revenue Recognition

Revenue from Sale of Program/Content Rights is recognised when the relevant Program/Content is delivered.

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

1.8 Foreign Currency Transactions

Initial Recognition

Foreign Currency transactions are recorded in the reporting currency i.e. rupee value, by applying the exchange rate, between the reporting currency and the Foreign Currency, to the Foreign Currency amount 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 conversion of monetary items at Balance Sheet date are recognised as income or expenses.

1.9 Investments

Investments that are intended to be held for more than a year are classified as Non-Current Investments. The Non-Current 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. Current Investments are stated at cost or realisable value whichever is lower.

1.10 Employee Benefits

Defined Contribution Plan

Payments to Defined Contribution Plan are charged to Profit & Loss account when contributions to respective funds are due.

Defined Benefit Plan

Employee Benefits for Defined Benefit Schemes, such as leave encashment and gratuity, are 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.

1.11 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. Other Borrowing Costs are recognized as expense and charged to Profit & Loss account.

1.12 Leases

Operating Lease expenses are charged to Profit and Loss account on accrual basis.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE FINANCIAL STATEMENTS

1.13 Taxes on Income

Current Tax provision is made based on the tax liability computed after considering tax allowances and exemptions at the Balance Sheet date as per Income Tax Act, 1961.

Deferred tax reflects 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 or virtually certain, as the case may be, to be realized.

1.14 Earning Per Share

Basic Earnings 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. Dilutive Earning Per Shares is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the result would be anti-dilutive.

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
2	**Share Capital**		
	Authorised		
	40,000,000 (P.Y. 35,000,000) Equity shares of ₹10/- each	**400,000,000**	350,000,000
	Issued, Subscribed & Paid-up		
	24,944,500 (P.Y. 24,663,000) Equity shares of ₹10/- each fully paid up	**249,445,000**	246,630,000
		249,445,000	246,630,000

Terms and Rights attached to Equity Shares:

The Company has only one class of shares referred to as Equity Shares having a par value of ₹ 10/-. Each holder of Equity Shares is entitled to one vote per share.

The amount of per share dividend recognised as distributions to equity shareholders during the year ended 31st March, 2013 is ₹ 0.60 (P.Y. ₹ 0.60), subject to approval by shareholders in the ensuing Annual General Meeting.

The reconciliation of the number of shares outstanding and the amount of share capital as at 31st March, 2013 is set out below:

Particulars	As at 31/03/2013		As at 31/03/2012	
	Numbers	₹	Numbers	₹
At the beginning of the Year	24,663,000	246,630,000	22,883,500	228,835,000
Add:- Issued During the year	281,500	2,815,000	1,779,500	17,795,000
Outstanding at the end of the year	**24,944,500**	**249,445,000**	24,663,000	246,630,000

NOTES TO FINANCIAL STATEMENTS

The details of shareholders holding more than 5% shares are set out below:

Name of the shareholder	As at 31/03/2013		As at 31/03/2012	
	Numbers	%	Numbers	%
Gautam Adhikari	2,068,129	8.29%	2,068,129	8.39%
Markand Adhikari	2,068,528	8.29%	2,068,528	8.39%
Ravi Adhikari	3,425,000	13.73%	3,425,000	13.89%
Kailashnath Adhikari	3,428,102	13.74%	3,428,102	13.90%
Inayata Constructions Pvt. Ltd	2,445,000	9.80%	2,204,857	8.94%
Assent Trading Pvt. Ltd.	2,347,717	9.41%	1,769,685	7.18%
Keynote Enterprises Pvt. Ltd.	2,119,831	8.50%	2,210,000	8.96%

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
3	**Reserves & Surplus**		
	Capital Reserve		
	Balance at the beginning of the year	**187,631,659**	187,631,659
	Additions during the year	**-**	-
	Balance at year end	**187,631,659**	187,631,659
	Securities Premium Account		
	As per last Balance Sheet	**924,861,836**	867,207,831
	Add: Addition during the year	**2,924,785**	57,654,005
	Less: Expenses on issue of shares	**-**	-
	Balance at year end	**927,786,621**	924,861,836
	Share options outstanding account		
	Balance at the beginning of the year	**4,368,995**	7,273,000
	Add: Amounts recorded on grants during the year	**-**	-
	Less: Deferred stock compensation expenses	**-**	-
	Less :Transferred to Securities Premium Account	**(2,904,785)**	(2,904,005)
	Less: Written back to Statement of Profit and Loss during the year	**(1,444,210)**	-
	Balance at year end	**-**	4,368,995
	General Reserve		
	Balance at the beginning of the year	**225,110,695**	225,110,695
	Additions during the year	**-**	-
	Balance at year end	**225,110,695**	225,110,695
	Surplus/(deficit) as per the statement of profit and Loss		
	Balance at the beginning of the year	**6,177,265**	6,204,690
	Add : Profit for the year	**34,981,975**	17,170,948
	Less : Proposed Dividend	**(14,966,700)**	(14,797,800)
	Less : Dividend Distribution Tax on Dividend	**(2,427,973)**	(2,400,573)
	Balance at year end	**23,764,567**	6,177,265
		1,364,293,542	1,348,150,450

NOTES TO FINANCIAL STATEMENTS

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
4	**Long Term Borrowings**		
	Secured		
	Term Loan from Banks	**158,070,000**	228,570,000
	Less : Current Maturity (Included in Other Current Liabilities)	**104,500,000**	99,000,000
		53,570,000	129,570,000
	External Commercial Borrowings	**102,577,297**	172,326,579
	Less : Current Maturity (Included in Other Current Liabilities)	**102,577,297**	90,801,509
		-	81,525,070
	Corporate Loan from Bank	**36,000,000**	50,000,000
	Less : Current Maturity (Included in Other Current Liabilities)	**34,250,000**	18,000,000
		1,750,000	32,000,000
	Vehicle Loan	**11,641,220**	8,164,598
	Less : Current Maturity (Included in Other Current Liabilities)	**2,470,341**	3,785,400
		9,170,879	4,379,198
		64,490,879	247,474,268

Term Loan and External Commercial borrowings from Punjab National Bank are secured by way of equitable mortgage of land and all the present and future assets created out of loan proceeds for project at Kandivali and hypothecation of studio equipment and furniture and fixtures. Further, the loan is guranteed by personal guarantee of directors.

Term Loan from Canara Bank is secured by way of negative lien on content rights acquired from loan proceeds. Further, the loan is guranteed by personal guarantee of Promotor Directors and is collaterally secured by assets belonging to Promoter Directors and their relative.

Corporate Loan is secured by way of first charge on the program/content rights acquired from loan proceeds. Further loan is guranteed by personal guarantee of directors and collaterally secured by assets belonging to promotor director.

Vehicle loan is secured by way of hypothecation of vehicles.

These loan are repayble on monthly and quarterly installment basis spreading upto financial year 2014-15 and rate of interest for the term loan is Base Rate + 4.00%, for external commercial borrowing rate is LIBOR 6M+7% and for corporate loan rate is Base Rate + 4.25%.

