

Annual Report 2006 -2007



**SRI ADHIKARI BROTHERS
TELEVISION NETWORK LTD.**

The new look of YES BOSS





SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

12TH ANNUAL REPORT 2006-2007

CONTENTS

Chairman's Statement	02
Directors' Report	03
Management Discussion and Analysis	08
Report on Corporate Governance	11
Auditors' Report	21
Annual Accounts of the Company	24
Statement Under Section 212 of the Companies Act 1956	40

GENERAL INFORMATION

BOARD OF DIRECTORS

Gautam Adhikari
Chairman

Markand Adhikari
*Vice-Chairman &
Managing Director*

Anand Pandit
Director

Arun Khakhar
Director

M. K. Aggarwal
Director

COMPANY SECRETARY
Swati Nerurkar

AUDITORS

A. R. Sodha & Co.,
Chartered Accountants

INTERNAL AUDITORS

Khakhar & Co.,
Chartered Accountants

BANKERS

Punjab National Bank

REGISTERED OFFICE

6th Floor, Adhikari Chambers, Oberoi
Complex, New Link Road, Andheri
(West), Mumbai - 400 053.
Tel.: 91-22-26395400
Fax: 91-22-26350996
E-mail: cs@adhikaribrothers.com
Website: www.adhikaribrothers.com

REGISTRAR & SHARE TRANSFER AGENT

Sharex Dynamic (India) Pvt. Ltd.,
Unit 1, Luthra Industrial Estate,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai 400072.
Tel.: 91-22-2852 8087/ 2851 5606
Fax.: 91-22-2851 2885
E-mail: sd_india@rediffmail.com





CHAIRMAN'S STATEMENT

Dear Members,

The financial year under review has in many ways been a watershed year for the Indian Television content industry. With its heavy mix of gargantuan size, steep growth and rapidly changing dynamics, it has been a year of retrospection for your company also.

With 300 channels currently operating in India and the number expected to go up to 500 by 2009, there is a huge demand for quality software. At the same time the definition of content is undergoing a sea change. The lure of prolonged growth and high profitability has attracted new players over the past few years. The new entrants have focused on specific niches where they are strong and in some cases have been able to dethrone the current leaders from their positions.

What was once seen to be a national platform has seen a lot of fragmentation in viewer ship of late. Regional channels are playing its own part in the overall fragmentation process. Apart from this, niche channels like Discovery, Travel and Living, Lifestyle, Spiritual, Kids programme channels etc. are fast gaining its own share of loyal viewers. TRP's of hitherto popular dramas/soaps have been seeing a steady decline and that of reality shows like talent hunt and other innovative projects has been seeing a consequent increase reflecting changing audience tastes.

Your company has been closely watching the developments in the sector. During the year under review your company created more than 400 Hours of content. "Yes Boss", one of its most popular programs completed 500 episodes making it the longest running sitcom on Indian Television.

Apart from the above, your company also entered into a strategic alliance with Sirasa TV, the number one channel in Sri Lanka. We are happy to inform that the project has started delivering results and we hope to consolidate our position and replicate the model with various other countries.

The rapidly changing dynamics has given rise to huge possibilities on the syndication front. Your company with a library of over 6000 hours of its own IPR in various genres and languages is in advanced stages of negotiation with clients and is poised to encash this opportunity.

Your company is in the process of creating a road map for the future. As a part of its expansion plans your company has gone in for a Foreign Currency Convertible Bonds (FCCB) issue. The bonds are listed on the Singapore Stock Exchange (SGX-ST). The money raised would primarily be deployed as part of its expansion plans which include purchase of studios, sets and equipments. Your company has firm plans to consolidate and entrench itself in its area of core competence.

