

CHAIRMAN'S STATEMENT



Dear Members,

It gives me immense pleasure to interact with you once again through this foreword to the 10th Annual Report for the period ended 31st March, 2005.

Period in Retrospect

The Annual report covers a period of 18 months during which, your company has been in the process of undergoing structural changes, which has been reported from time to time. With approval of shareholders of the company through Postal ballot; the company has transferred the SAB TV brand along with approximately 20 percent of its content library & related assets collectively identified as an "Undertaking" to SET Satellite (Singapore) Pte. Ltd. (a group company of SONY, a fortune 500 company) for a consideration of US \$13 Million. The said transfer is effective from 15th April 2005 and hence, will be reflected in the next financial year.

I take pleasure in informing you that apart from the above, your company has also entered into an agreement of content production & supply of Rs. 750 million with SET (India) Pvt. Ltd.

During the period under review, the Indian Television industry has witnessed a transformation powered by technological advancements, new delivery platforms, and increasing variations in content. Apart from General Entertainment, Reality shows, Business content, regional & Spiritual programs have gained prominence during the period.

The period witnessed a tremendous surge for demand of quality software across various genres with more than 300 channels being beamed over the Indian skies and many more expected to be launched. Your Company with more than a decade of proven performance in the general entertainment medium and with a road map to tap the other programming segments is well positioned to encash on the opportunity.

Way Forward

With the television industry booming & viewers being continuously exposed to foreign channels, the demand for technically superior content with new shows and formats are on the rise. The increasing number of programs on prime and non prime time & leveraging of content in library for export to Asian Diaspora abroad will fuel the content production sector

Your company will be concentrating on the area of its core competence since inception i.e. the production of television software.

With a vision of offering solutions under one roof, your company is planning to upgrade the production and post-production facilities and also planning to enter into new & promising segments like telefilms, animation etc. It plans to establish itself as a one-stop shop that can cater and provide solutions to all kinds of alternate media software demands of the market.

Your company being the only content production house to have hands on broadcasting experience seeks to firmly entrench and consolidate its position as a media conglomerate.

With Warm Regards,

Gautam Adhikari
Chairman

Place : Mumbai

Date : 2nd June, 2005.



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

DIRECTORS' REPORT



Dear Members,

Your Directors have pleasure in presenting the 10th Annual Report together with the Audited Accounts of the Company for the financial period ended on 31st March, 2005.

In order to bring the last date for closure of the financial year in parlance with the Income tax year, your Company has changed the closing date of the accounting year from 30th September to 31st March. Therefore, the Accounts have been prepared and Audited for the period 1st October, 2003 to 31st March, 2005. The Company has obtained necessary permission from the Registrar of Companies, Maharashtra, for extending the period of financial year from 12 months to 18 months.

Financial Highlights

Rupees in million

Particulars	For the period ended 31.03.2005 18 Months	For the period ended 30.09.2003 18 Months
Total Revenue from business	871.38	872.57
Operating Expenses	707.82	836.93
Earnings before finance charges, depreciation, tax & amortisation (EBIDTA)	163.56	35.64
Less: Finance charge	37.61	18.67
Earnings before depreciation, tax & amortisation (EBDTA)	125.95	16.97
Less: Depreciation	110.75	110.53
Earnings/(Loss) before Tax (EBTA)	15.20	(93.56)
Taxation : current tax	0.00	-
: deferred tax (Assets / Liabilities)	5.70	(33.35)
Profit / (Loss) After Tax (PAT)	9.50	(60.21)
Prior period adjustments	8.60	7.89
Profit / (Loss) after prior period	0.90	(68.10)
Profit / (Loss) b/f from previous year	(9.57)	58.53
Surplus / (Deficit) available for appropriation	(8.67)	(9.57)
Balance carried to Balance Sheet	(8.67)	(9.57)

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

Dividend

Due to inadequate profits earned by the Company your Directors do not recommend any dividend.



Warrant conversion

It had been reported in the Report of the Directors placed before you at the last Annual General Meeting that during the period under the review Warrant holders have exercised the option and had converted 612,500 warrants into 612,500 equity shares of Rs 10/- each at a premium of Rs. 153/- per share. Balance outstanding warrants of 1,746,500 have lapsed and the amount of Rs. 2.84 million received by the Company as part payment for the said warrants has been forfeited.

Directors

In accordance with the Articles of Association of the Company Mr. Anand Pandit, Director of the Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

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 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, 2005 and of the profit of the Company for the period ended on that date;
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities;
- d) that they have prepared the annual accounts on a going concern basis.

Sale of SAB TV brand and related assets

After due deliberation on the Company's future strategies the management found it prudent to concentrate on content production business for higher return on investment and betterment of shareholders value. Therefore, your Company has hived off SAB TV brand along with part content from library and other related assets.

Awards

During the period under review SAB TV continued to win various coveted awards. It won three Apsara Awards, four RAPA Awards, three Indian Telly Awards and four Hero Honda ITA Awards. Our flagship programme 'Office Office' increased its award tally to 31 as on the date of the report.

Media software

The Company has around 5200 hours of television content in library as on date of this report. Your Company will continue to explore revenue opportunities by leverage of the content in the library.

Auditors

M/s. A. R. Sodha & Co., Chartered Accountants, Mumbai are the Statutory Auditors of the Company. The Auditors hold the office till the conclusion of ensuing 10th Annual General Meeting. The Company has received a letter from them to the effect that they are willing to continue as Auditors, if re-appointed and that their re-appointment could be within 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 Statutory Auditors.



Public Deposits

The total Fixed Deposits from the public outstanding as on 31st March, 2005 amounted to Rs. 9.84 million. The Company has not accepted any fresh deposits from the public during the period under review.

Compliance of Section 217 of the Companies Act, 1956

The provisions of Section 217 (1) (e) of the Companies Act, 1956 read together with Companies (Disclosure of particulars in the report of Board of Directors) Rules 1988, regarding conservation of energy and technology absorption are not applicable to the Company.

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

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

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange(s), the following have been made a part of the Annual Report and are attached to this report :

- Management Discussion and Analysis.
- Corporate Governance Report.
- Auditors' certificate regarding compliance of conditions of Corporate Governance.

Subsidiary Company

As required under Section 212 of the Companies Act, 1956, the Audited Statement of Accounts for the year ended on 31st March, 2005 of Westwind Realtors Private Limited together with the reports of the Directors' and Auditors' and the Compliance Certificate issued by a Practising Company Secretary is annexed.

Appreciation

The Directors place on record their appreciation for the valuable support and co-operation extended to the Company by advertisers, producers, artists, Company's bankers, shareholders, creditors, employees of the Company and various government agencies.

For & on behalf of the Board of Directors

Place : Mumbai
Date : 2nd June, 2005

Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

ANNEXURE TO DIRECTORS' REPORT

A) Foreign Exchange Earnings and Outgo:

	18 Months ended 31.03.2005 (Rs. in million)	18 Months ended 30.09.2003 (Rs. in million)
Foreign Exchange earned	11.44	1.95
Foreign Exchange used	0.68	15.61

B) Statement of particulars of Employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules, 1975 and forming part of the Directors' Report for the period ended 31st March, 2005.

Name	Age	Designation	Remuneration (for the period of 18 months) Rupees	Qualification	Experience (Years)	Commencement of Employment	Previous Employment
1	2	3	4	5	6	7	8
Mr. Markand Adhikari	47	Vice Chairman & Managing Director	6,300,000	B.A.	23	20-12-1994	N.A.
Ms. Kanta Advani	45	President (Sales)	4,651,506	B.A., DMM, DMS	23	03-04-2003	Zee Telefilms Ltd.

NOTES

1. Gross remuneration includes salary, arrears of salary, special allowance, house rent allowance or the actual rent paid by the Company or the Municipal rateable value in the case of free unfurnished quarters of the Company, transport allowance, employers contribution to provident fund, reimbursement of medical expenses, leave travel assistance, leave encashment, perquisites in respect of free use of the Company's vehicle etc. as applicable.
2. The employees are also entitled to gratuity, in addition to the above remuneration.
3. Experience includes number of years in service both within the Company and elsewhere, wherever applicable.
4. Mr. Markand Adhikari is relative of Mr. Gautam Adhikari, Chairman of the Company.