5	**Long Term Provisions**		
	Provision for Employee Benefits		
	- Provision for compensated absences	**937,972**	957,760
		937,972	957,760

NOTES TO FINANCIAL STATEMENTS

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
6	**Short Term Borrowings**		
	Unsecured		
	Overdraft facility	-	8,311,430
		-	8,311,430
7	**Trade Payables**		
	Other than Acceptance	**58,928,713**	20,252,412
		58,928,713	20,252,412
8	**Other Current Liabilities**		
	Current Maturities of Long Term Borrowings	**243,797,638**	211,586,908
	Unclaimed Interest on Fixed Deposits	**199,647**	199,647
	Unclaimed Dividend *	**564,403**	409,262
	Unclaimed Fixed Deposit *	**131,000**	131,000
	(* Kept in a separate Bank A/c)		
	Advance and Deposit Received	**6,165,112**	6,306,097
	Other Payables	**27,468,120**	5,208,396
		278,325,920	223,941,311
9	**Short Term Provisions**		
	Provision for Expenses	**10,227,050**	12,372,384
	Provision for Income Tax	**10,625,585**	4,741,797
	Proposed Dividend	**14,966,700**	14,797,800
	Dividend Distribution Tax	**2,427,973**	6,932,077
		38,247,308	38,844,058

10 FIXED ASSETS

(₹)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	As at 01.04.2012	Charge for the year	Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets:										
Land & Building	437,360,669	-	-	**437,360,669**	39,463,360	7,128,979	-	**46,592,339**	**390,768,330**	397,897,309
Plant & Machinery and Media Assets	352,303,307	404,700	-	**352,708,007**	122,230,153	31,789,631	-	**154,019,784**	**198,688,223**	230,073,154
Improvement to Lease Asset	17,326,357	-	-	**17,326,357**	17,326,357	-	-	**17,326,357**	**-**	-
Sets	45,886,346	-	-	**45,886,346**	15,979,645	2,904,606	-	**18,884,251**	**27,002,095**	29,906,701
Furniture & Fixtures	66,515,841	-	-	**66,515,841**	35,711,686	4,210,453	-	**39,922,139**	**26,593,702**	30,804,155
Vehicles	29,919,758	9,743,589	8,155,388	**31,507,959**	12,962,932	2,976,889	3,574,518	**12,365,303**	**19,142,656**	16,956,826
Computers	6,874,345	271,150	-	**7,145,495**	6,489,750	305,762	-	**6,795,512**	**349,983**	384,595
Sub-total	956,186,623	10,419,439	8,155,388	**958,450,674**	250,163,883	49,316,319	3,574,518	**295,905,684**	**662,544,990**	706,022,740
Previous Year	955,151,074	1,035,549	-	956,186,623	200,132,029	50,031,855	-	250,163,884	706,022,739	-
Intangible Assets:										
Business & Commercial Rights	417,178,457	-	-	**417,178,457**	249,413,152	41,717,846	-	**291,130,998**	**126,047,459**	167,765,305
Software	-	3,747,434	-	**3,747,434**	-	834,961	-	**834,961**	**2,912,473**	-
Sub-total	417,178,457	3,747,434	-	**420,925,891**	249,413,152	42,552,807	-	**291,965,959**	**128,959,932**	167,765,305
Previous Year	417,178,457	-	-	417,178,457	207,695,306	41,717,846	-	249,413,152	**167,765,305**	-
Capital Work-in-progress									121,625,142	104,200,296

NOTES TO FINANCIAL STATEMENTS

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
11	**Non-current Investment**		
	In Subsidary Companies		
	TV Vision Ltd.	**455,000,000**	455,000,000
	(26,375,000 (P.Y 26,375,000) shares of ₹ 10 each fully paid up)		
	In Associate Companies		
	Maiboli Broadcasting Pvt.ltd	**41,650,000**	100,000
	(4,165,000 (P.Y 10,000) shares of ₹ 10 each fully paid up)		
	SAB Entertainment Network Pvt. Ltd.	**98,000,000**	-
	(98,00,000 (P.Y Nil) shares of ₹ 10 each fully paid up)		
		594,650,000	455,100,000
12	**Long Term Loans & Advances**		
	(Unsecured, Considered good)		
	Capital Advances	**-**	21,000,000
	MAT Credit Entitlement	**24,947,652**	22,959,449
	Payment against Disputed Income Tax Demand	**37,257,670**	24,204,732
	Deposits	**2,698,430**	2,282,153
		64,903,752	70,446,334
13	**Current Investments**		
	Lotus Motion Pictures Ltd.	**-**	135,000,000
		-	135,000,000
14	**Trade Receivables**		
	Over Six Months		
	- Considered Good	**16,350,875**	13,460,147
	Others		
	- Considered Good	**70,685,221**	108,238,899
		87,036,096	121,699,046
15	**Cash & Bank Balances**		
	Cash & Cash equivalent		
	Cash on Hand	**541,250**	202,366
	Balance with Scheduled Banks in		
	- Current Accounts	**9,668,104**	1,561,613
	- Fixed Deposit	**419,787**	1,277,035
		10,629,141	3,041,014

NOTES TO FINANCIAL STATEMENTS

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
16	**Short Term Loans & Advances**		
	(Unsecured)		
	Loans and Advances to Subsidaries	**343,285,466**	381,171,250
	Others Advances & Receivables, Considered good	**128,139,696**	90,739,151
	Others Advances Considered Doubtful	**-**	4,048,141
	Less: Provision for doubtful advances	**-**	(4,048,141)
		471,425,162	471,910,401
17	**Other Current Assets**		
	Prepaid Expenses	**966,876**	655,946
	Interest Receivable	**198,875**	467,515
	Other Receivables	**12,373,536**	1,803,488
	Deferred Employee Compensation	**-**	75,864
		13,539,287	3,002,813

Particulars		For the Year ended 31.03.2013 (₹)	For the Year ended 31.03.2012 (₹)
18	**Other Income**		
	Interest Income	**142,609**	56,457
	Miscellaneous Income	**4,299,039**	1,090,672
	Share of profit/loss in Partnership Firm	**46,250**	(4,906)
		4,487,898	1,142,223
19	**Operational Cost**		
	Programme Purchase and Production Cost	**241,011,258**	260,591,750
	Remuneration to Artist & Technicians	**68,000,165**	14,296,781
	Shooting Charges	**45,841,867**	14,596,919
	Location & Equipment Hire Charges	**24,138,199**	14,131,980
	Technical Charges	**870,314**	165,750
	Cassettes Purchase	**909,118**	1,580,875
		380,770,921	305,364,055
	Less: Programme Share Cost	**9,109,959**	42,707,194
		371,660,962	262,656,861