With Warm Regards,

Gautam Adhikari
Chairman

Place : Mumbai

Date : 29th August, 2007





D I R E C T O R S ' R E P O R T

Dear Members,

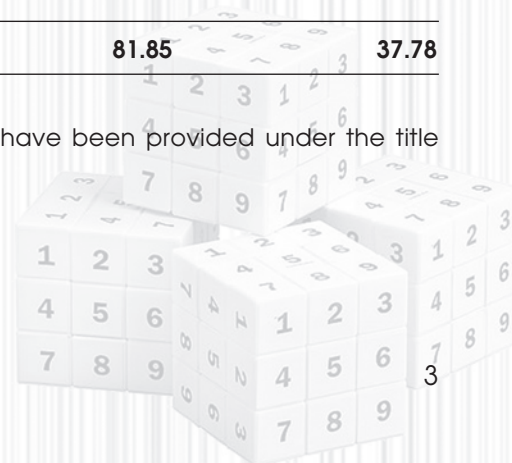
Your Directors have pleasure in presenting the 12th Annual Report together with the Audited Accounts of the Company for the financial year ended on 31st March 2007.

Financial Highlights

(Rs. in million)

Particulars	For the year ended 31.03.2007	For the year ended 31.03.2006
Total Revenue from business	416.65	381.21
Earnings before finance charges, Depreciation & Tax	163.02	92.31
Less: Finance charges	15.69	3.50
Earnings before depreciation, tax & amortisation (EBDTA)	147.33	88.81
Less: Depreciation	68.14	15.92
Earnings/(Loss) before Tax (EBTA)	79.19	72.89
Taxation : Current Tax	8.97	6.13
: Deferred Tax (Assets)	19.48	13.45
: Fringe Benefit Tax	0.46	0.50
: Earlier years	(0.31)	-
Profit / (Loss) After Tax (PAT)	50.59	52.80
Profit b/f from previous year	37.78	(8.67)
Surplus / (Deficit) available for appropriation	88.37	44.13
Less: Proposed Dividend	5.57	5.57
Less: Tax on Proposed Dividend	0.95	0.78
Balance carried to Balance Sheet	81.85	37.78

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.





SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

Dividend

Your directors are pleased to recommend a dividend @ 6% (i.e. Rs. 0.12 per Share) for the financial year ended on 31st March, 2007 subject to the approval of Shareholders at the Annual General Meeting. The outgo on account of this dividend will be Rs. 6.52 millions (including dividend tax of Rs. 0.95 millions).

The dividend, if approved, shall be payable to the shareholders registered in the books of the Company and the beneficial owners as per details furnished by the depositories as on 27th September, 2007.

Subsidiary Company

The Company has applied to the Ministry of Corporate Affairs, for exemption u/s 212 of the Companies Act, 1956 from attaching the annual accounts of the subsidiary company viz. Westwind Realtors Pvt. Ltd., for the financial year ending 31st March, 2007 subject to the disclosure of the information in aggregate for the subsidiary.

A statement pursuant to section 212 of the Companies Act, 1956 containing the details of the subsidiary Company is attached to this report.

Issue of Foreign Currency Convertible Bonds (FCCB)

During the year under review, pursuant to the shareholders resolution passed through Postal Ballot (results declared on 22nd December, 2006) and subsequent in-principle approval received from the Stock Exchanges and vide Offering circular dated 5th June 2007 the Company has allotted 1.50% Foreign Currency Convertible Bonds (FCCB) aggregating US\$9 million (out of full FCCB issue of US\$ 10 million including over-allotment option of US\$ 3 million). These FCCBs are listed on Singapore Stock Exchange Securities Trading Limited (SGX-ST) on 20th June, 2007.

Directors

In accordance with the provision of the Articles of Association of the Company, Mr. Arun Khakhar retires 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, 2007 and of the profit of the Company for the year ended on that date.
- c) that they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company for preventing and detecting fraud and other irregularities.
- d) that they have prepared the annual accounts on going concern basis.

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 12th Annual General Meeting. The Company has received a letter from them to the effect that they are willing to continue as Auditors and that if re-appointed their re- appointment would 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.



Reply to Auditor's Observations in Auditors' Report:

The Company has disinvested its equity holding in Middlesex Broadcasting Corporation Limited by sale of 83,335 shares for a total consideration of GBP 150,000, equivalent to Rs. 12.15 million. The carrying value of the investment was Rs. 49.80 million. Since resultant loss is accounted in the first quarter of FY 2007-08, when the actual sale of shares took place, the management is of the opinion that provision for diminution in value is not required to be made in financial year under review.