For & on behalf of the Board of Directors

Place : Mumbai
Date : 2nd June, 2005

Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

Members and Investors are cautioned that the Management Discussion and Analysis presented herein below, contains the Company's objectives, projections, estimations and expectations, which may be forward looking statements within the meaning of applicable Securities Laws and Regulations. Actual results could differ materially from those expressed or implied. The important factors, which could have an impact on the Company's operations, include economic conditions, changes in Government Regulations, Tax Laws and other incidental factors.

A. The Structure

During the period under review, the Company continued to be in media business & operated through its two strategic business units. The first being the content management and sponsored slot business unit and the other being the 24-hour Hindi entertainment channel SAB TV. The Company also leveraged the value of its expensed out content from library by sub-licensing of the same, to broadcasters and operators outside India. The Company has invested in to equity of Middlesex Broadcasting Corporation Limited wherein the Channel MATV and SAB TV were operated and broadcast in United Kingdom.

As has been informed under the Report of the Board of Directors, your Company has sold SAB TV Brand and other related assets together with approximately 20 % content in library. The sale has been effected from 15th April, 2005. The Company has discontinued its broadcasting operations since then. However, the Company has entered into another revenue stream that is commissioned software business. The Company has secured a contract from SET (India) Pvt. Ltd. to supply content worth 750 million. Your company will continue to explore the commissioned software business from other main stream and regional channels.

B. Financials

1. Share Capital

As on 31st March, 2005 the Authorised Share Capital of the Company stood at Rs. 150 million divided into 15 million equity shares of Rs. 10/- each. The paid up equity capital of the Company stood at Rs. 92,835,000 comprised of 9,283,500 equity shares of Rs. 10/- each.

2. Reserves and Surplus

The total Reserves and Surplus as at 31st March, 2005 amounted to Rs. 896.10 million as against Rs. 798.97 million of the previous period ended 30th September, 2003. The Reserves and Surplus includes Capital Reserves of Rs. 28.46 million being the amount received against the warrants which have been forfeited during the year. The general reserves stood at Rs. 225.11 million. The Share premium reserves amounted to Rs. 642.52 million as against Rs. 548.81 million of the previous period ended 30th September, 2003.

3. Secured Loans

During the period under review, the Company continued to avail of term lending and working capital finance from Punjab National Bank. The total secured loans from the bankers stood at Rs. 163.62 million as at 31st March, 2005. Secured loans being the hire purchase finance for assets stood at Rs. 2.10 million as at 31st March, 2005.



4. Unsecured Loans

The total unsecured loans as at 31st March, 2005 stood at Rs. 109.84 million of which Rs. 9.84 million were fixed deposits from general public.

5. Fixed Assets

During the period under review, the Company purchased/acquired assets to the tune of Rs. 5.95 million. The Company has written off Goodwill and Media Rights to the tune of Rs. 25.04 million.

6. Investments

The Company has effected the scheme of takeover of channel SAB TV from its wholly owned subsidiary SABe TV Limited with approval of the Reserve Bank of India during the period under review. Realisation from the liquidation of Companies investments in the capital of SABe TV Limited was adjusted against amount payable to SABe TV Limited on various accounts. During the period under review, the total investment in Middlesex Broadcasting Corporation Limited stood at Rs. 49.79 million.

7. Net Current Assets

The net current assets as at 31st March, 2005 stood at Rs. 543.83 million.

8. Revenues

The total revenues amounted to Rs. 871.38 million for the period ended 31st March, 2005 as against Rs. 872.57 million of the previous period, Rs. 495.83 million from production house segment, Rs. 369.89 million from broadcasting segment, Rs. 5.66 million from other sources.

9. Operating Expenses

During the period under review the total operating expenses amounted to Rs 709.84 million as against Rs 835.95 million for the period ended 30th September, 2003.

10. Finance Charges

Financial charges include interest on the loans and bank finance, bank charges, interest on public deposits, guarantee and LC commission etc. Total finance costs for the period under review amounted to Rs. 37.61 million as against Rs. 18.67 million for the period ended 30th September, 2003.

11. Depreciation

The provision for the depreciation as at 31st March, 2005 worked out to Rs. 110.74 million as against Rs. 110.53 million for the previous period ended 30th September, 2003.



C. Critical Accounting Policies

1. Revenue Recognition

The company earns revenue from the following streams:

a) **Advertising revenue from channel SAB TV, sponsored slots on Doordarshan and other private channels :**

Advertising revenue is recognized net of agency commission when the related advertisement or the commercial appears on the concerned channel.

b) **Revenue from sub licensing of content to private networks in various countries or local sale of content :**

Revenue from sale of content is recognized when the relevant program is delivered to the buyers and all the significant risks and rewards of telecasting rights of the program are transferred to the buyers.

2. Programme Cost

The cost of production of programmes including the cost of acquired programmes is fully expensed in the year of telecast.

D. Internal Controls and Adequacy of those Controls

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

E. Human Resource

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

F. Business Risks

1. Revenue Risks

The Company earns advertising revenue by selling of free commercial time on its sponsored slots on terrestrial and private satellite networks and also on its own channel SAB TV. The advertisement revenue depends upon the reach of the platform, popularity of the content, channel's share in the viewing universe and channel mapping and distribution. Any slide on these factors has an adverse impact on the revenues of any broadcaster.

The management is fully aware of the impact of these factors on the revenue opportunity. Management continuously monitors the performance and makes efforts to arrest decline or adverse output on any of these factors. It is quite evident that the Company has continued to do well on sponsored slots and



has improved the revenue collections from SAB TV even though marginally. It will not be out of context to state that the Company has sold SAB TV brand and has exited the broadcasting business for the time being.

2. Channel Distribution Risks

Better the reach and better the visibility, better will be the performance and better will be the revenue opportunity is the mantra of the current broadcasting. For the success of a satellite channel its distribution through cable networks is a crucial factor.

The Company has distributed the channel SAB TV extensively. The channel has built up a reach of 30 million homes thru MSO's and Cable Networks. The Company has long-term arrangements with MSO's and Cable Operators for the placement of the channel on Prime Band or on the colour Band. It will not be out of context to state that the Company has sold SAB TV brand and has exited the broadcasting business for the time being.

3. Regulatory Issues

The business may have a positive or a negative impact on the revenues in future due to the changes in the regulatory frame work and tax laws as compared with the current scenario.

G. Outlook

As you are aware during the current year the Company will concentrate on its core strength that is content production business. The Company has already secured production contract from Set (India) Pvt. Limited for the channel SAB TV to the tune of Rs. 750 million and the Company expects to produce around 500 hours of content for the said channel during the current year. Further Company will explore opportunity to supply the content to other mainstream channels like ZEE TV, Sahara TV, STAR TV etc. and also for regional and nitch channels.

The growth of the Television industry is primarily linked to the overall growth of the economy. A robust growth has seen a number of new entrants in this segment resulting in higher investments in programming. The management expects the television software segment to grow at a compounded rate of 16% for the next five years. The increasing number of channels and the consequent increases in the content spectrum will primarily fuel this segment. The management is bullish on content production segment and expects substantial rise in top line and bottom line.

Exports

Your Company successfully leverages the value locked in the expensed out content lying in the library by export of the content Broadcasters rights on defined usage basis to the Broadcasters and operators abroad. The Company is exploring export opportunities in other countries. The management expects sizeable revenues in the form of exports in the future.



REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company is committed to benchmarking itself with the best in all areas including Corporate Governance. The Company's Philosophy of Corporate Governance is aimed at strengthening the confidence among shareholders, customers, employees and ensuring a long - term relationship of trust by maintaining transparency and disclosures. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company.

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

2. BOARD OF DIRECTORS

Composition and Category of Directors:

The Board of Directors of the Company has an optimum combination of executive and non-executive Directors. The present Board comprises of two executive Directors and three non-executive Directors. The number of non-executive Directors are more than 50% of the total strength of the Board.

None of the Directors on the Board is a member of more than 10 Committees and the Chairman of more than 5 Committees, across all Companies in which they are Directors.