NOTES TO FINANCIAL STATEMENTS

Particulars		For the Year ended 31.03.2013 (₹)	For the Year ended 31.03.2012 (₹)
20	**Employee Benefit Expenses**		
	Salaries, Allowances etc.	**13,374,797**	17,725,649
	Contribution To Provident Fund & Others Fund	**568,139**	724,907
	Staff Welfare Expenses	**564,337**	585,897
		14,507,273	19,036,453
21	**Other Expenses**		
	Electricity Charges	**2,450,437**	1,877,584
	Communication Expenses	**1,868,025**	1,944,403
	Insurance Charges	**742,979**	672,638
	Rent, Rates & Taxes	**2,331,769**	1,039,101
	Repairs & Maintenance	**3,169,536**	4,505,839
	Traveling & Conveyance	**6,872,686**	6,189,137
	Legal & Professional Charges	**9,064,333**	8,826,961
	Printing & Stationery	**468,074**	545,607
	Membership & Subscription	**36,650**	1,473,517
	General Expenses	**10,424,029**	8,686,936
	Audit Fees (refer note 32)	**500,000**	500,000
	Loss on Sale of Asset	**1,380,870**	-
	Director Remuneration	**9,000,000**	9,000,000
	Foreign Exchange Loss	**7,358,303**	22,328,082
	Business Promotion Expenses	**958,908**	1,300,912
	Advertising & Marketing Expenses	**1,317,241**	206,657
	Reversal of Provision for Doubtful Advances	**(4,048,141)**	-
	Doubtful Advances w/off	**4,048,141**	-
	Sundry Debit Balance w/off	**-**	727,269
		57,943,839	69,824,642
22	**Finance Cost**		
	Bank Interest	**33,571,519**	25,341,598
	Others	**369,581**	2,489,077
		33,941,101	27,830,675

NOTES TO FINANCIAL STATEMENTS

23 Employees Stock Option

The Company has granted in April 2010, 700,000 options to eligible employees under the SABTNL Employees Stock Option Plan 2010 (ESOP 2010). These options would be vested over a period of two years from the date of grant of options. 50% of these options vested in April 2011 and the balance will vest in April 2012. The options can be exercised within one year from the date of vesting. Each option is convertible into equivalent number of Equity Share of ₹10/- Face value. The Exercise Price of the Option is ₹10.

The stock option discount has been amortized over the vesting period of two years on straight line basis. A sum of ₹ 0.75 lacs (P.Y. ₹ 19.70 lacs) representing proportionate charge for the period has been included in the accounts under Salaries, Allowances etc. and a sum of ₹ 14.44 lacs has been credited in the accounts under Salaries, Allowances etc. on account of forfeiture of 139,000 employee stock options.

Potential number of Diluted Equity shares to be issued under Employees Stock Option Plan 2010 is Nil (Previous year ₹ 2,10,551/-) of ₹ 10/- each.

Details of Option are as follows

Particulars	31.03.2013	31.03.2012
Option Outstanding, beginning of the period	420,500	700,000
Granted during the year	NIL	NIL
Less : Exercised during the year	281,500	279,500
Less : Forfeited during the year	139,500	NIL
Options Outstanding at end of year	NIL	420,500

24 Segment Reporting

The Company is operating in single primary business segment i.e. Content Production and Distribution. Accordingly no segment reporting as per Accounting Standard 17 has been reported.

25 Basic and Diluted Earning Per Share

Particulars	31.03.2013	31.03.2012
Profit for the Year (₹)	34,981,975	17,170,948
Weighted average Number of Shares outstanding during the year (Face Value ₹10 per share)	24,791,359	24,199,555
Basic Earning Per share (₹)	1.41	0.71
Weighted average Number of Shares outstanding during the year for Diluted earning	24,791,359	24,410,105
Diluted Earning Per share (₹)	1.41	0.70

26. Related Party Disclosures

a) List of Related Parties & Relationship:-

i. Subsidiary Companies

TV Vision Ltd.	Subsidiary Company
Westwind Realtors Pvt. Ltd.	Subsidiary Company
HHP Broadcasting Services Pvt. Ltd.	Step-down Subsidiary Company
UBJ Broadcasting Pvt. Ltd.	Step-down Subsidiary Company
MPCR Broadcasting Services Pvt. Ltd.	Step-down Subsidiary Company

ii. Associate Concern

Maiboli Broadcasting Pvt. Ltd.	Associate Concern
SAB Entertainment Network Pvt. Ltd.	Associate Concern

NOTES TO FINANCIAL STATEMENTS

iii. Key Management Personnel (KMP)

Gautam Adhikari	Chairman & Whole Time Director
Markand Adhikari	Vice Chairman & Managing Director

iv. Relative of Key Management Personnel

Urvee Adhikari	Daughter of Key Management Personnel
Ravi Adhikari	Son of Key Management Personnel
Kailashnath Adhikari	Son of Key Management Personnel

iv. Others

SAB & View Entertainment	50% Joint Venture

b) Transaction with Related Parties:

Nature of Transaction		Subsidiaries	Key Management Personnel	Relative of Key Management Personnel	Associate Concern/ Others	Total
Reimbursement of expenses		17,814,438	-	-	-	**17,814,438**
received	(P.Y)	(48,056,317)	-	-	-	(48,056,317)
Rendering of Services/		554,720	9,020,000	721,200	-	**10,295,920**
Reimbursement of expenses	(P.Y)	(451,099)	(9,120,000)	(1,186,200)	-	(10,757,299)
Advance/Loan/Deposit given		13,235,000	-	-	100,000,000	**113,235,000**
(net)	(P.Y)	(239,428,815)	-	-	-	(239,428,815)
Advance/Loan/Deposit taken		-	671,064	-	-	**671,064**
(net)	(P.Y)	(3,500,000)	(119,531)	-	-	(3,619,531)
Outstanding Balance		546,032	1,666,132	135,100		**2,347,264**
included in Current Liability	(P.Y)	(3,971,312)	(759,783)	(302,703)	-	(5,033,798)
Outstanding Balance		343,285,466	-	-	115,000,000	**458,285,466**
included in Current Assets	(P.Y)	(366,171,300)	(33,000,000)	-	(450,335)	(399,621,635)
Investment made		-	-	-	139,550,000	**139,550,000**
	(P.Y)	(255,100,000)	-	-	-	(255,100,000)
Investment sold		-	-	-	-	**-**
	(P.Y)	(245,000,000)	-	-	-	(245,000,000)
Capital Contribution received		-	-	-	-	**-**
	(P.Y)	-	-	(52,312,600)	-	(52,312,600)

27 Employee Benefits Plan

Defined Contribution Plan

Contribution to Defined Contribution plans are recognised and charged off for the year are as under

(₹)

Particulars	31.03.2013	31.03.2012
Employers Contribution to Provident Fund	**137,127**	318,636

Defined Benefit Plan

Employees gratuity and leave encashment scheme is defined benefit plan. The present value of obligation is determined based on actuarial valuation using projected unit credit method which recognised each period of service as giving rise to additional need of employee benefit entitlement and measures each unit seperately to build up the final obligation.