Public Deposits

The Company has not accepted /renewed any fixed deposits from the Public during the year under review. However, public deposits amounting to Rs. 162,000/- have remained unclaimed as on 31st March, 2007 from the part of the deposit holders.

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 year 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, forming part of the report of Directors, for the year under review, are annexed to this report.

Corporate Governance

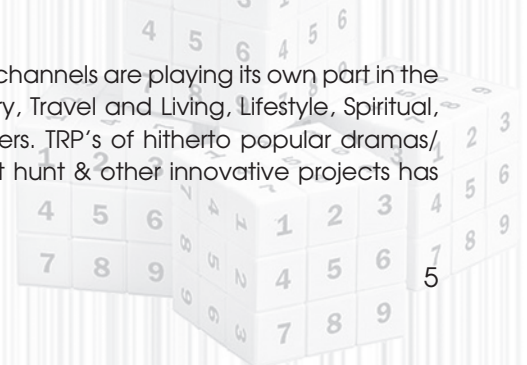
Pursuant to Clause 49 of the listing agreement entered into with the stock exchange(s), the following have been made a part of the Annual Report and are attached to this report.

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

Outlook

The Indian Entertainment and Media (E&M) industry is poised to grow at 18% compound annual growth rate (CAGR) to reach Rs.1 trillion by 2011. Rising income levels and consumerism bred from the country's strong economic growth are creating a growing demand for entertainment. This coupled with technological advancements, policy initiatives taken by the Indian Government that are encouraging the inflow of investment and initiative by private media companies, will prove to be the key drivers for the entertainment and media industry. The industry has been forecast to outperform the economic growth in each year, till 2011.

Content has witnessed a lot of fragmentation in viewer ship of late. Regional channels are playing its own part in the overall fragmentation process. Apart from this, niche channels like Discovery, Travel and Living, Lifestyle, Spiritual, Kids programme channels etc. are fast gaining its own share of loyal viewers. TRP's of hitherto popular dramas/soaps have been seeing a steady decline & that of reality shows like talent hunt & other innovative projects has been seeing a consequent increase reflecting changing audience tastes.





SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

Your company is strategically looking to leverage the benefits of economies of scale in content production. Simultaneously it is aiming to go in for purchase of studios, technological upgradation & creation of a quality content bank. For the above, your company has gone in for an FCCB issue & has successfully raised US\$ 9 million.

Exports

Your company successfully leverages the value locked in the expensed out content lying in the library by sub-licensing of the content broadcasters rights on the defined usage basis to the broadcasters and operators in India and abroad. The management expects sizeable revenues in the form of exports in the future.

Achievements :

Your company has entered into a strategic alliance with an international broadcaster as part of its global expansion plans. "Yes Boss" one of its popular program has completed 500 episodes making it the longest running sitcom on Indian television.

Appreciation

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

For & On Behalf of the Board of Directors

Place : Mumbai
Date : 29th August, 2007

Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director





ANNEXURE TO DIRECTORS' REPORT

A) Foreign Exchange Earnings and Outgo:

	Year ended 31.03.2007 (Rs. in Million)	Year ended 31.03.2006 (Rs. in Million)
Foreign Exchange earned	22.66	570.34
Foreign Exchange used	0.06	0.16

B) Statement of particulars of employees pursuant to Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of the Employees) Rules, 1975 and forming part of the Directors' Report for the year ended 31st March 2007.

Name	Age	Designation	Remuneration Rs. in million	Qualification	Experience (Years)	Commence- ment of Employment	Previous Employ- ment
1	2	3	4	5	6	7	8
Mr. Markand Adhikari	50	Vice Chairman & Managing Director	4.2	B.A	25	20-12-1994	N.A

NOTES

1. Gross remuneration includes, salary, salary arrears, 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 : 29th August, 2007

Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director





MANAGEMENT DISCUSSION AND ANALYSIS

A. Company Overview

During the year under review the company operated through its strategic business unit. The unit essentially produced commissioned programs for the broadcasters. The unit also entered into a strategic alliance with an international broadcaster. Apart from the above, the company also leveraged the value of its already expensed out content by sub-licensing the same on limited usage basis both on a national and international level.