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

During the period ended on 31st March, 2005, 15 meetings of the Board of Directors were held on the following dates:

1	15 th November, 2003	9	28 th May, 2004
2	29 th November, 2003	10	31 st July, 2004
3	30 th January, 2004	11	15 th September, 2004
4	4 th February, 2004	12	30 th October, 2004
5	11 th February, 2004	13	21 st December, 2004
6	28 th February, 2004	14	22 nd January, 2005
7	26 th March, 2004	15	12 th March, 2005
8	30 th April, 2004		



The composition of the Board and other relevant details relating to Directors are given below:

Name	Category	Attendance at Board Meetings		Directorship in other Companies	Membership / Chairmanship of Committees		Attendance at A. G. M. held on 31 st March 2004
		Held	Attended		Director	Chairman	
Gautam Adhikari	Promoter and Chairman	15	15	9	-	-	Yes
Markand Adhikari	Promoter, Vice Chairman & Managing Director	15	15	9	-	-	Yes
Arun Khakhar	Independent & Non-Executive Director	15	14	1	-	-	Yes
Anand Pandit	Independent & Non-Executive Director	15	15	9	1	-	No
D.C Anjaria	Independent & Non-Executive Director	15	10	4	-	-	Yes

Re-appointment of Directors :

At the ensuing Annual General Meeting Mr. Anand Pandit, retires by rotation and being eligible, offer himself for re-appointment. The information and details to be provided under Corporate Governance code are as under:

Mr. Anand Pandit

Age : 41 years

Educational Qualification: B.E (Electronics & Communication)

Experience: Mr. Anand Pandit, has a wide experience of around 20 years in various fields such as export of diamonds, real estate, banking, investments and film production. He is also on the Board of Bank of Maharashtra.

3. AUDIT COMMITTEE

The Committee comprises solely of independent and non-executive Directors having financial background and knowledge in the business of the Company. The Committee comprises of Mr. Arun Khakhar (Chairman of the Committee), Mr. Anand Pandit and Mr. D.C. Anjaria.

The Audit Committee met seven times during the period under review and the number of meeting attended by each member are as follows:

Name of the member	Designation	No of Meetings attended
Mr. Arun Khakhar	Chairman	7
Mr. Anand Pandit	Member	6
Mr. D.C. Anjaria	Member	5



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

- Reviewing with management, quarterly, half yearly and annual financial statements before submission to the Board.
- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
- Recommending the appointment/removal of statutory auditors, fixation of audit fees and also approval of payments for any other services.
- Review with management the quarterly, half yearly and annual financial statements with the primary focus on accounting policies and practices, compliances with accounting standards and with the stock exchange(s) and legal requirements concerning the financial statements.
- Reviewing with management, statutory and internal auditors adequacy of the internal control systems.
- Discussing with internal and statutory auditors of any significant findings and follow-up thereon and reviewing the reports furnished by them.
- Reviewing the Company's financial and risk management policies.

4. REMUNERATION COMMITTEE

The Company has constituted a Remuneration Committee / Compensation Committee. The Remuneration Committee comprises of three Non-Executive Independent Directors. The broad terms of reference of the Remuneration Committee are to recommend the Company's policy on remuneration packages for the Managing Director / Executive Directors, reviewing the structures, design and implementation of remuneration policy in respect of key management personnel. The Committee also functions as a compensation committee as per SEBI guidelines on employees stock option scheme.

The composition of the Remuneration Committee is as follows:

Mr. Anand Pandit	Chairman
Mr. Arun Khakhar	Member
Mr. D.C. Anjaria	Member

The Committee was not required to meet during the period under review.

Remuneration to the Chairman and Vice Chairman & Managing Director:

Name	Salary Rupees	Perquisites or Allowances (for 18 months) Rupees	Stock option
Gautam Adhikari - Chairman	Nil	216,694	Nil
Markand Adhikari - Vice Chairman & Managing Director	350,000 p.m.	Nil	Nil

5. INVESTORS' GRIEVANCE COMMITTEE

The Company's Investors' Grievance Committee functions under the Chairmanship of Mr. Arun Khakhar and other members of the Committee are Mr. Anand Pandit and Mr. D .C. Anjaria and Mr. Kaustubh Natu, Company Secretary is compliance officer of the Company.



The Committee meets as and when required to deal with the matters relating to monitoring and redressal of shareholders complaints relating to transfer of shares, non-receipt of balance sheet, non receipt of declared dividend etc.

The Company has received 69 letters / complaints from the investors during the period under review and all of them were redressed by the company to the satisfaction of the investors.

6. GENERAL BODY MEETINGS

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

Financial Year	Date	Time	Location of the meeting
2000 - 2001	28.09.2001	10.00 a.m.	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049.
2001-2002	30.12.2002	12.00 noon	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049.
2002-2003	31.03.2004	10.00 a.m.	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049.

No Special Resolution was put through Postal Ballot during the period under review.

Details of Postal Ballot process conducted during the period under review :

During the period under review members approval was obtained through postal ballot process for an ordinary resolution under Section 293 (1) (a) of the Companies Act, 1956 for transfer / sale of the broadcasting division of the Company.

The Board of Directors appointed Mr. Manish L. Ghia, Practicing Company Secretary as the scrutinizer to conduct the Postal Ballot process in a fair and transparent manner.

Details of the voting pattern are as under:

Particulars	No. of votes	Percentage
Votes cast in favour of the Ordinary Resolution	41,16,640	99.31
Votes cast against the Ordinary Resolution	28,463	00.69
Total valid votes cast	41,45,103	100.00

7. DISCLOSURES

a) Related party transactions

Related party transactions are defined as transactions of the Company of material nature, with promoters, directors or with their relatives, its subsidiaries etc. that may have potential conflict with the interest of the Company at large.

Details of materially significant related party transactions are given in the appended financial statement under notes to the accounts annexed to the financial statements.

b) Compliance by the Company

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



8. MEANS OF COMMUNICATION

- a) The Company does not send half yearly accounts to the shareholders.
- b) The quarterly, half-yearly, nine monthly and annual financial results are published in The Financial Express, an English daily news paper and Tarun Bharat, a regional daily news paper.
- c) The Company has its own website www.adhikaribrothers.com and in future the Company proposes to display results and official news on its website.
- d) Occasionally the Company makes presentations to institutional investors and Analysts.
- e) The Management Discussion and Analysis is provided separately in this Annual Report.

9. GENERAL INFORMATION FOR SHAREHOLDERS

- a) **Annual General Meeting** : **Date** : 30th June, 2005
Time : 11.00 a.m.
Venue : Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai - 400 049.
- b) **Financial Calendar (2005-2006)** : i) First quarter results - upto the end of July, 2005.
ii) Second quarter results - upto the end of October, 2005.
iii) Third quarter results - upto the end of January, 2006.
iv) Fourth quarter results - upto the end of April, 2006.
- c) **Date of Book Closure** : 24th June, 2005 to 30th June, 2005. (Both days inclusive)
- d) **Dividend payable date** : N.A.
- e) **Listing on Stock Exchanges** : 1. National Stock Exchange of India Limited
: 2. The Stock Exchange, Mumbai.
The Company has paid the listing fees for the year 2005 - 2006.
- f) i) **Stock Code Symbol** : NSE : SRIADIKARI
BSE : 530943
ii) **Demat ISIN Number** : INE 416A01010



g) Market Price Data :

The monthly high and low quotations of shares traded on the National Stock Exchange of India Limited and The Stock Exchange, Mumbai during the period under review are as follows:

Month	National Stock Exchange of India Ltd		The Stock Exchange Mumbai	
	High	Low	High	Low
October '03	68.60	57.05	68.90	57.00
November '03	76.40	56.00	76.20	57.15
December '03	100.00	62.55	100.00	70.70
January '04	119.90	77.00	115.80	77.00
February '04	89.00	66.50	84.00	66.75
March '04	69.10	47.80	69.30	47.75
April '04	69.00	55.25	67.80	55.80
May '04	64.00	43.55	64.00	45.00
June '04	64.00	47.00	63.85	57.00
July '04	86.20	60.00	86.25	60.75
August '04	92.55	75.00	92.50	75.40
September '04	100.00	72.00	100.00	76.00
October '04	107.00	91.00	105.00	92.70
November '04	110.95	93.35	110.95	92.60
December '04	117.00	80.10	117.50	92.55
January '05	133.25	94.05	133.85	95.00
February '05	118.00	96.90	113.00	92.70
March '05	123.90	77.15	124.40	77.50

h) Share Transfer System:

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

i) Category wise distribution of equity shareholding as at 31st March, 2005:

Category	No. of Shares held	Percentage of Shareholding
A. Promoter's holding		
1 Promoters		
- Indian Promoters	4,141,757	44.61
- Foreign Promoters	Nil	Nil
2 Persons acting in Concert	Nil	Nil
Sub-Total	4,141,757	44.61



(Cont. ...)