NOTES TO FINANCIAL STATEMENTS

(₹)

Particulars	Gratuity - funded		Leave Encashment - unfunded	
	31.03.2013	31.03.2012	31.03.2013	31.03.2012
A) Reconciliation of Opening and closing balance of defined benefit obligation				
Defined Benefit obligation at the beginning of the year	1,698,394	1,244,862	1,277,014	1,168,062
Current Service Cost	215,839	198,514	146,772	230,868
Interest Cost	135,872	99,589	102,161	93,445
Acturial (Gain)/Loss	(207,529)	183,987	(256,207)	(214,734)
Benefits Paid	-	(28,558)	(19,110)	(627)
Defined Benefit Obligation at year end	1,842,545	1,698,394	1,250,630	1,277,014
B) Reconciliation of Opening and closing balance of fair value of assets				
Fair Value of Plan assets at the beginning of the year	841,684	799,573		
Expected return on plan assets	67,335	63,966		
Acturial Gain/(Loss)	8,417	6,703	NA	
Employer Contribution	-	-		
Benefits Paid	-	(28,558)		
Fair Value of Plan assets at year end	917,436	841,684		
Actual Return on Plan assets	75,752	70,669		
C) Reconciliation of Fair Value of assets and Obligation				
Fair Value of Plan Assets as at 31st March	917,436	841,684	-	-
Present Value of obligation as at 31st March	1,842,545	1,698,394	1,250,630	1,277,014
Amont Recogniosed in Balance Sheet	925,109	856,710	1,250,630	1,277,014
D) Expenses recognised during the year				
Current Service Cost	215,808	198,514	146,772	230,868
Interest Cost	1,842,545	99,589	102,161	93,445
Expected return on plan assets	(67,335)	(63,966)	-	-
Acturial (Gain)/Loss	(196,767)	177,284	(256,207)	(214,734)
Net Cost	85,878	411,421	(7,274)	109,579
E) Investment Details				
LIC Group Gratuity Cash Accumulation Policy	49.79%	49.56%	NA	
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 (Per Annum)	8%		NA	
Rate of Escalation in Salary (Per Annum)	5%		5%	

NOTES TO FINANCIAL STATEMENTS

28 Deferred Tax Liability (net) (₹)

Particulars	31.03.2013	31.03.2012
Tax effect of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of Fixed Assets	101,049,936	105,394,301
	101,049,936	105,394,301
Tax effect of items constituting Deferred Tax Assets:		
Leave Encashment	405,767	423,349
Provision for Doubtful Debts	-	1,344,691
	405,767	1,768,040
Net Deferred Tax Liability	**100,644,169**	**103,626,261**

29. Payment to Auditors (excluding Service Tax) (₹)

Particulars	31.03.2013	31.03.2012
Audit Fees	400,000	400,000
Tax Audit Fees	100,000	100,000
Others	195,000	215,000
Total	**695,000**	**715,000**

30 Contingent Liability and Events occurring after Balance Sheet date

There is no contingent liability as on Balance Sheet date except as stated below: (₹)

Particulars	31.03.2013	31.03.2012
Income Tax Demand	24,410,510	37,463,448
Total	**24,410,510**	**37,463,448**

31 Capital and Other Commitment

As on Balance sheet date there is no outstanding Capital and Other Commitment.

32 Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

Company has not received any confirmation from its vendors that whether they are covered under the Micro, Small and Medium Enterprises Development Act, 2006, hence the amounts unpaid at the year end together with interest paid / payable under this Act cannot be identified.

33 Previous Year Figures

The previous year figures have been regrouped/reclassified whereever considered necessary to correspond with current year clasification/disclosure.

As per our report of even date

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

A. R. Sodha
Partner
M.No.31878

Place: Mumbai
Date: 24th May, 2013

For and on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director

Markand Adhikari
Vice Chairman & Managing Director

Payal Garg
Company Secretary

INDEPENDENT AUDITORS' REPORT

To,
Board of Directors
Sri Adhikari Brothers Television Network Ltd.

We have audited the accompanying Consolidated Financial Statements of **Sri Adhikari Brothers Television Network Ltd.** and its subsidiaries, Associates and Joint Venture (referred to as 'Group' as at 31st March, 2013) which comprises of the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated Cash Flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal controls relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

I) in the case of the Consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013;

ii) in the case of the Consolidated Statement of Profit and Loss account, of the profit for the year ended on that date; and

iii) in the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For A. R. SODHA & CO.
Chartered Accountants
(FRN 110324W)

A. R. Sodha
Partner
M. No. 31878

Place: Mumbai.
Date : 24th May, 2013

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Notes	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2	**249,445,000**	246,630,000
Reserve & Surplus	3	**971,706,375**	981,679,625
		1,221,151,375	1,228,309,625
Minority Interest		**3,277,078**	3,281,492
Non Current Liabilities			
Long Term Borrowings	4	**832,490,879**	1,222,724,268
Other Long Term Liability	5	**13,835,261**	13,835,261
Long Term Provisions	6	**3,428,534**	1,860,962
		849,754,674	1,238,420,491
Current Liabilities			
Short Term Borrowings	7	**131,400,000**	58,311,430
Trade Payables	8	**179,921,546**	166,078,901
Other Current Liabilities	9	**540,711,169**	372,255,776
Short Term Provisions	10	**101,517,835**	79,424,485
		953,550,549	676,070,592
TOTAL		**3,027,733,677**	3,146,082,200
ASSETS			
Non-Current Assets			
Fixed Assets	11		
Tangible Assets		**693,817,460**	739,528,853
Intangible Assets		**904,055,251**	1,007,175,540
Capital Work-in-Progress		**127,289,400**	107,854,336
		1,725,162,110	1,854,558,729
Non-current Investment	12	**136,248,352**	-
Deferred Tax assets(net)		**70,646,627**	58,299,933
Long Term Loans & Advances	13	**463,682,455**	480,554,947
Other Non-Current asset	14	**17,628,375**	14,359,313
Current Assets			
Current Investments	15	**-**	135,000,000
Trade Receivables	16	**410,362,238**	353,889,344
Cash and Bank Balances	17	**15,612,548**	8,084,536
Short Term Loans & Advances	18	**136,593,344**	200,099,729
Other Current Assets	19	**51,797,627**	41,235,669
		614,365,757	738,309,278
TOTAL		**3,027,733,677**	3,146,082,200
Significant Accounting Policies	1		

Accompanying notes are integral parts of the Financial Statements

As per our report of even date

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

A. R. Sodha
Partner
M.No.31878
Place: Mumbai
Date: 24th May, 2013

For and on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director

Markand Adhikari
Vice Chairman & Managing Director

Payal Garg
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH 2013

Particulars	Notes	For the year ended 31.03.2013 (₹)	For the year ended 31.03.2012 (₹)
INCOME			
Revenue form Operations		**1,610,113,553**	1,319,917,692
Other Income	20	**5,274,564**	1,104,580
		1,615,388,117	1,321,022,272
EXPENSES			
Operational Cost	21	**1,054,403,284**	1,038,082,422
Employee Benefit Expenses	22	**61,978,988**	59,621,884
Other Expenses	23	**106,150,258**	145,587,881
Finance Cost	24	**181,419,017**	197,576,333
Depreciation	11	**206,993,887**	217,908,855
Total		**1,610,945,434**	1,658,777,375
Profit before Tax		**4,442,683**	(337,755,103)
Tax Expenses			
Current Tax		**6,514,711**	2,919,283
Deferred Tax		**(12,346,691)**	(111,138,405)
Mat Credit Entitlement		**(1,988,203)**	(2,878,338)
Earlier Years Short Provision		**-**	10,766
		(7,820,183)	(111,086,694)
Profit/(Loss) after tax		**12,262,866**	(226,668,408)
Less: Minority Interest(share in Loss)		**(4,415)**	(4,016)
Add: Share of Profit/(Loss) in Associate		**(3,401,648)**	-
Profit/(Loss) for the Period		**8,865,633**	(226,664,392)
Basic Earning Per Share (refer note 28)		**0.36**	(9.37)
Diluted Earning Per Share (refer note 28)		**0.36**	(9.37)
Significant Accounting Policies	**1**		

Accompanying notes are integral parts of the Financial Statements

As per our report of even date
For A. R. Sodha & Co.
Chartered Accountants
(FRN:110324W)