B. Industry Overview

India's Entertainment and media industry is poised to grow at 18% compounded annual growth rate (CAGR) to reach Rs. 1 trillion by 2011. The industry has been forecast to outperform the Indian economy in significant way till 2011.

Introduction of new distribution systems like CAS, launch of DTH & IPTV as well as several new channels clearly demonstrates the robust phase witnessed by the industry. With over 300 channels operating over the Indian skyline, the number is expected to go 500 with in a span of two years.

The Indian Television industry is the largest in this segment. The market size is expected to reach US \$ 9.34 bn by 2010 with a CAGR of 24%. All these factors augurs well for content production.

C. Opportunities & Threats

Opportunities

International opportunities: Globalization has seen entertainment and media companies move out from domestic markets into overseas market to grab its share in the global market place.

Mobile revolution: India is currently witnessing a mobile revolution and along with other distribution platforms, the demand for tailor made content for displays is gaining pace.

Global Outsourcing Hub: The industry estimates predict that one of the biggest leap (from US \$ 17.4 million & US \$ 91 million) is going to happen from international companies outsourcing post-production facilities to India and from mainstream movies.

Threats

Fragmentation risk: With a vast plethora of channels at the viewers disposal, the content producers ability to maintain stickiness to the programme is coming under increasing pressure. The producer has to keep a regular update on changing audience tastes.

Human Resource Management : Content production essentially involves a good human resource management capabilities. Any attrition in the main players including artistes, key technical staff etc can effect the quality of content.

Technology Obsolescence : Constant changes on the technological frontiers can compel companies for relacement of key equipments at high costs. This can place pressure on the companies capital & effect the quality and the cost of the output.

D. Financials

1. Share Capital

As on 31st March 2007, the Authorized Share Capital of the Company stood at Rs. 200 million divided into 100 million equity shares of Rs. 2/- each. The paid up equity capital of the Company was Rs. 92.83 million comprising of 46.418 million equity shares of Rs. 2/- each.

During the year under review, the Company has allotted 1.50% Foreign Currency Convertible Bonds (FCCB) aggregating US\$ 9 million (out of full FCCB issue of US\$ 10 million including over-allotment option of US\$ 3 million); which are convertible into Equity Shares. These FCCBs are listed on Singapore Stock Exchange Securities Trading Limited (SGX-ST).



2. Reserves and Surplus

The total reserves and surplus as at 31st March, 2007 amounted to Rs. 977.95 million as against 933.88 million of the previous year. The reserves include Capital Reserves of Rs. 28.46 million, General Reserves of Rs. 225.11 million, the Security Premium Account of Rs. 642.53 million and surplus in P & L account of Rs. 81.84 million.

3. Secured Loans

During the year under review, the Company availed term lending finance from Punjab National Bank and Canara Bank. The total secured loans stood at Rs. 79.76 comprising of Term Loan from Scheduled Banks of Rs. 68.43 million, bill discounting facility of Rs. 7.2 million and vehicle finance of Rs. 4.12 million as at 31st March 2007.

4. Unsecured Loans

The total unsecured outstanding loan amounts to Rs. 30.31 million, as compared to Rs. 49.23 million of previous year ended 31st March, 2006.

5. Fixed Assets

With total addition of Rs. 108.12 million, the gross block stood at Rs. 761.87 million and net block at Rs. 617.49 million as on 31st March, 2007.

6. Investments

Company has invested the surplus fund of Rs. 100 million in PNB Principal Mutual Fund.

7. Net Current Assets

The net current assets as at 31st March 2007 stood at Rs. 441.21 million.

8. Revenues

The total revenues amounted to Rs. 416.65 million for the year ended 31st March 2007 as against 381.21 million of the previous year ended 31st March 2006.

