



**HHP BROADCASTING
SERVICES PRIVATE LIMITED**

REGD. OFFICE: ADHIKARI CHAMBERS, OBEROI COMPLEX, NEW LINK ROAD, ANDHERI (WEST), MUMBAI - 400053

NOTICE

NOTICE is hereby given that the Third Annual General Meeting of the members of **HHP Broadcasting Services Private Limited** will be held on Tuesday, the 25th day of September, 2012 at the Registered Office of the Company at Adhikari Chambers, Oberoi Complex, New Link Road, Andheri (West), Mumbai 400053 at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

4. To receive, consider and adopt the Audited Balance Sheet as on 31st March, 2012 and the Statement of Profit & Loss for the year ended as on that date together with the Reports of the Board of Directors and Auditors thereon.
5. To appoint a Director in place of Mr. Gautam Adhikari, who retires by rotation and being eligible, offers himself for re-appointment.
6. To appoint M/s. A. R. Sodha & Co., Chartered Accountants (having FRN:110324W) Mumbai as a 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.

By Order of the Board of Directors

*


Gautam Adhikari
Chairman

Place: Mumbai
Date: 29th August, 2012

Regd. Office:
Adhikari Chambers, Oberoi Complex,
New Link Road, Andheri (West),
Mumbai- 400053

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 MUST BE A MEMBER OF THE COMPANY.**
2. Proxies in order to be effective should be deposited at the Registered Office of the Company, not less than 24 hours before the commencement of the meeting.
3. Corporate members are requested to send duly certified copy of the Board resolution pursuant to section 187 of the Companies Act, 1956 authorising their representative to attend and vote at the Annual General Meeting.



**HHP BROADCASTING
SERVICES PRIVATE LIMITED**

DIRECTORS' REPORT

To,

The Members,

Your Directors present the third Directors Report together with the Audited statement of Accounts of the Company for the financial year ended on 31st March 2012

Financial Results:

(Rs. in Lakhs)

Particulars	For the year ended 31st March 2012	For the year ended 31st March 2011
Sales & Other Income	1845.94	-
Less: Expenses	(2848.75)	-
Profit / (Loss) before tax	(1002.81)	-
Less: Provision for:		
Current Tax	-	-
Add/(Less): Deferred Tax	(309.78)	-
Profit(Loss) after tax	(693.03)	-
Balances brought forward from previous year	-	-
Balances carried to Balance sheet	(693.03)	-

Operational Activities:

In the month of May, 2011, the Company has commercially launched 24hrs regional General Entertainment Channel "**Dabangg**" specifically targeting Uttar Pradesh, Bihar, Jharkhand and Uttrakhand and commenced its business activities during the year under review.

Dividend:

In the view of loss incurred, your Directors do not recommend any dividend for the year under review.

Director:

Mr. Gautam Adhikari retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, has offered himself for re-appointment and your Board recommends for his re-appointment.

Changes in Share Capital:

During the year under review, the authorized, issued, subscribed and paid up share capital was increased to Rs.13,50,00,000/- (Rupees Thirteen Crore Fifty Lakh Only) divided into 1,35,00,000 (One Crore Thirty Five Lakhs) equity shares of Rs.10/- (Rupees Ten Only) each.



**HHP BROADCASTING
SERVICES PRIVATE LIMITED**

Directors Responsibility Statement:

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors of your company confirm the following:

- e) 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;
- f) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2012.;
- g) That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities and loss of the Company for the year ended as on that date;
- h) That they have prepared the accounts for the year ended 31st March 2012 on a going concern basis.

Auditors:

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

Auditors' Qualification:

In respect to Auditors' remarks in their report for payment of statutory dues, your directors state that the Company has subsequently made the payment of statutory dues. Other remarks in the Auditors' Report are self explanatory.

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 2012.

Personnel:

During the financial year under review, no employees were 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.



**HHP BROADCASTING
SERVICES PRIVATE LIMITED**

A SHILPANA CHAMBERS ENTERPRISE

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo:

Your Directors have nothing to report regarding conservation of energy and technology absorption as well as foreign earnings and outgo as per terms of requirements of clause (e) of Sub-section (1) of section 217 of the Companies Act, 1956.