A. R. Sodha
Partner
M.No.31878
Place: Mumbai
Date: 24th May, 2013

For and on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director

Markand Adhikari
Vice Chairman & Managing Director

Payal Garg
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL STATEMENTS AS AT 31ST MARCH 2013

	Particulars	For the Year ended 31.03.2013 (₹)	For the Year ended 31.03.2012 (₹)
A	**Cash flow from Operating Activities:**		
	Net Profit/(Loss) before Tax as per Profit and Loss Account	**4,442,683**	(337,755,102)
	Adjustment for:		
	Depreciation	**206,993,887**	217,908,855
	Interest Income	**(267,570)**	(56,457)
	Loss on sale of fixed assets	**1,380,870**	-
	Deferred Employee Compensation Cost	**(1,368,346)**	1,969,469
	Preliminary / Share Issue Expenses written off	**-**	705,000
	Bank Interest	**181,419,017**	197,576,333
	Operating Profit before Working Capital changes	**392,600,541**	80,348,097
	Adjustment for change in working capital:		
	(Increase) / Decrease in Inventories	**-**	932,500
	(Increase) / Decrease in Trade Receivables	**(56,472,894)**	(155,561,715)
	(Increase) / Decrease in Advances and Assets	**77,243,493**	(145,962,775)
	Increase / (Decrease) in Current Liabilities	**39,069,750**	82,328,663
	Cash used in Operations	**452,440,890**	(137,915,229)
	Direct Taxes Paid	**(30,014,835)**	(108,135)
	Net Cash used in Operating Activities	**422,426,055**	(138,023,364)
B	**Cash flow from Investing Activities:**		
	Purchase of/advance for Fixed Assets	**(82,178,136)**	(382,081,457)
	Sale of Fixed Assets/ Refund of Capital Advance	**24,200,000**	130,000,000
	Purchase of Investment	**(139,650,000)**	-
	Sale of Investment	**135,000,000**	75,926,000
	Interest Income Received	**267,570**	56,457
	Net Cash used in Investing Activities	**(62,360,566)**	(176,099,000)
C	**Cash flow from Financing Activities:**		
	Proceeds from Issue of Shares & Warrants	**2,815,000**	55,107,500
	Proceeds from Long Term Borrowing	**-**	533,902,629
	Repayment of Long Term Borrowing	**(244,772,660)**	(86,197,567)
	Increase/(decrease) in Short Term Borrowing	**73,088,570**	(9,027,669)
	Share Issue Expenses and Pre-operative expenses incurred	**-**	10,603,534
	Dividend Paid	**(14,797,800)**	(14,797,800)
	Dividend Distribution Tax Paid	**(6,932,077)**	-
	Bank Interest paid	**(161,938,510)**	(185,223,040)
	Net Cash generated from Financing Activities	**(352,537,477)**	304,367,587
	Net increase in Cash and Cash equivalents	**7,528,012**	(9,754,777)
	Opening balance of Cash and Cash equivalents	**8,084,536**	17,839,313
	Closing balance of Cash and Cash equivalents	**15,612,548**	8,084,536

As per our report of even date

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

A. R. Sodha
Partner
M.No.31878
Place: Mumbai
Date: 24th May, 2013

For and on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director

Markand Adhikari
Vice Chairman & Managing Director

Payal Garg
Company Secretary

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1 General

These Consolidated Financial Statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis and comply in all material aspects with the Accounting Standards notified under Section 211 (3C), Companies(Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956 and guidelines issued by the Securities and Exchange Board of India (SEBI).

1.2 Use of Estimate

The preparation of the Financial Statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

1.3 Provisions, Contingent Liabilities and Contingents Assets

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 to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to affect the current best estimates. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the Financial Statements.

1.4 Fixed Assets

Tangible Fixed Assets

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

Intangible Fixed Assets

Intangible Fixed Assets are carried at cost less accoumulated amortisation and impairment losses, if any. The Cost of intangible assets comprises of cost of purchase, production cost and any attributable expenditure on making the asset ready for its intended use.

Capital Work in Progress :

Capital work in progress are assets that are not yet ready for their intended use which comprises cost of purchase and related attributable expenditures.

1.5 Depreciation/Amortisation

Tangible Fixed Assets

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.

Improvement to Lease Assets is amortised over a balance period of lease on Straight Line Basis.

Depreciation on decoders is provided 100% in the year of purchase or in the year which Company starts commercial operations of respective channel, whichever is later.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Intangible Fixed Assets

Business and Commercial Rights of Broadcasting segment are amortized 10% in the year of purchase/production or in the year in which Company starts commercial operations of respective channel, whichever is later and remaining 90% are amortized in subsequent Eight years on a straight line basis.

Business and Commercial right other than Broadcasting segment are amortised over a period of 10 years on *Pro Rata* Basis.

Channel Development cost is amortized on Straight Line Basis over a period of ten years on time proportionate basis.

Software are amortized on Straight Line Basis over a period of 3 years on time proportionate basis.

1.6 Inventories

Cassettes and tapes are charged of fully in the year of purchase.

Inventories are valued at lower of cost or net realisable value. The cost of each episode of program is determined on the basis of average cost.

Where carrying amount of inventories does not exceeds recoverable amount in the ordinary course of business or where management does not anticipate any future economic benefit flowing from it appropriate loss has been provided.

1.7 Revenue Recognition

Revenue from advertisements (net of agency commission) is recognised on telecast basis and revenue from sale of program/content rights is recognised when the relevant program/content is delivered.

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

1.8 Foreign Currency Transactions

Initial Recognition

Foreign currency transactions are recorded in the reporting currency i.e. rupee value, by applying the exchange rate, between the reporting currency and the foreign currency, to the foreign currency amount 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 conversion of monetary items at balance sheet date are recognised as income or expenses.

1.9 Investments

Investments that are intended to be held for more than a year are classified as Non-current investments. The Non-current 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. Current Investments are stated at cost or realisable value whichever is lower.

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1.10 Employee Benefits

Defined Contribution Plan

Payments to defined contribution plan are charged to Profit & Loss Account when contributions to respective funds are due.

Defined Benefit Plan

Employee benefits for Defined benefit schemes, such as leave encashment and gratuity, are 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.

1.11 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 . Other Borrowing costs are recognized as expense and charged to Profit & Loss Account.

1.12 Leases

Operating Lease expenses are charged to Profit and Loss Account on accrual basis.

1.13 Taxes on Income

Current Tax provision is made based on the tax liability computed after considering tax allowances and exemptions at the Balance Sheet date as per Income Tax Act, 1961.

Deferred tax reflects 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 or virtually certain, as the case may be, to be realized.

1.14 Preliminary and Pre-Operative Expenses

Preliminary expenses are written off fully in the year in which Company starts its commercial operations and Pre-operative expenses are written off fully in the year in which respective channel starts its commercial operations.