	Category	No. of Shares held	Percentage of Shareholding
B.	Non-Promoters Holding		
	3 Institutional Investors		
	a. Mutual Funds and UTI	360,265	3.88
	b. Banks, Financial Institutions, Insurance Companies (Central / State Government Institutions / Non Government Institutions.	215,504	2.32
	c. FIs	2,400	0.03
	Sub-Total	578,169	6.23
	4 Others		
	a. Private Corporate Bodies	1,409,850	15.19
	b. Indian Public	3,076,009	33.13
	c. NRIs/OCBs	21,225	0.23
	d. Any Other (Transit Account)	56,490	0.61
	Sub-Total	4,563,574	49.16
	GRAND TOTAL	9,283,500	100.00

Distribution of shareholding as on 31st March, 2005:

Number of Equity shares held	Number of Shareholders	Percentage of total number of Shareholders
1 to 100	8892	63.04
101 to 200	1989	14.10
201 to 500	1802	12.77
501 to 1000	752	5.33
1001 to 5000	553	3.92
5001 to 10000	59	0.42
10001 to 100000	49	0.35
100001 and above	10	0.07
Total	14106	100.00

i) Dematerialization of shares and liquidity:

As on 31st March, 2005, about 89.46% of the total equity share capital is held in the demat form with NSDL and CDSL.



k) Outstanding ADRs, GDRs, Warrants or any convertible instruments, conversion date and impact on equity :

The Company has not issued any ADRs and GDRs.

During the period under review, the warrant holders have exercised their option for conversion of 612500 warrants into even number of Equity Shares of Rs 10/- each at a premium of Rs.153/- per share. The warrant holders have not exercised the option of conversion with respect to remaining warrants and hence, the same have lapsed on completion of 18 months.

l) Registrar and Share Transfer Agents:

Sharex Dynamic (India) Pvt. Ltd.
17/B, Dena Bank Building,
2nd Floor, Horniman Circle,
Fort, Mumbai - 400 001

m) Address for Investor Correspondence:

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

Sharex Dynamic (India) Pvt. Ltd.
17/B, Dena Bank Building,
2nd Floor, Horniman Circle,
Fort, Mumbai - 400 001

For general correspondence:
The Company Secretary
6th Floor, Adhikari Chambers,
Oberoi Complex, New Link Road,
Andheri (West),
Mumbai - 400 053
Email : cs@adhikaribrothers.com

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the records concerning the compliance of conditions of Corporate Governance by **SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED** for the period ended on 31st March, 2005 as stipulated in Clause 49 of the Listing Agreement entered into, with the Stock Exchanges (NSE, BSE) in India.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of corporate governance. It is neither audit nor an expression of opinion on the financial statements of the company.

On the basis of relevant records and documents maintained and furnished to us & the information & 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 Agreements.

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

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

For A. R. Sodha & Co.
Chartered Accountants

A. R. Sodha
Proprietor

Place : Mumbai
Date : 2nd June, 2005



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

AUDITORS' REPORT

To

The Members of **Sri Adhikari Brothers Television Network Limited**

We have audited the attached Balance Sheet of **Sri Adhikari Brothers Television Network Limited**, as at **31st March, 2005** and also the Profit and Loss Account for the period ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As required by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. 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;
- iii. The Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report are in agreement with the books of account;
- iv. In our opinion, the Balance Sheet and Profit and Loss Account and cash flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the directors, as on 31st March, 2005, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2005 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read with notes to accounts thereon give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2005;
 - b. in the case of Profit and Loss Account, of the Profit for the period ended on that date;
 - c. in the case of the cash flow statement, of the cash flows for the period ended on that date.

For A. R. Sodha & Co
Chartered Accountants

A.R.Sodha
Proprietor
Mumbai, 2nd June, 2005



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

ANNEXURE TO AUDITORS' REPORT

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

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

- (i) (a) The Company has generally maintained proper records of fixed assets showing particulars, including quantitative details and situation of fixed assets.
(b) We are informed that, tangible 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 the assets. According to the information and explanations given to us by the management, no material discrepancies were noticed on such verification.
(c) During the year, Company has not disposed off substantial part of fixed asset and accordingly it has no effect on the going concern of the Company.
- (ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management.
(b) The procedures as informed & explained to us, of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company is generally maintaining proper records of inventory shown in the balance sheet and no discrepancy noticed on physical verification between the physical stocks and the book records.
- (iii) (a) According to the information and explanation given to us and on the basis of the records produced before us for our verification, the Company has granted interest free unsecured loans and advances which are current in nature, to one company covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved in respect of above company during the period at the end of any particular month is Rs. 8.85 million and the period end balance of loans granted to such parties was Rs. 0.01 million.
(b) According to the information and explanation given to us, no specific terms and conditions of the loans referred to in (a) above have been stipulated. However, according to information and explanations given to us and in our opinion, such loans granted by the Company are not *prima-facie* prejudicial to the interest of the Company.
(c) The payment of principal amount of above interest free loan granted is regular.
(d) According to the information and explanation given to us and the records produced to us for our verification, there are three companies covered in the register maintained under section 301 of the Companies Act, 1956 from which the Company has taken interest free unsecured loans and advances. The period end balance of loans taken from such parties was Rs.12.50 million. As the accounts with these parties are current in nature, we can not ascertain the maximum balance outstanding during the period.
(e) According to the information and explanation given to us, no specific terms and conditions of the loans referred to in (d) above have been stipulated. However, according to information and explanations given to us and in our opinion, such loans taken by the Company are not *prima-facie* prejudicial to the interest of the Company.
(f) As the above interest free loans and advances are current in nature we can not comment on regularity of payment.
- (iv) In our opinion and according to the information and explanation given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of the business for the purchase of inventory and fixed assets and sale of goods and services. On the basis of our examination of the books and records of the Company, neither we have come across nor have been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) (a) On the basis of audit procedures performed by us and according to the information and explanation given to us, we are of the opinion that 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.
(b) In respect of transactions entered in the register maintained in pursuance of section 301 of the Companies Act 1956, according to the information and explanations given to us and excluding certain transactions of purchase of rights and services of special nature for which alternate quotations are not available. The transactions in pursuance of such contracts or arrangements have been made at prices which are *prima-facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vi) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A or any other relevant provisions of the Companies Act, 1956 and with the Companies (Acceptance of Deposits) Rules, 1975 and the directives issued by the Reserve Bank of India, where applicable, with regard to the deposits accepted from the public. Since the Company has not defaulted in repayment of deposits, compliance with Section 58AA does not arise. We are informed that no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other tribunal.