The Company has not carried out any specific research activity.

Appreciation:

The Directors acknowledges with gratitude and wish to place on record, their deep appreciation of the support and co-operation received by the associates of the Company during the year under review.

For and on behalf of the Board of Directors

**Place: Mumbai
Date: 29th August, 2012**


**Gautam Adhikari
Chairman**



AUDITOR'S REPORT

To,
The Members
HHP Broadcasting Services Private Limited

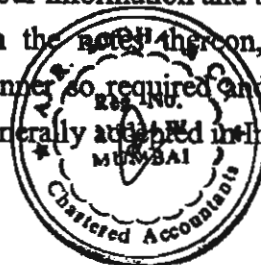
We have audited the attached Balance Sheet of HHP Broadcasting Services Private Limited as at 31st March 2012, and also the Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Further to our comments in the Annexure referred to above, we report that:

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report is in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report is in compliance with the Accounting standard referred to in Section 211 (3C) of the Companies Act, 1956;
- e) On the basis of written representations received from the Directors, as on 31st March, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a Director in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956;
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts together with the notes thereon, give the information required by the Companies Act, 1956 in the manner so required and gives true and fair view in conformity with the accounting principles generally accepted in India



- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012.
- ii) In the case of Statement of Profit and Loss, of the Loss for the year ended on that date.
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For A. R. SODHA & Co.

Chartered Accountant

FRN 110324W

A. R. Sodha

A. R. Sodha

(Partner)

M. No 31878



Place: Mumbai

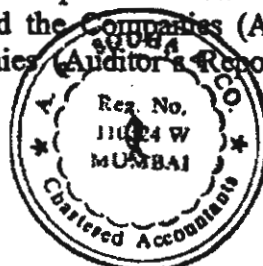
Date: 29th August, 2012

ANNEXURE TO THE AUDITORS REPORT ON THE ACCOUNTS FOR THE YEAR ENDED
31ST MARCH, 2012

Referred to in paragraph 3 of our report of even date,

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

1. a. The Company has generally maintained proper records of fixed assets showing full particulars including quantitative details and situation of fixed assets.
- b. Fixed Assets and Tapes in which Intangible assets comprising of Business and Commercial rights is stored have been physically verified by the management at reasonable intervals and 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. The company is not having inventory of material amount at any time during the year hence the matters specified in Clause 4(ii) of Companies (Auditor's Report) order, 2003 has not been reported.
3. a. According to the information and explanation given to us and on the basis of records furnished before us, the company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- b. In view of above, clause 4 (iii) (a), (b), (c) and (d) of Companies (Auditor's Report) Order, 2003 are not applicable.
- c. According to the information and explanation given to us and records furnished before us for verification, the company has taken interest free unsecured loan from 2 companies covered in registered maintained under section 301 of the companies Act, 1956. The maximum amount outstanding at any time during the year is Rs.669.01Lacs & yearend balance is Rs.513.11 lacs.
- d. According to the information and explanation given to us the rate of interest and other terms and conditions are not prejudicial to the interest of the company.
- e. According to information and explanation given to us these loans are repayable on demand and during the year repayment of loan has not been demanded, hence question of regularity of payment of principal does not arise.
4. According to the information & explanation given to us, in our opinion there is an adequate internal control procedure commensurate with the size of the company and the nature of its business. On the basis of our examination of books and records of the company, neither we have come across nor have we been informed of any continuing failure to correct major weakness in the internal control.
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 any deposits from the public within the meaning of Sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975., hence 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 nature of the 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 *except delays in payment of Tax Deducted at Source*.
- b. According to the information and explanations given to us and records examined by us, no undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty cess and other dues were outstanding for a period of more than six months at year end from the date they become payable *except Tax deducted at Source amounting to Rs.15.68 Lacs* which has been paid subsequently.
- c. According to the information and explanation given to us there are no statutory dues which have been not deposited on account of any dispute.
10. The company has been registered for a period of less than five years. Accordingly clause 4(x) of Companies (Auditor's Report) Order, 2003 is not applicable.
11. According to information and explanation given to us and records furnished to us for verification as on balance sheet date company has *outstanding dues to Banks amounting to Rs.50.11 lacs and the same has been paid subsequently*.
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. Accordingly clause 4(xii) Companies (Auditor's Report) Order, 2003 is not applicable.
13. In our opinion, the company is not chit fund, nidhi, mutual fund, societies. Accordingly clause 4(xiii) of Companies (Auditor's Report) Order, 2003 is not applicable.
14. The Company has not dealt with any shares and securities. Accordingly Clause 4(xiv) Companies (Auditor's Report) Order, 2003 is not applicable.
15. As per the information and explanation provide to us, the company has not given any guarantee for loans taken by others. Accordingly Clause 4(xv) of Companies (Auditor's Report) Order, 2003 is not applicable.
16. As per the information and records furnished before us, the company has applied the term loan for the purpose for which they were raised.
17. According to the information and explanations given to us, in our opinion funds raised on short term basis have not been used for long term purposes.
18. During the period, the company has not made allotment of shares on preferential basis to parties or companies covered in the register maintained under section 301 of the Act. Accordingly Clause 4(xviii) of Companies (Auditor's Report) Order, 2003 is not applicable.
19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditor's Report) Order, 2003 is not applicable.
20. The company has not raised any money by public issue during the year under audit. Accordingly Clause 4(xx) of Companies (Auditor's Report) Order, 2003 is not applicable.