1.15 Earning Per Share

Basic earnings 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. Dilutive earning per shares is computed and disclosed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except when the result would be anti-dilutive.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
2	**Share Capital**		
	Authorised		
	40,000,000 (P.Y. 35,000,000) Equity shares of ₹ 10/- each	**400,000,000**	350,000,000
	Issued, Subscribed & Paid-up		
	24,944,500 (P.Y. 24,663,000) Equity shares of ₹ 10/- each fully paid up	**249,445,000**	246,630,000
		249,445,000	246,630,000
3	**Reserves & Surplus**		
	Capital Reserve		
	Balance at the beginning of the year	**187,631,659**	187,631,659
	Additions during the year	**-**	-
	Balance at year end	**187,631,659**	187,631,659
	Securities Premium Account		
	As per last Balance Sheet	**922,041,959**	867,207,831
	Add: Addition during the year	**2,924,785**	57,654,005
	Less: Expenses on Issue of Shares	**-**	2,819,877
	Balance at year end	**924,966,744**	922,041,959
	Share options outstanding account		
	Balance at the beginning of the year	**4,368,995**	7,273,000
	Less :Transferred to Securities premium account	**(2,924,785)**	(2,904,005)
	Less: Written back to Statement of Profit and Loss during the year	**(1,444,210)**	-
	Balance at year end	**-**	4,368,995
	General Reserve		
	Balance at the beginning of the year	**225,110,695**	225,110,695
	Additions during the year	**-**	-
	Balance at year end	**225,110,695**	225,110,695
	Surplus/(deficit) as per the statement of profit and Loss		
	Balance at the beginning of the year	**(357,473,683)**	(113,610,918)
	Add : Profit/(Loss) for the year	**8,865,633**	(226,664,392)
	Less : Proposed Dividend	**(14,966,700)**	(14,797,800)
	Less : Dividend Distribution Tax on Dividend	**(2,427,973)**	(2,400,573)
	Balance at year end	**(366,002,723)**	(357,473,683)
		971,706,375	981,679,625

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars	As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
4 Long Term Borrowings		
Secured		
Term Loan from Banks	**1,145,070,000**	1,309,570,000
Less : Current Maturity (Included in Other Current Liabilities)	**323,500,000**	204,750,000
	821,570,000	1,104,820,000
External Commercial Borrowings	**102,577,297**	172,326,579
Less : Current Maturity (Included in Other Current Liabilities)	**102,577,297**	90,801,509
	-	81,525,070
Corporate Loan from Bank	**36,000,000**	50,000,000
Less : Current Maturity (Included in Other Current Liabilities)	**34,250,000**	18,000,000
	1,750,000	32,000,000
Vehicle Loan	**11,641,220**	8,164,598
Less : Current Maturity (Included in Other Current Liabilities)	**2,470,341**	3,785,400
	9,170,879	4,379,198
	832,490,879	1,222,724,268

Term loan and External Commercial borrowings from Punjab National Bank are secured by way of equitable mortgage of land and all the present and future construction of proposed project at Kandivali and hypothecation of studio equipment and furniture and fixtures. Further, the loan is guranteed by personal guarantee of promoter directors.

Term loan from Canara Bank is secured by way of negative lien on content rights acquired from loan proceeds. Further, the loan is guranteed by personal guarantee of Promotor Directors and is collaterally secured by assets belonging to Promoter Directors and their relative.

Term loans related to subsidiary companies are secured by negetive lien on programme rights and other assets, hypothecation of present and future receivables and all current and future assets of respective Company. Further, the loan is guranteed by personal guarantee of promotor directors.

Corporate Loan is secured by way of first charge on the program/content rights acquired from loan proceeds. Further loan is guranteed by personal guarantee of promoter directors and collaterally secured by assets belonging to promotor directors.

Vehicle loan is secured by way of hypothecation of vehicles.

Term Loans are repayble on monthly and quarterly installment basis spreading upto financial year 2016-17 and rate of interest for the term loan is Base Rate plus 3 to 6%, for external commercial borrowing rate is LIBOR 6M+7% and for corporate loan rate is Base Rate + 4.25%.

5 Other Long Term Liabilities		
Membership contribution	**13,835,261**	13,835,261
	13,835,261	13,835,261

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
6	**Long Term Provisions**		
	Provision for Employee Benefits		
	- Provision for compensated absences	**1,329,564**	1,412,670
	- Provision for gratuity (net)	**2,098,970**	448,292
		3,428,534	1,860,962
7	**Short Term Borrowings**		
	Unsecured		
	Short Terms Loans from Bank	**-**	50,000,000
	Overdraft facility	**-**	8,311,430
	From Director	**131,400,000**	-
		131,400,000	58,311,430
8	**Trade Payables**		
	Other than Acceptance	**179,921,546**	166,078,901
		179,921,546	166,078,901
9	**Other Current Liabilities**		
	Current Maturities of Long Term Borrowings	**462,797,638**	317,336,908
	Other Payables	**70,853,369**	51,372,862
	Unclaimed Interest on Fixed Deposits	**199,647**	199,647
	Unclaimed Dividend *	**564,403**	409,262
	Unclaimed Fixed Deposit *	**131,000**	131,000
	(* Kept in a separate Bank A/c)		
	Advance and Deposit Received	**6,165,112**	2,806,097
		540,711,169	372,255,776
10	**Short Term Provisions**		
	Provision for Expenses	**73,497,577**	52,952,851
	Provision for Income Tax	**10,625,585**	4,741,757
	Proposed Dividend	**14,966,700**	14,797,800
	Dividend Distribution Tax	**2,427,973**	6,932,077
		101,517,835	79,424,485

11 FIXED ASSETS

(₹)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2012	Additions	Deductions	As at 31.03.2013	As at 01.04.2012	Charge for the year	Adjustment	As at 31.03.2013	As at 31.03.2013	As at 31.03.2012
Tangible Assets:										
Land & Building	453,533,166	-	-	**453,533,166**	39,463,360	7,128,979	-	**46,592,339**	**406,940,827**	414,069,806
Plant & Machinery and Media Assets	365,300,395	491,732	-	**365,792,127**	122,737,723	32,704,475	-	**155,442,198**	**210,349,929**	242,562,672
Improvement to Lease Asset	20,487,119		-	**20,487,119**	18,440,604	1,053,482	-	**19,494,086**	**993,033**	2,046,515
Sets	45,886,346	-	-	**45,886,346**	15,979,645	2,904,606	-	**18,884,250**	**27,002,096**	29,906,701
Furniture & Fixtures	66,515,841	-	-	**66,515,841**	35,711,686	4,210,453	-	**39,922,139**	**26,593,702**	30,804,155
Vehicles	31,308,690	9,743,589	8,155,388	**32,896,891**	13,134,305	3,108,837	3,574,518	**12,668,624**	**20,228,267**	18,174,385
Computers	8,656,996	349,650	-	**9,006,646**	6,692,377	604,663	-	**7,297,040**	**1,709,606**	1,964,619
Decoders	12,773,715	791,970	-	**13,565,685**	12,773,715	791,970	-	**13,565,685**	**-**	-
Sub-total	1,004,462,268	11,376,941	8,155,388	**1,007,683,821**	264,933,415	52,507,465	3,574,518	**313,866,361**	**693,817,460**	739,528,853
Previous Year	986,659,392	17,802,876	-	1,004,462,268	204,462,854	60,470,561	-	264,933,415	739,528,853	-
Intangible Assets:										
Business & Commercial Rights	1,153,600,330	47,618,700	-	**1,201,219,030**	371,273,004	122,913,266	-	**494,186,270**	**707,032,760**	782,327,326
Channel Development Cost	233,008,315	-	-	**233,008,315**	25,977,875	23,300,832	-	**49,278,707**	**183,729,608**	207,030,440
Softwares	22,314,323	3,747,434	-	**26,061,757**	4,496,549	8,272,325	-	**12,768,874**	**13,292,883**	17,817,774
Sub-total	1,408,922,968	51,366,134	-	**1,460,289,102**	401,747,428	154,486,422	-	**556,233,850**	**904,055,251**	1,007,175,540
Previous Year	1,068,226,741	340,696,227	-	1,408,922,968	244,309,134	157,438,294	-	401,747,428	1,007,175,540	-
Capital Work-in-progress									127,289,400	107,854,336