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

ANNEXURE TO AUDITOR'S REPORT

- (vii) The Company has appointed a firm of Chartered Accountants, to carry out internal audit functions. On broadly reviewing the internal audit reports furnished before us & information and explanations given to us by the management, we are of the opinion that the Internal Audit is commensurate with the size of the Company and the nature of its business.
- (viii) We have been informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
- (ix) (a) According to the records of the Company, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, cess and other statutory dues applicable to it with the appropriate authorities except delays in few cases. The company has subsequently paid off all aforesaid outstanding dues and there were no arrears due at the last day of the year except Service Tax of Rs.3.25 millions that was outstanding for more than six months from the date it became payable and which was subsequently paid by the company.
(b) According to the information and explanation given to us, there are no dues of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, cess and other statutory dues, which have not been deposited on account of any dispute.
- (x) In our opinion, the accumulated losses of the company at the end of the financial period are not more than fifty per cent of its net worth. The Company has not incurred any cash losses in the financial period covered by this report and in the immediately preceding financial period.
- (xi) According to the records made available to us and the information and explanations given to us by the management, in our opinion, the Company has not defaulted in the repayment of dues to financial institutions or banks.
- (xii) 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.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Therefore, the provisions of clause 4(xiv) of the Companies (Auditors' Report) (Amendment) Order, 2004 are not applicable to the Company.
- (xv) As per the information and explanations given to us, and the representations made by the management, the Company has not given any guarantee for loans taken by others from any bank or financial institution.
- (xvi) In our opinion and according to information & explanations given to us, the term loans have been applied for the purpose for which they were raised.
- (xvii) According to the information and explanations given to us and on an overall examination of records furnished before us, funds raised on short-term basis have not, *prima-facie*, been used for long-term investment.
- (xviii) During the period, the Company has made allotment of shares by way of conversion of preferential warrants which were issued to directors. The allotments and the pricing of the shares have been made in accordance with the guidelines laid down in this regard by SEBI and hence prices at which these shares have been issued, are not *prima-facie*, prejudicial to the interest of the Company.
- (xix) During the period, the Company has not issued any debentures.
- (xx) The Company has not raised any money by way of public issues during the period ended 31st March, 2005.
- (xxi) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations 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

A.R.Sodha
Proprietor
Mumbai, 2nd June, 2005



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2005

		Amount in Rupees	
	Schedule	AS AT 31.03.2005	AS AT 30.09.2003
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	92,835,000	86,710,000
Share Warrants		-	38,451,700
Reserves and Surplus	2	896,105,006	798,971,194
		<u>988,940,006</u>	<u>924,132,894</u>
Loan Funds			
Secured Loans	3	165,729,222	130,117,978
Unsecured Loans	4	109,841,000	8,456,000
		<u>275,570,222</u>	<u>138,573,978</u>
Deferred Tax Liability		103,215,895	89,302,870
TOTAL		<u>1,367,726,123</u>	<u>1,152,009,742</u>
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	854,299,439	873,580,747
Less : Depreciation		266,763,370	156,107,728
Net Block		<u>587,536,069</u>	<u>717,473,019</u>
Capital Work in Progress		70,834,376	-
		<u>658,370,445</u>	<u>717,473,019</u>
Investments	6	49,799,803	93,126,112
Current Assets, Loans & Advances			
Inventories	7	7,767,355	19,279,948
Program Rights		233,921,598	-
Sundry Debtors		312,999,109	385,768,405
Cash & Bank Balances		17,032,372	9,130,408
Loans & Advances		58,297,213	100,255,949
		<u>630,017,647</u>	<u>514,434,710</u>
Less : Current Liabilities & Provisions	8		
Current Liabilities		79,753,270	171,532,842
Provisions		6,433,274	118,639,721
		<u>86,186,544</u>	<u>290,172,563</u>
Net Current Assets		543,831,103	224,262,147
Deferred Tax Assets		83,179,851	74,974,717
Profit & Loss A/c		8,672,694	9,572,973
Miscellaneous Expenditure	9	23,872,227	32,600,774
(To the extent not written off or adjusted)			
TOTAL		<u>1,367,726,123</u>	<u>1,152,009,742</u>
Notes To Accounts	16		

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

As per our report of even date

For & on behalf of the Board

For A. R. Sodha & Co.
Chartered Accountants

Gautam Adhikari
Chairman

A. R. Sodha
Proprietor
Mumbai, 2nd June, 2005

Kaustubh Natu
Company Secretary

Markand Adhikari
Vice Chairman & Managing Director
Mumbai, 2nd June, 2005



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2005

		Amount in Rupees	
	Schedule	18 Months ended 31.03.2005	18 Months ended 30.09.2003
INCOME			
Sales		865,724,715	862,765,768
Other Income	10	5,660,033	9,806,572
Increase/(Decrease) in Inventory	11	2,026,781	(988,741)
		<u>873,411,529</u>	<u>871,583,599</u>
EXPENDITURE			
Production & Telecast Expenses	12	523,396,247	620,564,802
Administrative Expenses	13	122,118,288	134,534,180
Selling & Distribution Expenses	14	55,602,405	72,107,572
Miscellaneous Expenses Written Off		8,728,547	8,728,547
		<u>709,845,487</u>	<u>835,935,101</u>
PROFIT BEFORE FINANCE CHARGES, DEPRECIATION & TAX		163,566,042	35,648,498
Finance Charges	15	37,611,574	18,675,803
PROFIT BEFORE DEPRECIATION & TAX		125,954,468	16,972,695
Depreciation	5	110,749,369	110,530,305
PROFIT/(LOSS) BEFORE TAX		15,205,099	(93,557,610)
Provision for Taxation			
Deferred Tax		5,707,894	33,349,279
PROFIT/(LOSS) AFTER TAX		9,497,205	(60,208,331)
Prior Period Adjustments		8,596,926	7,896,787
PROFIT/ (LOSS) AFTER PRIOR PERIOD		900,279	(68,105,118)
Profit brought forward from previous year		(9,572,973)	58,532,145
Surplus (Deficit) Available For Appropriation		<u>(8,672,694)</u>	<u>(9,572,973)</u>
APPROPRIATIONS			
Balance Carried To Balance Sheet		(8,672,694)	(9,572,973)
		<u>(8,672,694)</u>	<u>(9,572,973)</u>
Earnings Per Share (Basic / Diluted) (Face Value Rs. 10/- per share)		0.10	(7.95)

Notes To Accounts

16

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

As per our report of even date

For & on behalf of the Board

For A. R. Sodha & Co.
Chartered Accountants

Gautam Adhikari
Chairman

A. R. Sodha
Proprietor
Mumbai, 2nd June, 2005

Kaustubh Natu
Company Secretary

Markand Adhikari
Vice Chairman & Managing Director
Mumbai, 2nd June, 2005



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	Amount in Rupees	
	AS AT 31.03.2005	AS AT 30.09.2003
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
15,000,000 (PY 15,000,000) Equity Shares of Rs. 10/- each	<u>150,000,000</u>	<u>150,000,000</u>
Issued, Subscribed & Paid-up		
9,283,500 (PY 8,671,000) Equity Shares of Rs. 10/- each fully paid-up	<u>92,835,000</u>	<u>86,710,000</u>
	<u>92,835,000</u>	<u>86,710,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
A) Capital Reserves		
Opening Balance	-	-
Add: - Additions During the year	<u>28,467,950</u>	-
Closing Balance	<u>28,467,950</u>	-
B) General Reserves		
Opening Balance	250,157,333	250,157,333
Less: - Impairment of Goodwill & Media Rights	<u>(25,046,638)</u>	-
Closing Balance	<u>225,110,695</u>	<u>250,157,333</u>
C) Securities Premium Account		
As per last Balance-Sheet	548,813,861	1,178,400,000
Add : Additions during the year	<u>93,712,500</u>	<u>39,933,000</u>
Less: Permanent diminution in value of Investment	-	<u>(669,519,139)</u>
	<u>642,526,361</u>	<u>548,813,861</u>
TOTAL (A+B+C)	<u>896,105,006</u>	<u>798,971,194</u>
SCHEDULE 3		
SECURED LOANS		
From Scheduled Bank		
Cash Credit Facility	95,292,027	78,108,881
Term Loan	<u>68,333,338</u>	<u>50,000,000</u>
(Against hypothecation of Book Debts, Fixed Assets, Mortgage of Office Premises and personal gurantee by two Directors) (Instalments due within a year Rs. 19,999,992 (P.Y. 1,666,666))		
Hire Purchase Loans	<u>2,103,857</u>	<u>2,009,097</u>
(Against Hypothecation of Vehicles) (Instalments due within a year Rs.1,251,540 (PY. Rs.974,783))		
	<u>165,729,222</u>	<u>130,117,978</u>
SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits from General Public	9,841,000	8,456,000
Short Term Loan From Bank	<u>100,000,000</u>	-
(Against Personal Guarantee & Personal Assets of Directors)		
	<u>109,841,000</u>	<u>8,456,000</u>