21. During the course of our examination of the books and records of the company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company noticed or reported during the period nor we have been informed of such instances by the management.

M/S. A. R. SODHA & CO.

Chartered Accountants

FRN 110324W

A. R. SODHA

(Partner)

M. No. 31878

Place: Mumbai.

Date: 29th August, 2012



HHP BROADCASTING SERVICES PVT. LTD

BALANCE SHEET AS AT 31ST MARCH, 2012

EQUITY AND LIABILITIES

Shareholder's Funds

Share Capital	2	13,50,00,000	8,50,00,000
Reserves & Surplus	3	(6,93,03,036)	-
		6,56,96,964	8,50,00,000

Non Current Liabilities

Long Term Borrowings	4	32,87,50,000	10,00,00,000
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Current Liabilities

Short Term Borrowings	5	5,13,11,928	6,25,000
Trade Payables	6	1,83,55,874	1,15,33,681
Other Current Liabilities	7	3,18,03,900	9,69,930
Short Term Provisions	8	1,29,40,205	5,75,000
		11,44,11,907	1,37,03,611
		50,88,58,870	19,87,03,611

ASSETS

Non-Current Assets

Fixed Assets	9		
Tangible Assets		-	2,73,062
Intangible Assets		24,56,65,357	15,05,47,948
Capital Work-in-Progress		36,54,040	-
		24,93,19,397	15,08,21,010

Deferred Tax Assets (net)	10	3,09,78,123	-
Long Term Loans and Advances	11	11,22,15,000	12,15,000
Other Non Current Assets	12	78,25,534	33,01,356

Current Assets

Trade Receivables	13	3,66,14,386	-
Cash and Bank Balances	14	23,39,236	5,56,379
Short Term Loan & Advances	15	5,77,44,022	3,43,19,409
Other Current Assets	16	1,18,23,172	84,90,457
		10,85,20,815	4,33,66,245
		50,88,58,870	19,87,03,611

Significant Accounting Policies

1

The accompanying notes are forming an integral part of the Financial Statements.

As per our report on even date

For A. R. Sodha & CO.

For and on behalf of the Board

Chartered Accountants

FRN 110324W

A R Sodha

A. R. Sodha

Partner

M.No. 31878

Place. Mumbai

Date. 29th August 2012



Gantam Adhikari

Gantam Adhikari

Director

Place. Mumbai

Date. 29th August 2012

Markand Adhikari

Markand Adhikari

Director

HHP BROADCASTING SERVICES PVT. LTD

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31 MARCH 2012

Particulars	31/03/2012
INCOME	
Revenue form Operations	
Sales	18,45,94,307
Total	18,45,94,307
EXPENSES	
Operational Cost	17 19,69,37,704
Other Expenses	18 1,04,39,432
Finance Cost	19 3,88,32,506
Depreciation	9 3,86,65,824
Total	28,48,75,466
Profit before Tax	(10,02,81,159)
Tax Expenses	
Current Tax	-
Deferred Tax	(3,09,78,123)
	(3,09,78,123)
Profit/(Loss) after tax	(6,93,03,036)

Basic Earning per share (refer note 23) (5.86)

Significant Accounting Policies 1
 The accompanying notes are forming an integral part of the Financial Statements.