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
12	**Non-current Investment**		
	In Associate Concern		
	Maiboli Broadcasting Private Limited (4,165,000 at ₹ 10 each fully paid up)	**38,248,352**	-
	SAB Entertainment Network Private Limited (9,800,000 at ₹ 10 each fully paid up)	**98,000,000**	-
		136,248,352	-
13	**Long Term Loans & Advances**		
	(Unsecured, Considered good)		
	Advances and Deposits	**401,477,133**	412,390,806
	Capital Advances	**-**	21,000,000
	MAT Credit Entitlement	**24,947,652**	22,959,409
	Payment against Disputed Income Tax Demand	**37,257,670**	24,204,732
		463,682,455	480,554,947
14	**Other Non-Current Assets**		
	Preliminary Expenses	**-**	6,512,469
	Pre-operative Expenses	**17,628,375**	7,846,844
		17,628,375	14,359,313
15	**Current Investments**		
	In Associate Concern	**-**	135,000,000
		-	135,000,000
16	**Trade Receivables**		
	Over Six Months		
	- Considered Good	**34,799,141**	13,855,958
	Others		
	- Considered Good	**375,563,097**	340,033,386
		410,362,238	353,889,344
17	**Cash & Bank Balances**		
	Cash and Cash Equivalent		
	Cash on Hand	**618,027**	326,507
	Balance with Scheduled Banks in		
	- Current Accounts	**14,574,734**	6,480,993
	- Fixed Deposit	**419,787**	1,277,035
		15,612,548	8,084,536

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		As at 31.03.2013 (₹)	As at 31.03.2012 (₹)
18	**Short Term Loans & Advances**		
	(Unsecured)		
	Advances & Receivables, Considered good	**136,593,344**	200,099,729
	Advances Considered Doubtful	**-**	4,048,141
	Less: Provision for doubtful advances	**-**	(4,048,141)
		136,593,344	200,099,729
19	**Other Current Assets**		
	Prepaid Expenses	**4,611,142**	5,653,186
	Interest Receivable	**-**	467,515
	Deferred Employee Compensation	**-**	75,864
	Other Receivables	**47,186,485**	35,039,104
		51,797,627	41,235,669

Particulars		For the Year ended 31.03.2013 (₹)	For the Year ended 31.03.2012 (₹)
20	**Other Income**		
	Interest Income	**267,570**	56,457
	Miscellaneous Income	**5,006,994**	1,048,123
		5,274,564	1,104,580
21	**Operational Cost**		
	Cost of Production and Purchase	**674,833,883**	610,737,477
	Carriage Fee	**326,833,512**	382,545,490
	Telecast Expenses	**52,734,889**	44,799,455
		1,054,402,284	1,038,082,422
22	**Employee Benefit Expenses**		
	Salaries, Allowances etc.	**59,357,416**	56,814,705
	Contribution To Provident Fund & Others Fund	**1,438,929**	1,582,565
	Staff Welfare Expenses	**1,182,643**	1,224,614
		61,978,988	59,621,884

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Particulars		For the Year ended 31.03.2013 (₹)	For the Year ended 31.03.2012 (₹)
23	**Other Expenses**		
	Communication Expenses	**4,077,252**	3,933,794
	Rent, Rates & Taxes	**5,197,398**	3,772,366
	Repairs & Maintenance	**3,780,273**	4,972,512
	Insurance Charges	**792,169**	697,564
	Legal & Professional Charges	**29,089,931**	30,796,372
	Printing & Stationery	**1,213,697**	1,333,590
	Membership & Subscription	**4,270,000**	4,893,672
	General Expenses	**13,324,467**	11,819,964
	Travelling & Conveyance	**15,254,176**	12,087,592
	Electricity Expenses	**5,611,091**	5,130,623
	Audit Fees	**846,836**	969,326
	Stamp Duty	**15,850**	5,469,413
	Directors Remuneration	**9,000,000**	9,000,000
	Forign Exchange Loss	**7,358,303**	22,328,082
	Business Promotion Expenses	**1,461,718**	1,664,867
	Loss on Sale of Asset	**1,380,870**	3,913,471
	Preliminary Expenses w/off	**-**	705,000
	Sundry Debit Balance w/off	**-**	727,269
	Advertisement & Marketing Expenses	**3,476,227**	21,372,404
		106,150,258	145,587,881
24	**Finance Cost**		
	Bank Interest	**180,770,554**	188,193,976
	Others	**648,462**	9,382,357
		181,419,017	197,576,333

25 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 Ltd (Consolidated)	31st March, 2013	100.00%	India
Maiboli Broadcasting Pvt.Ltd	31st March, 2013	49.00%	India
Sab Entertainment Network Pvt.Ltd	31st March, 2013	49.00%	India
Westwind Realtors Pvt.Ltd	31st March, 2013	66.96%	India
SAB & View Entertainment	31st March, 2013	50.00%	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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

26 Employees Stock Option

The Company has granted in April 2010, 700,000 options to eligible employees under the SABTNL Employees Stock Option Plan 2010 (ESOP 2010). These options would be vested over a period of two years from the date of grant of options. 50% of these options vested in April 2011 and the balance will vest in April 2012. The options can be exercised within one year from the date of vesting. Each option is convertible into equivalent number of Equity Share of ₹ 10/- Face value. The Exercise Price of the Option is ₹ 10.

The stock option discount has been amortized over the vesting period of two years on straight line basis. A sum of ₹ 0.75 lacs (P.Y. ₹ 19.70 lacs) representing proportionate charge for the period has been included in the accounts under Salaries, Allowances etc. and a sum of ₹ 14.44 lacs has been credited in the accounts under Salaries, Allowances etc. on account of forfeiture of 139,000 employee stock options.

Potential number of Diluted Equity shares to be issued under Employees Stock Option Plan 2010 is Nil (Previous year ₹ 2,10,551/-) of ₹ 10/- each.

Details of Option are as follows

Particulars	31.03.2013	31.03.2012
Option Outstanding, beginning of the period	420,500	700,000
Granted during the year	NIL	NIL
Less : Exercised during the year	281,500	279,500
Less : Forfeited during the year	139,500	NIL
Options Outstanding at end of year	NIL	420,500

27 Segment Reporting

The Group's reportable operating segments have been determined in accordance with the internal management structure, which is organized based on the operating business segments. During the year Group has two operating Business Segment i.e. a) Content Production and Distribution and b) Broadcasting. The group does not have any segment based on geographical location.