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	Amount in Rupees	
	AS AT 31.03.2005	AS AT 30.09.2003
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
Software Program	7,767,355	19,279,948
	<u>7,767,355</u>	<u>19,279,948</u>
Program Rights	233,921,598	-
	<u>233,921,598</u>	<u>-</u>
Sundry Debtors		
<i>(Unsecured, Considered good)</i>		
Outstanding for more than six months	107,749,510	209,869,798
Other Debts	205,249,599	175,898,607
	<u>312,999,109</u>	<u>385,768,405</u>
Cash & Bank Balances		
Cash on Hand	3,486,556	1,275,382
<i>Balance with Scheduled Banks in</i>		
Current Accounts	12,213,731	1,968,489
Fixed Deposits	1,332,085	5,886,537
	<u>17,032,372</u>	<u>9,130,408</u>
Loans, Advances & Deposits		
<i>(Unsecured, Considered good)</i>		
Recoverable in cash or kind for the value to be received	58,297,213	100,255,949
	<u>58,297,213</u>	<u>100,255,949</u>
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	77,912,992	113,345,937
Payable to Subsidiary for Channel Purchase	-	56,649,486
Interest on F.D. Accrued but not due	735,832	234,571
* Unclaimed Dividend	1,104,446	1,233,603
* Unclaimed Public Issue Refund	-	69,245
<i>*kept in a separate Bank A/c</i>	<u>79,753,270</u>	<u>171,532,842</u>
Provisions		
For Expenses	6,433,274	93,050,270
For Taxation	-	25,589,451
	<u>6,433,274</u>	<u>118,639,721</u>
SCHEDULE 9		
MISCELLANEOUS EXPENDITURE		
<i>(To the extent not written off or adjusted)</i>		
Preliminary Expenses & Share Issue Expenses		
As per last Balance Sheet	32,600,774	41,329,321
Less : Written off during the year	8,728,547	8,728,547
	<u>23,872,227</u>	<u>32,600,774</u>



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	Amount in Rupees	
	18 Months Ended 31.03.2005	18 Months Ended 30.09.2003
SCHEDULE 10		
OTHER INCOME		
Interest Income	1,528,644	997,536
Share of Profit from partnership firm - Sri Adhikari Brothers & Lotus Films	43,809	-
Exchange Rate Difference	1,503,886	6,961,550
Sundry Balances written back	38,487	663,643
Miscellaneous Income	312,000	1,162,642
Profit on sale of Fixed Assets	-	21,201
Interest on Income Tax Refund	2,233,207	-
	<u>5,660,033</u>	<u>9,806,572</u>
SCHEDULE 11		
INCREASE/(DECREASE) IN INVENTORIES		
Opening Balance	5,740,574	6,729,315
Closing Balance	7,767,355	5,740,574
Increase/ (Decrease) in Inventories	<u>2,026,781</u>	<u>(988,741)</u>
SCHEDULE 12		
PRODUCTION & TELECASTING EXPENSES		
Programme Purchase Cost	179,046,514	111,953,952
Artist Remuneration	60,898,084	54,721,499
Technical Staff Remuneration	25,899,291	23,898,735
Shooting Charges	35,933,621	34,372,615
Hire Charges	37,885,790	20,374,430
Technical Charges	3,297,398	9,768,863
Location Charges	24,160,527	21,469,586
Direction Charges	22,747,430	25,736,730
Camera Charges	6,189,443	5,886,999
Cassette Purchase	10,796,158	16,278,049
Telecasting Expenses	<u>116,541,991</u>	<u>296,103,344</u>
	<u>523,396,247</u>	<u>620,564,802</u>



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	Amount in Rupees	
	18 Months Ended 31.03.2005	18 Months Ended 30.09.2003
SCHEDULE 13		
ADMINISTRATIVE & OTHER EXPENSES		
Salaries, Allowances etc.	33,021,770	32,980,677
Contribution To Provident Fund & Others Fund	2,338,635	2,518,159
Staff Welfare Expenses	2,995,833	3,168,920
Electricity Charges	4,659,890	6,399,083
Communication Expenses	7,606,457	9,726,571
Insurance Charges	1,000,541	707,612
Rent, Rates & Taxes	7,011,688	7,870,193
Repairs & Maintenance	5,928,473	7,298,728
Travelling & Conveyance	12,248,380	14,449,887
Legal & Professional Charges	25,741,072	33,426,623
Printing & Stationery	1,684,841	2,489,556
Membership & Subscription	4,336,290	3,528,772
General Expenses	6,744,418	7,494,399
Audit Fees	500,000	375,000
Director Remuneration	6,300,000	2,100,000
	<u>122,118,288</u>	<u>134,534,180</u>
SCHEDULE 14		
SELLING & DISTRIBUTION EXPENSES		
Business Promotion Expenses	2,550,563	4,912,134
Advertising & Marketing Expenses	31,010,066	49,039,289
Distribution Expenses	22,041,776	18,156,149
	<u>55,602,405</u>	<u>72,107,572</u>
SCHEDULE 15		
FINANCE CHARGES		
Interest paid to Banks	33,626,178	12,566,864
Interest on Fixed Deposits (General Public)	1,542,020	2,536,649
Bank Charges	2,443,376	3,572,290
	<u>37,611,574</u>	<u>18,675,803</u>



SCHEDULE 16

ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis for preparation of Financial Statements:

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

The preparation of financial statements in conformity with Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such expenses include the useful lives of fixed assets, provision for doubtful debts/advances etc. Actual results could differ from those estimates.

b) Revenue Recognition:

The principles of revenue recognition are as under:

- In respect of advertisement revenue, income net of agency commission is recognised on accrual basis when the respective advertisement or commercial appears on the concerned channel.
- In respect of sale of softwares / rights (programmes), income is recognised when the relevant program is delivered to and accepted by the buyers and all the significant risks and rewards of telecasting rights of the program has been transferred to the buyer.
- In respect of Interest Income, it is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

c) Fixed Assets:

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

d) Depreciation:

Depreciation 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.

e) Intangibles:

Intangible Asset namely "Business & Commercial Rights" is amortized using Straight line Method over the period of 10 years from the date of its acquisition.

f) Inventories:

- Unutilised cassettes and tapes are charged off fully in the year of purchase.
- Program rights are fully expensed out on first telecast / first sale. Program rights are held as Inventories and have been valued at lower of cost or net realizable value. The cost of each episode of a program is determined on the basis of average method.



- Where the carrying amount of inventory exceeds recoverable amount in the ordinary course of business or where the management does not anticipate any future economic benefits flowing from it, appropriate expense / loss has been provided for.

g) Investments:

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

h) Foreign Currency Transaction:

- Initial Recognition

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

- Conversion

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

- Exchange Differences

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

i) Retirement Benefits:

- A retirement benefit in the form of Provident Fund is charged to the Profit & Loss Account of the year when the contributions to the respective funds are due.
- Gratuity liability under the Payment of Gratuity Act is accrued and provided for on the basis of an actuarial valuation made at the end of each financial year.
- Liability in respect of Leave encashment is provided for as per company's scheme and charged to Profit & Loss account.

j) Taxes on Income:

- Tax expense comprises of both current and deferred taxes. Deferred income taxes 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 assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realised against future taxable profits.

k) Segment Reporting Policies

- Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that offers different services and serves different markets. The areas of operations of the company are by and large confined and concentrated in India and therefore the Geographical segment is not presented as Secondary Segment.

- Unallocated items :

General corporate income and expense items which are not allocated to any business segment are classified under this category.

l) Earnings per Share

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

m) Provisions

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

NOTES TO ACCOUNTS

2. EXTENSION OF THE FINANCIAL YEAR:

The Company has obtained permission from Registrar of Companies, Maharashtra for extension of the financial year and accordingly it has extended its financial year ending on 30th September 2003 to 31st March 2005. These financial statements therefore reflect the performance of the Company for the 18 months from 1st October 2003 to 31st March 2005.

3. SEGMENT REPORTING :

BUSINESS SEGMENT:

As of 31st March 2005, the company has two operating segments namely, production unit & Broadcasting unit, the description of which are mentioned herein below. Business segments have been identified as reportable primary segment in accordance with Accounting Standard 17, issued by Institute of Chartered Accountants of India, taking into Account Company's internal reporting structure as well as evaluation of Risk & Returns from these segments.