As per our report on even date

For A. R. Sodha & CO.

For and on behalf of the Board

Chartered Accountants

FRN . 110324W



A. R. Sodha

Partner

M.No . 31878

Place. Mumbai

Date. 29th August 2012

(Signature)
Gautam Adhikari

Director

Place. Mumbai

Date. 29th August 2012

(Signature)

Markand Adhikari

Director

HHP BROADCASTING SERVICES PVT. LTD

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 Companies(Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956.

1.2 Use of Estimates

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 and 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 provisions 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, production cost and related attributable expenditures.



HHP BROADCASTING SERVICES PVT. LTD

NOTES TO THE FINANCIAL STATEMENTS

	Particulars	As at 31/03/2012	As at 31/03/2011
4	Long Term Borrowings		
	Secured		
	Term Loan From Banks	35,00,00,000	10,00,00,000
	Less . Current Maturity (Included in Other Current Liabilities)	(2,12,50,000)	-
		32,87,50,000	10,00,00,000
	<p>Term from Canara Bank of is secured by Assignment of programme rights, deposits and hypothecation of encryption equipments related to respective channel. Further, the loan is guaranteed by personal guarantee of directors and corporate guarantee of ultimate holding Company and also collaterally secured by assets belonging to directors and ultimate holding company. This term loan is repayable on monthly installment basis spreading upto financial year 2016-17. Rate of interest for the loan is Base Rate + 5.50%.</p> <p>Term from of Union Bank of India is secured by Assignment of programme rights, deposits and hypothecation of present and future receivables of respective channel. Further, the loan is guaranteed by personal guarantee of directors and corporate guarantee of holding company and ultimate holding Company and also collaterally secured by assets belonging to relatives of promoter directors and ultimate holding company. This term loan is repayable on monthly installment basis spreading upto financial year 2016-17. Rate of interest for the loan is Base Rate + 6%.</p>		
5	Short Term Borrowings		
	(Unsecured, repayable on demand)		
	From Holding Company	4,67,01,928	-
	From Ultimate Holding Company	46,10,000	6,25,000
		5,13,11,928	6,25,000
6	Trade Payables		
	Other than acceptance	1,83,55,874	1,15,33,681
		1,83,55,874	1,15,33,681
7	Other Current Liabilities		
	Current Maturities of Long Term Borrowings	2,12,50,000	-
	Interest accrued and due	50,11,802	-
	Other Payables	55,42,098	9,69,930
		3,18,03,900	9,69,930
8	Short Term Provisions		
	Provision for Expenses	1,29,40,205	5,75,000
		1,29,40,205	5,75,000

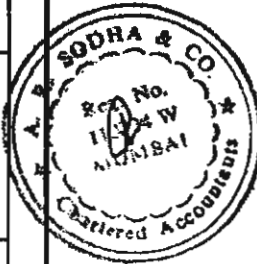


HHP BROADCASTING SERVICES PVT. LTD

NOTES TO THE FINANCIAL STATEMENTS

9 FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	As at 01.04.2011	Additions	Deductions	As at 31.03.2012	As at 01.04.2011	For the Year	As at 31.03.2012	As at 31.03.2011
Tangible Assets.								
Decoders	2,73,062	19,77,465	-	22,50,527	-	22,50,527	-	2,73,062
Sub-total	2,73,062	19,77,465	-	22,50,527	-	22,50,527	-	2,73,062
Previous Year	-	2,73,062	-	2,73,062	-	-	2,73,062	-
Intangible Assets.								
Business & Commercial Rights	12,92,58,850	8,96,83,704	-	21,89,42,554	-	2,87,88,511	19,01,54,043	12,92,58,850
Channel Development Cost	2,10,64,098	3,18,49,002	-	5,29,13,100	-	46,38,957	4,82,74,143	2,10,64,098
Software	2,25,000	1,00,00,000	-	1,02,25,000	-	29,87,829	72,37,171	2,25,000
Sub-total	15,09,47,948	13,15,32,706	-	28,20,80,654	-	3,64,15,297	24,56,65,357	15,09,47,948
Previous Year	-	15,08,21,010	-	15,08,21,010	-	-	15,05,47,948	-
Capital Work-in-Progress	-	-	-	-	-	-	36,54,040	-