(₹)

Particulars	31.03.2013	31.03.2012
Revenue		
Content Production and Distribution	601,940,113	484,495,655
Broadcasting	1,008,173,440	835,422,037
Inter Segment Revenue	-	-
Elimination	-	-
Total	**1,610,113,553**	**1,319,917,692**
Results		
Operating Profit/(Loss) Before Interest and Tax but after depreciation		
Content Production and Distribution	70,454,131	42,357,066
Broadcasting	115,407,569	(182,535,837)
Elimination	-	-
Total	**185,861,700**	**(140,178,771)**
Less: Finance Cost	181,419,017	197,576,333
Total Profit/(Loss) Before Tax	**4,442,683**	**(337,755,103)**
Less: Tax Expenses	(7,820,183)	(111,086,694)
Profit After Tax	**12,262,866**	**(226,668,408)**
Less: Minority Interest	(4,415)	(4,016)
Add: Share of Profit/(Loss) in Associate	(3,401,648)	-
Net Profit	**8,865,633**	**(226,664,392)**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

₹

Particulars	31.03.2013	31.03.2012
Other Information		
Segment Assets		
Content Production and Distribution	1,116,733,868	1,163,290,398
Broadcasting	1,758,142,256	1,819,409,004
Unallocated Assets	156,259,197	163,383,594
Total Assets	**3,031,135,321**	**3,146,082,997**
Segment Liabilities		
Content Production and Distribution	440,930,792	539,781,398
Broadcasting	1,348,440,719	1,363,717,750
Unallocated Liabilities	17,209,790	14,273,427
Total Libilities	**1,806,581,301**	**1,917,772,575**
Capital Expenditure		
Content Production and Distribution	31,591,719	29,094,852
Broadcasting	50,586,417	352,986,605
Depreciation		
Content Production and Distribution	91,869,126	91,749,700
Broadcasting	115,124,761	126,159,155
Other Non-cash Expenditure		
Content Production and Distribution	-	-
Broadcasting	9,781,531	14,359,313

28 Basic and Diluted Earning Per Share

Particulars	31.03.2013	31.03.2012
Profit for the Year (₹)	8,865,633	(226,664,392)
Weighted average Number of Shares outstanding during the year (Face Value ₹10 per share)	24,791,359	24,199,555
Basic Earning Per share (₹)	0.36	(9.37)
Weighted average Number of Shares outstanding during the year for Diluted earning	24,791,359	24,199,555
Diluted Earning Per share (₹)	0.36	(9.37)

29 Related Party Disclosures

a) List of Related Parties & Relationship:-

I **Key Management Personnel (KMP):**

Gautam Adhikari	Chairman & Whole Time Director
Markand Adhikari	Vice Chairman & Managing Director

II **Relative of Key Management Personnel**

Urvee Adhikari	Daughter of Key Management Personnel
Ravi Adhikari	Son of Key Management Personnel
Kailashnath Adhikari	Son of Key Management Personnel

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

III Associate Concern

Maiboli Broadcasting Pvt. Ltd.	Associate Concern
SAB Entertainment Network Pvt. Ltd.	Associate Concern

IV Others

SAB & View Entertainment	50% Joint Venture

b) Transaction with Related Parties: (₹)

Nature of Transaction		Key Management Personnel	Relative of Key Management Personnel	Associates Concern/ Others	Total
Rendering of Service/		9,020,000	1,131,100	-	**10,151,100**
Reimbursement of Expenses	(P.Y)	(9,180,000)	(1,656,449)	-	(10,836,449)
Advance/Loan/Deposit taken (net)		-	132,071,064	-	**132,071,064**
	(P.Y)	(119,531)	-	-	(119,531)
Advance/Loan/Deposit given (net)		-	-	100,000,000	**100,000,000**
	(P.Y)	-	-	-	-
Outstanding Balance included in		1,666,133	190,200	-	**1,856,333**
Current Liability	(P.Y)	(752,573)	(479,703)	-	(1,232,276)
Outstanding Balance included in		-	-	115,000,000	**115,000,000**
Current Assets	(P.Y)	(33,500,000)	-	-	(33,500,000)
Outstanding Balance included in		131,400,000	-	-	**131,400,000**
Unsecured Loan	(P.Y)	-	-	-	-
Investment made		-	-	139,650,000	**139,650,000**
	(P.Y)	-	-	-	-
Capital Contribution received		-	-	-	**-**
	(P.Y)	-	(52,312,500)	-	(52,312,500)

30 Deferred Tax Liability (net) (₹)

Particulars	31.03.2013	31.03.2012
Tax effect of items constituting Deferred Tax Liability		
On difference between book balance and tax balance of Fixed Assets	150,777,348	139,330,165
	150,777,348	139,330,165
Tax effect of items constituting Deferred Tax Assets:		
Provision for compensated absensces, gratuity and other employee benefit	1,312,295	764,685
Unabsorbed Depreciation	105,063,815	85,570,940
Carry Forward Business Losses	114,774,676	109,561,784
Others	273,189	387,999
Provision for Doubtful Debts	-	1,344,691
	221,423,975	197,630,099
Net Deferred Tax Liability/(Assets)	**(70,646,627)**	(58,299,934)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 Contingent Liability and Events occurring after Balance Sheet date

There is no contingent liability as on Balance Sheet date except as stated below:

(₹)

Particulars	31.03.2013	31.03.2012
Income Tax Demand	24,410,510	37,463,448

32 Capital and Other Commitment

As on Balance sheet date there is no outstanding Capital and Other Commitment.

33 Previous Year Figures

The previous year figures have been regrouped/reclassified whereever considered necessary to correspond with current year clasification/disclosure.

As per our report of even date

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

A. R. Sodha
Partner
M.No.31878

Place: Mumbai
Date: 24th May, 2013

For and on behalf of the Board of Directors

Gautam Adhikari
Chairman & Whole Time Director

Markand Adhikari
Vice Chairman & Managing Director

Payal Garg
Company Secretary

SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

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

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

Folio No.: _____ No. of shares held: _____

DP ID/Client ID: _____

I hereby record my presence at the 18th Annual General Meeting of the shareholders of the company being held on Friday, 27th day of September, 2013 at 12.30 P.M. at Celestial Banquets, B-47, Paramount Building, Monginis Factory Lane, Opp. Citi Mall, New Link Road, Oshiwara, Andheri (West) – Mumbai 400 053.

Name of the Shareholder/Proxy/Representative _____

_____

Signature of the Shareholder/Proxy/Representative _____

SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

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

PROXY FORM

Folio No.: _____ No. of shares held: _____

DP ID/Client ID: _____

I/We _____ of _____ being member/ members of **SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED**, hereby appoint _____ of _____ or failing him/her _____ of _____ as my/our proxy to vote for me/us and my/our behalf at the 18th Annual General Meeting of the Company to be held on Friday, 27th day of September, 2013 at12.30 P.M. at Celestial Banquets, B-47, Paramount Building, Monginis Factory Lane, Opp. Citi Mall, New Link Road, Oshiwara, Andheri (West) – Mumbai 400 053 or at any adjournment thereof.

Affix Revenue Stamp of ₹ 0.15

Place _____

Signed this_____ day of _____ 2013.

_____

Signature of the Shareholder

Note: A Member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself / herself on poll only and such proxy need not be a Member of the Company. Proxies in order to be effective should be deposited at the registered office of the Company not less than 48 hours before the meeting.


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SRI ADHIKARI BROTHERS
TELEVISION NETWORK LTD.

6th Floor, Adhikari Chambers, Oberoi Complex,
Next to Laxmi industrial Estate, New Link Road,
Andheri (West), Mumbai - 400 053.
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