

## Towards core competence

Last year, the Mumbai-based Sri Adhikari Brothers Television Networks (SABTV) hived off its channel SAB TV (a foray it made into telecasting in 2000) to Sony for \$13 million, in addition to Rs75 crore programming deal, where SAB would continue to provide television content for a five-year period. "This decision to sell the channel was aimed at focussing on the television content production, an area of our core competence since the last two decades", explains Markand Adhikari, VC and MD of the company.

Now, this decision seems to have paid off, with SABTV turning around and reporting good numbers. For the fourth quarter ended March 2006, following the sale of its satellite arm to Sony, it posted a marginally lower total income of Rs12.83 crore, compared to previous year's fourth quarter total income of Rs13.80 crore. However, the gross profit was Rs3.10 crore, up by 284.47 per cent, as against Rs1.09 crore achieved during the same period last year. At net profit levels, the company posted a positive figure of Rs2.03 crore, as compared to loss of Rs2.16 crore. If one aggregates all the four quarters, for the year ended March 2006, the total income works out to Rs41.47 crore, while at gross and net levels, the profit is Rs7.72 crore and Rs6.57 crore respectively. This translates into an earnings per share (EPS) of Rs1.42 (face value: Rs2). Currently, on the bourse, the scrip is changing hands at around Rs19, discounting these earnings by 13 times.

"We would continue to leverage and grow on our library of programmes, where we own intellectual property rights (IPRS) of 5,200 hours (including 1,750 hours in five regional languages) of content", says Adhikari, who has started catering to the international markets. So far, SABTV has created a two-hour band of thriller and comedy programmes on Pehla Network in the Middle East, a one-hour band of comedy programme on TV Asia (US) and



Adhikari: moving towards content production

used its library of programmes to revive the 24 hour terrestrial channel MATV in Leicester, UK.

And, most recently, SABTV has inked a deal with sirasa TV, Sri Lanka, whereby it will reproduce the existing programmes in the local language with local artists. "This will be a seven-hour weekly prime-time programming that we will provide to the Sri Lankan channel", adds Adhikari, who is looking at striking similar arrangements with channels in other countries in Southeast Asia. Malaysia and Indonesia are the next probable destinations for SABTV.

Meanwhile, with new distribution platforms like direct-to-home (DTH) and broadband, the views are bound to be flooded with over 100 new channels in the next three years. If such an explosion takes place, content players like SABTV would stand to gain. "Our long-term plan is to make investments in additional studio set-up, production equipment like single and multi cameras, etc, for which we would be raising additional funds", concludes Adhikari.

*In January 2003, Business India wrote about how the Adhikari brothers wanted to become a full-fledged media conglomerate. Though still away from this goal, they have entered the global market*