HHP BROADCASTING SERVICES PVT. LTD

NOTES TO THE FINANCIAL STATEMENTS

	As at 31/03/2012	As at 31/03/2011
2 Share Capital		
Authorized		
13,500,000 (P.Y. 8,500,000) Equity Shares of Rs. 10/- each	13,50,00,000	8,50,00,000
	13,50,00,000	8,50,00,000
Issued, Subscribed and Paid-Up		
13,500,000 (P.Y. 8,500,000) Equity Shares of Rs. 10/- each	13,50,00,000	8,50,00,000
Total	13,50,00,000	8,50,00,000

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 Rs. 10/-. Each holder of equity shares is entitled to one vote per share.

The reconciliation of the number of shares outstanding and the amount of share capital as at 31 March 2012 is set out below.

Particulars	As at 31/03/2012		As at 31/03/2011	
	Numbers	Rs.	Numbers	Rs.
At the beginning of the Year	85,00,000	8,50,00,000	16,00,000	1,60,00,000
Add-- Issued During the year	50,00,000	5,00,00,000	69,00,000	6,90,00,000
Outstanding at the end of the year	1,35,00,000	13,50,00,000	85,00,000	8,50,00,000

The details of shareholders holding more than 5% shares as at 31 March 2012 is set out below.

Name of the shareholder	As at 31/03/2012		As at 31/03/2011	
	Numbers	%	Numbers	%
TV Vision Ltd	1,35,00,000	100.00%	-	0.00%
Sri Adhikari Brothers Television Network Ltd	-	0.00%	85,00,000	100.00%

3

Reserves & Surplus

Surplus/(deficit) as per the statement of profit and Loss

Balance as per last financial statement

Profit/(Loss) for the year

Net Surplus/(deficit) in the statement of Profit and Loss

	-	-
	(6,93,03,036)	-
	(6,93,03,036)	-



HHP BROADCASTING SERVICES PVT. LTD

1.5 Depreciation/Amortisation

Tangible Fixed Assets

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.

Intangible Fixed Assets

Business and Commercial Rights are amortized 20% in the year of purchase/production or in the year in which Company starts commercial operations of respective channel, whichever is later and remaining 80% are amortized in subsequent four years on a straight line basis.

Channel Development cost is amortized on straight line basis over a period of ten years on time proportionate basis.

Softwares are amortized on straight line basis over a period of 3 years on time proportionate basis.

1.6 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.

1.7 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.

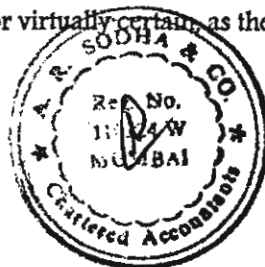
1.8 Taxes on Income

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.



HHP BROADCASTING SERVICES PVT. LTD

1.9 Preliminary & 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.

1.10 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, if any, except when the result would be anti-dilutive.