Production Unit:

A self contained and fully equipped production unit makes television programs for telecasting it on satellite channels.



Broadcasting Unit:

Broadcasting division, representing channel SAB TV, is telecasting programs largely acquired from production unit and other content producers.

Other Segment represents income & expenses relating to corporate office & other offices.

Segment wise disclosures relating to total assets and liabilities are not reported, considering the interchangeability of the same and integrity of business.

Rs.in Million

Segment-wise Revenue, Results and Capital Employed		
Particulars	18 Months Ended 31.03.2005	18 Months Ended 30.09.2003
External Segment Revenue		
a) Production House	495.83	616.21
b) Broadcasting	369.89	246.54
c) Others	5.66	10.04
Total	871.38	872.79
Less: Inter Segment Revenue	—	—
Total Sales/ Income from Operation	871.38	872.79
Segment Results		
Profit/(Loss) before tax and interest		
a) Production House	258.53	209.18
b) Broadcasting	38.04	(31.64)
c) Others	5.66	10.04
Total Segment Results	302.23	187.58
Less: Finance Charges	37.61	18.67
Depreciation	110.74	110.53
Miscellaneous Expenditure	8.72	8.72
Other unallocable Expenses	129.96	143.21
Total Profit/(Loss) before tax	15.20	(93.55)



4. RELATED PARTIES DISCLOSURES :

(a) List of Related Parties & Relationship :

NAME OF THE RELATED PARTY	NATURE OF RELATIONSHIP
Westwind Realtors Pvt. Ltd.	Subsidiary Company
Middlesex Broadcasting Corporation Ltd.	Joint Venture
Sri Adhikari Brothers & Lotus Films	Partner
Key Management Personnel	
Gautam Adhikari	Chairman
Markand Adhikari	Vice Chairman & Managing Director
Others	
Sri Adhikari Brothers Infotech Ltd.	Directors holding more than 20% Shares of the Company
SAB News Ltd.	"
Sri Adhikari Brothers Film Division Ltd.	"
SAB Samachar Ltd.	"
SAB Regional Network Ltd.	"
Sri Adhikari Brothers Entertainment Ltd.	"
SAB Television Network Ltd.	"
Heeren Adhikari	Relative of Key Management Personal
Kanchan Adhikari	"
Urvee Adhikari	"

(b) Transactions with Related Parties:

Rs.in Million

Transactions	Sub-sidiaries	Joint Venture	Key Manage-ment Personnel	Others	Relatives of Key manage-ment personnel	Total
Revenue Received	—	1.65	1.20	—	—	2.85
Rendering of Services	3.58	—	16.64	4.40	3.66	28.28
Other Transaction	—	—	0.50	2.73	—	3.23
Contribution towards Share Capital/Share application money during the period.	—	49.80	—	—	—	49.80
Outstanding balance included in current assets.	—	—	—	0.09	—	0.09
Outstanding balance included in current liabilities	0.66	—	7.37	12.57	2.56	23.16
Personal Gurantee given by two Directors	—	—	280.00	—	—	280.00



5. EARNING PER SHARE:

Profit / (Loss) after Tax(Rupees)	900,279
Number of Shares outstanding since 01.10.2003	8,671,000
Weighted average number of shares allotted during the year	471,412
Total weighted average Number of Equity Shares	9,142,412
Basic Earning Per share (Rupees)	0.10

6. TRANSACTION WITH SUBSIDIARIES:

SABe TV Ltd. the wholly owned subsidiary (WOS) of the company is in the process of voluntary winding up pursuant to the directive of the Reserve Bank of India. Residual value of the investment in the WOS is fully adjusted against the amount payable to the WOS. Sundry Creditors include Rs.0.66 Millions (P.Y. Nil) due to Westwind Realtors Pvt. Ltd.

7. CONSOLIDATION OF FINANCIAL STATEMENTS:

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

Similarly, as stated in Note (6), SABe TV Ltd, a WOS of the company is in the process of voluntary winding up and it is not carrying on any operating activity. Accordingly, the company has not consolidated financial statements of SABe TV Ltd.

As the company has not consolidated financial statement as required by Accounting Standard 21, the company has not done proportionate consolidation of Joint-venture as required under Accounting Standard-27.

8. DEFERRED TAX LIABILITY / ASSETS:

The Company has accounted for Deferred Tax in accordance with Accounting Standard - 22 "Accounting for Taxes on Income" issued by The Institute of Chartered Accountants of India. Accordingly, the component of deferred tax assets/liability as at 31st March 2005 are as follows.

Rs.in Million

Deferred Tax Liability:	As at 31.03.2005	As at 30.09.2003
Depreciation & Other Differences	103.21	89.30
Total Deferred Tax Liability	103.21	89.30
Deferred Tax Asset:		
Carried forward Losses & Unabsorbed Depreciation	83.18	74.97
Total Deferred Tax Asset	83.18	74.97

Deferred tax asset is created on account of unabsorbed depreciation/business losses. The management has made long term strategic planning & has also got the confirmed contract from SET (India) Pvt. Ltd.



9. SALE OF SAB TV BRAND AND RELATED ASSETS:

The Company has signed and executed an agreement on 15th March 2005, with SET Satellite (Singapore) Pte. Ltd, for Sale of "SAB TV Brand", certain hours of program library and related assets, collectively referred to as "Undertaking" for a total consideration of US \$ 13 Million (approximately Rs.570 Millions). As per the terms set out in the agreement, the sale will be effective on 15th April 2005 on compliance of various conditions set out under the agreement.

The shareholders have been notified by a notice u/s 192 A (2) of the Companies Act, 1956, on 12th March 2005 regarding the proposal for sale of Undertaking. The shareholders have accorded their approval through a postal ballot process for the sale of Undertaking u/s 293 (1) (a) of the Companies Act, 1956.

The SAB TV brand and related assets has been considered under "Broadcasting Business" in segmental reporting as required under Accounting Standard 17. The Programme library has been considered under the "production house" in segmental reporting as required under segmental reporting under Accounting Standard 17.

The corresponding carrying value of the "Undertaking" is Rs. 551.43 Million.

10. APPLICABILITY OF TRANSITIONAL PROVISION:

In accordance with the requirements of transitional provisions of Accounting Standard 26 on Intangible Assets issued by Institute of Chartered Accountants of India, the company has eliminated the carrying amount of Goodwill and Media Rights with a corresponding adjustment to the opening balance of revenue reserves as either the useful life of these intangible assets have exceeded rebuttable presumption of ten years from the date when these assets are available for use or the company is now not expecting any future economic benefits flowing to it.

11. INTEREST IN JOINT VENTURE:

The company has a 50% interest in the assets, liabilities, expenses and output of Middlesex Broadcasting Company Limited, incorporated in United Kingdom which is engaged in Broadcasting & content management business.

The company also had 50% interest in the assets, liabilities, expenses and output of Sri Adhikari Brothers & Lotus Films constituted in India that was engaged in production & distribution of feature films of which the other partner is Lotus Motion Pictures Ltd having remaining 50% share. The said firm has been dissolved as on 31st March 2005 and hence the capital of the firm is Nil.

The company's share of the assets, liabilities, income and expenditure of the jointly controlled entity as at 31st March, 2005 are as under :

Rs.in Million

Particulars	31st March 2005	
	Middlesex Broadcasting Company Ltd	Sri Adhikari Brothers & Lotus Film
Assets	45.66	Nil
Liabilities	45.66	Nil
Revenue	45.58	13.20
Depreciation of Plant & Machinery	0.78	Nil
Other Expenses	51.11	13.16
Profit /(Loss) before tax	(6.31)	0.04



12. RESERVE & SURPLUS :

Addition of Rs.93.71 million to Securities Premium Account represents premium of Rs.153/- per share received on conversion of 6,12,500 warrants in to equal number of equity shares of Rs.10/- each. In the similar vein, addition to Capital Reserve represents forfeiture of warrant deposit of Rs. 28.47 million received for preferential allotment of warrants.