HHP BROADCASTING SERVICES PVT. LTD

NOTES TO THE FINANCIAL STATEMENTS

Particulars	As at 31/03/2012	As at 31/03/2011
10 Deferred Tax Assets (net)		
Deferred Tax Assets	3,47,33,704	-
Less. Deferred Tax Liabilities	37,55,581	-
	3,09,78,123	-
11 Long-term Loans and Advances (Unsecured, Consider Good)		
Advances & Deposits	11,22,15,000	12,15,000
	11,22,15,000	12,15,000
12 Other-non current Assets		
Unamortised Expenses		
Preliminary Expenses	-	2,35,000
Preoperative expenses	78,25,534	30,66,356
	78,25,534	33,01,356
13 Trade Receivables		
Over Six Month		
Considered good	-	-
Others		
Considered good	3,66,14,386	-
	3,66,14,386	-
14 Cash And Bank Balance		
Cash and Cash Equivalents		
Cash-on-Hand	7,832	8,253
Balances with Banks - In Current Accounts	23,31,404	54,81,26
	23,39,236	5,56,879
15 Short Term Loans and Advances (Unsecured, Consider Good)		
Advances recoverable in Cash or Kind	5,77,44,022	3,43,19,409
	5,77,44,022	3,43,19,409
16 Other Current Assets		
Prepaid Expenses	44,06,429	59,15,548
Other Receivables	74,16,743	25,74,909
	1,18,23,172	84,90,457



HHP BROADCASTING SERVICES PVT. LTD**NOTES TO THE FINANCIAL STATEMENTS**

Particulars	For the year ended
	31.03.2012
17 Operational Cost	
Cost of Production and Purchase	12,06,58,591
Carriage Fees	6,20,96,456
Telecast Expenses	1,41,82,657
	19,69,37,704
18 Others Expenses	
Communication Expenses	58,543
Rates & Taxes	11,050
Repairs & Maintenance	38,300
Legal & Professional Charges	37,73,596
Printing & Stationery	59,920
Membership & Subscription	3,33,220
General Expenses	1,12,025
Preliminary Expenses W/off	2,35,000
Stamp Duty	14,94,387
Audit Fees (Refer Note 22)	86,030
Business Promotion Expenses	13,125
Advertisement & Marketing Expenses	42,24,236
	1,04,39,432
19 Finance Cost	
Bank Interest	3,70,18,166
Others	18,14,340
	3,88,32,506



HHP BROADCASTING SERVICES PVT. LTD

NOTES TO THE FINANCIAL STATEMENTS

20 Segment Reporting

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

21 Related Party Disclosures

a) List of Related Parties & Relationship.

- | | |
|---|---|
| <p>i. Holding Company.
TV Vision Ltd.</p> <p>ii. Ultimate Holding Company.
Sri Adhikari Brothers Television Network Ltd</p> <p>iii. Key Management Personnel (KMP).
Gautam Adhikari, Director
Markand Adhikari, Director</p> <p>iv. Companies under same Management
MPCR Broadcasting Services Pvt.Ltd
UBJ Broadcasting Pvt.Ltd
Westwind Realtors Pvt.Ltd
Maiboli Broadcasting Pvt.Ltd.</p> | <p>v. Others Companies / Enterprises.
Joint Venture of Ultimate Holding Company
Sab & View Entertainment
Directors Having Substantial Interest
Cinema Today Pvt.Ltd
Sri Adhikari Brothers Asset Holding Pvt.Ltd
Dream Merchant Cinema Pvt.Ltd
Infa Project Vision Pvt.Ltd
Kartavya Publication Pvt.Ltd</p> |
|---|---|

b) Transaction with Related Parties.

Nature of Transaction		Holding/ Ultimate Holding Company
Reimbursement of Co-Production and other Expenses	-	1,65,85,376
	(P.Y)	(79,42,086)
Capital Contribution	-	-
	(P.Y)	(6,90,00,000)
Advance/Loan/Deposit taken	-	5,06,86,928
	(P.Y)	(1,88,25,000)
Outstanding Balance included in current Liability	-	30,98,580
	(P.Y)	(79,33,666)
Outstanding Balance included in Unsecured loan	-	5,13,11,928
	(P.Y)	(6,25,000)

22 Payment to Auditors (excluding Service Tax)

Particulars	31.03.2012
Statutory Audit Fees	25,000
Tax Audit Fees	25,000
Others	30,000
	80,000

23 Earning per Share

Particulars	31.03.2012
Profit/(Loss) for the Year	(6,93,03,036)
Weighted Average Number of Shares (Face Value Rs.10 per Share)	1,18,19,672
Basic Earning per Share (Rupees)	(5.86)

Note. There are no dilutive equity shares/option was outstanding as on 31 March 2012.



HHP BROADCASTING SERVICES PVT. LTD

NOTES TO THE FINANCIAL STATEMENTS

24 Deferred Tax Assets

Particulars	31.03.2012
Tax effect of items constituting Deferred Tax Assets.	
Unabsorbed Depreciation	1,57,03,321
Carry forward Business Losses	1,89,72,291
Others	58,092
	3,47,33,704
Tax effect of items constituting Deferred Tax Liability	
On difference between book balance and tax balance of Fixed Assets	37,55,581
	37,55,581
Net Deferred Tax Assets	3,09,78,123

25 Capital and Other Commitments

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

26 Contingent Liability and Events occurring after Balance Sheet date

There is no contingent liability as on Balance Sheet date.

27 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.

28 Previous Year Figures

The revised Schedule VI of the Companies Act, 1956 has become effective from 01.04.2011 for the preparation of financial statements, which has significantly impacted the disclosure and presentation made in financial statement. The previous year figures have been regrouped/reclassified wherever considered necessary to correspond with current year classification/disclosure. This is being the first year of commercial operation comparative figures of profit and Loss is not available.

For A. R. Sodha & CO.

Chartered Accountants

FRN 110324W

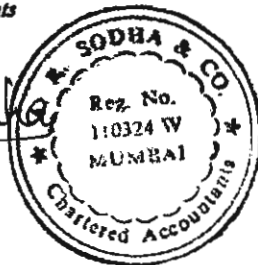
A. R. Sodha

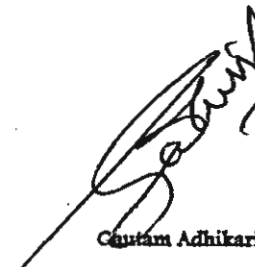
Partner

MLNo. 31878

Place, Mumbai

Date. 29th August 2012




Chantam Adhikari
Director

Place, Mumbai

Date. 29th August 2012

For and on behalf of the Board


Markand Adhikari
Director

Director

HHP BROADCASTING SERVICES PVT. LTD
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31.03.2012

PARTICULARS	2011-12	2010-11
A Cash flow from Operating Activities.		
Net Profit before Tax as per Statement of Profit and Loss	(10,02,81,159)	-
Adjustment for:		
Depreciation	3,86,65,824	-
Finance Cost	3,88,32,506	-
Operating Profit/(Loss) before Working Capital changes	<u>(2,27,82,829)</u>	-
Adjustment for change in working capital:		
(Increase) / Decrease in Trade Receivables	(3,66,14,386)	-
(Increase) / Decrease in Advances & Assets	(14,22,81,506)	(94,24,866)
Increase / (Decrease) in Current Liabilities	2,37,59,566	1,30,58,563
Net Cash used in Operating Activities	<u>(17,79,19,155)</u>	<u>36,33,697</u>
B Cash flow from Investing Activities.		
Additions to Fixed Assets	(13,71,64,211)	(15,08,21,010)
Net Cash used in Investing Activities	<u>(13,71,64,211)</u>	<u>(15,08,21,010)</u>
C Cash flow from Financing Activities.		
Proceeds from Share Capital	5,00,00,000	6,90,00,000
Proceeds from Long Term Borrowing	25,00,00,000	10,00,00,000
Increase/(decrease) in Short Term Borrowing	5,06,86,928	(1,88,25,000)
Pre-operative expenses paid	-	(29,70,785)
Interest paid	(3,38,20,704)	-
Net Cash from Financing Activities	<u>31,68,66,223</u>	<u>14,72,04,215</u>
Net increase in Cash and Cash equivalents	17,82,857	16,902
Opening balance of Cash and Cash equivalents	5,56,379	5,39,477
Closing balance of Cash and Cash equivalents	<u>23,39,236</u>	<u>5,56,379</u>

For A. R. Sodha & CO.

Chartered Accountants

FRN 110324W

A. R. Sodha

A. R. Sodha

Partner

M.No. 31878

Place, Mumbai

Date, 29 August 2012



For and on behalf of the Board

Gautam Adhikari
 Gautam Adhikari
 Director

Markand Adhikari
 Markand Adhikari
 Director