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

Particulars	18 Months Ended 31.03.2005		18 Months Ended 30.09.2003	
	Quantity (Nos.)	Rs. in Million	Quantity (Nos.)	Rs. in Million
(a) Raw material (cassettes) consumed	16756	10.76	18858	17.25
(b) Value of imported & indigenous Raw material (cassettes) consumed:	Rs. In Million	%	Rs. in Million	%
(I) Imported	-	-	-	-
(II) Indigenous	10.76	100	17.25	100
	10.76	100	17.25	100
Rs. in Million				
(c) Value of imports calculated on C.I.F basis			18 Months ended 31.03.2005	18 Months ended 30.09.2003
(i) Raw Material			-	-
(ii) Capital Goods			-	-
(d) Expenditure in foreign currency				
(i) Travelling			0.68	0.41
(ii) Outsourcing of Services			-	15.20
(e) Earning in foreign exchange:				
(i) Export of Television Programmes on F.O.B basis			9.96	1.95
(ii) Exchange Gain			1.48	6.96
(f) Directors Remuneration				
a) Salaries			6.30	2.10
b) Perquisites			-	0.21
Computation of net profit under Section 349 of the Companies Act, 1956 is not furnished as no commission is payable/paid to the Managing Director.				



Rs. in Million

(g) Payment To Auditors (Excluding Service Tax)	18 Months ended 31.03.2005	18 Months ended 30.09.2003
a) Audit fees	0.50	0.37
b) Tax Audit fees	0.10	0.05
c) Other Services (Including Reimbursement of expenses Rs.0.005 million)	0.40	0.15
h) Information required under Para 4 (C) of part II of schedule VI of the Companies Act, 1956 to the extent applicable.		
(i) The Licensed Capacity	N.A.	N.A.
(ii) The Installed Capacity	N.A.	N.A.
(iii) The Actual Production	N.A.	N.A.

14. CONTINGENT LIABILITIES:

Rs. in Million

PARTICULARS	As at 31.03.2005	As at 30.09.2003
Claims against the Company not acknowledged as Debt	20.00	20.00
Income Tax demand	—	51.24

15. CAPITAL COMMITMENTS:

Middlesex Broadcasting Company Ltd in which the company has 50% interest had committed for the production of an animation film for television broadcasting for a cost of GBP of 1,00,000 of which GBP 85,000 had been advanced as on balance sheet date.

16. DETAILS ABOUT SMALL SCALE INDUSTRIES:

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

17. DEBTORS/CREDITORS/ADVANCES:

During the period, confirmation letters have been issued, of which few confirmations have been received till date. Hence, balances of Sundry Debtors, Sundry Creditors, Loans & Advances receivable or payable are taken as per books and are subject to confirmation and reconciliation, if any.

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

As per our report of even date

For A. R. Sodha & Co.
Chartered Accountants

A. R. Sodha
Proprietor

Mumbai, 2nd June, 2005

Kaustubh Natu
Company Secretary

For & on behalf of the Board

Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director

Mumbai, 2nd June, 2005

SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I Registration Details

Registration No. - State Code
 Balance Sheet Date - -

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

Public Issue Right Issue
 Bonus Issue Private Placement

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

Total Liabilities Total Assets
 Source of Funds
 Paid up Capital Reserve & Surplus
 Secured Loans Unsecured Loans
 Deferred Tax Liability

Application of Funds

Net Fixed Assets Investments
 Net Current Assets Misc. Expenditure
 Profit & Loss Account Deferred Tax Asset

IV Performance of Company (Rs.in Thousand)

Turnover Total Expenditure
 Profit/(Loss) before Tax Profit/(Loss) after Tax
 Earning per Share (Rs.) Dividend Rate %

V Generic Names of Three Principal Product/Services of Company

(as per Monetary terms)

Product Description :

Items code No.(ITC Code) NOT ALLOTTED

As per our report of even date

For A. R. Sodha & Co.
Chartered Accountants

A. R. Sodha
Proprietor

Mumbai, 2nd June, 2005

Kaustubh Natu
Company Secretary

For & on behalf of the Board

Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director

Mumbai, 2nd June, 2005



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2005.

PARTICULARS	Rs. In Million	
	18 Months Ended 31.03.2005	18 Months Ended 30.09.2003
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary items	15.21	(93.56)
Adjustments for :		
Depreciation	110.75	110.53
Interest income	(1.53)	(1.00)
Profit on sale of fixed assets	-	(0.02)
Profit on Partnership Business	(0.04)	-
Loss on Sale of Fixed Assets	0.05	-
Preliminary / Share Issue Expenses written off	8.73	8.73
Interest expense	37.61	18.68
Credit balances written back	(0.04)	(0.66)
Foreign Exchange Rate Fluctuation	(1.50)	-
Operating profit before working capital changes	169.24	42.70
Adjustments for :		
Trade and other receivables	(163.08)	366.72
Inventories	11.51	(8.16)
Trade payable and provisions	(175.24)	(538.43)
Cash generated from operations	(157.57)	(137.17)
Direct taxes paid	7.32	-
Net cash from operating activities	(150.25)	(137.17)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(5.96)	(4.79)
Sale of Fixed Assets	0.06	0.57
Increase in Capital Work In Progress	(70.83)	-
Purchase of investments	(16.08)	(34.74)
Sale of Investment	59.45	19.31
Interest received	1.79	1.28
Net cash from investing activities	(31.57)	(18.37)
C CASH FLOW FROM FINANCING ACTIVITIES		
Receipt on Issue of Shares	6.13	2.61
Conversion of Warrant Deposits into shares	(9.98)	-
Receipt from Warrant Deposits	-	38.45
Security Premium on issue of shares	93.71	39.93
Proceeds from long term borrowings (Net)	18.33	50.00
Proceeds from Short term borrowings	100.00	-
Cash Credit Facility	17.18	33.68
Proceeds of Vehicle Loan (Net)	0.09	(0.73)
Repayment of Public Fixed Deposits	(1.39)	(19.03)
Proceeds from Public Fixed Deposits	2.76	8.23
Interest paid	(37.11)	(20.17)
Dividend paid	-	(9.25)
Net cash used in financing activities	189.72	123.72
Net decrease in cash and cash equivalents (A+B+C)	7.90	(31.82)
Opening balance of cash and cash equivalents	9.13	40.95
Closing balance of cash and cash equivalents	17.03	9.13

Notes:

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

As per our Report of even date

For A. R. Sodha & Co.
Chartered Accountants

A. R. Sodha
Proprietor

Mumbai, 2nd June, 2005

Kaustubh Natu
Company Secretary

For & on behalf of the Board

Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director

Mumbai, 2nd June, 2005



SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO A SUBSIDIARY COMPANY

Name of the Subsidiary Company	Westwind Realtors Pvt. Ltd.
1. Financial Year of the Subsidiary ended on	31 st March, 2005
2. Share of the Subsidiary Company held on the above date	
i) Equity Shares	7,74,600 Equity shares of Rs.10/- each.
ii) Preference Shares	-
iii) Extent of Holding	77.46%
3. Net aggregate amount of profit / Loss of Subsidiary for the above financial year so far as they concern members of Sri Adhikari Brothers Television Network Ltd. :	
i) Dealt with in the Account of Sri Adhikari Brothers Television Network Ltd.	N.A
ii) Not Dealt with in the Account of Sri Adhikari Brothers Television Network Ltd.	Loss of Rs.2,232/-
4. Net Aggregate amount of Profit / Loss for previous financial year of the subsidiary as far as it concerns members of Sri Adhikari Brothers Television Network Ltd. :	
i) Dealt with in the Account of Sri Adhikari Brothers Television Network Ltd.	N.A
ii) Not Dealt with in the Account of Sri Adhikari Brothers Television Network Ltd.	Loss of Rs.1,041.83
5. a) Changes in the holding Company's interest in the subsidiary between the end of the financial year of the subsidiary and the end of the holding company's financial year.	No change has occurred
b) Material changes which have occurred between the end of the aforesaid Financial year of the subsidiary and the end of the holding Company's Financial year in respect of :	No change has occurred
i) The Subsidiary's fixed assets	
ii) Its Investments	
iii) Moneys lent by the subsidiary Company	
iv) The moneys borrowed by it for any purpose other than that of meeting current liabilities	

For and on behalf of the Board

Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director

Kastubh Natu
Company Secretary

Mumbai, 2nd June, 2005