9. Operating Expenses

During the year under review the total operating expenses amounted to Rs. 253.62 million as against Rs. 288.89 million for the previous year ended 31st March 2006.

10. Finance charges

Financial charges includes interest on the loans & interest on public deposits. Total finance costs for the year under review amounted to Rs. 15.69 million as against Rs. 3.50 million for year ended 31st March 2006.

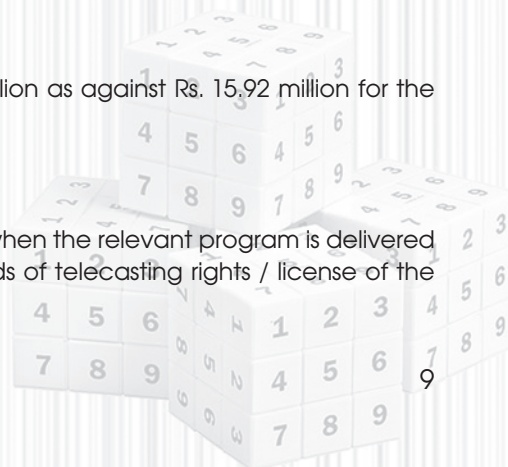
11. Depreciation

The provision for depreciation as at 31st March 2007 is Rs. 68.15 million as against Rs. 15.92 million for the year ended 31st March 2006.

E. Critical accounting policies

The principles of revenue recognition are as under:

Revenue from sale of program contents / rights, income is recognized when the relevant program is delivered to and accepted by the buyers and all the significant risks and rewards of telecasting rights / license of the program has been transferred to the buyer.





SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

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

F. Internal Controls and Adequacy of those controls

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

G. Human Resources

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. The employees on roll of the company as on 31st March 2007 were 66 as compared to 83 as on 31st March 2006.

H. Business Risks

1. Revenue Risks

The company earns revenue by selling commissioned programs or telecast rights to various broadcasters and satellite networks.

The sustainability of the programs are mainly dependent on the concept, content and the technical expertise. Apart from this, Television Rating Points (TRP) is one of the key indicators, which decide the popularity of the program as well as sustainability of the program.

Management continuously monitors and makes efforts to arrest decline or adverse output on any of these factors.

2. Regulatory issues

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

I. Outlook

Content Production

The outlook for the Television sector is very positive and robust. The gargantuan size of the segment, steep growth pattern and rapidly changing dynamics all second the opinion. With a burgeoning population and increasingly high disposable income at hand, Increased advertising patterns, evolving content genres offering new opportunities, outsourcing of extensive content by broadcasting industry and the imminent broadband revolution, all augurs well for the industry.

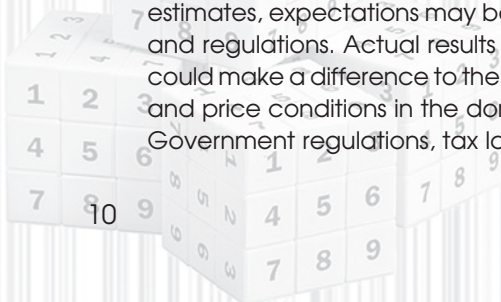
India is also fast emerging as the outsourcing destination for content and postproduction processes on a global basis.

J. Exports

Your company successfully leverages the value locked in the expensed out content lying in the library by sub-licensing of the content broadcasters rights on the defined usage basis to the broadcasters and operators in India and abroad. The management expects sizeable revenues in the form of exports in the future.

K. Cautionary Statement

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





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.

The Company's activities are carried out in accordance with good corporate practices and the Company is constantly striving to better them and adopt the best practices. It is firmly believed that good governance practices would ensure efficient conduct of affairs of the Company and help the Company to achieve its goal of maximizing its value for all its stakeholders.

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

2. BOARD OF DIRECTORS

a) Composition

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board consists of an optimal blend of executive and Non-executive Directors, who have in depth knowledge of the business, in addition to expertise in their areas of specialization. The Chairman of the Board is Non-executive Chairman. The present Board comprises of one executive Director and four Non-executive Directors. The number of Non-executive Directors is more than 50% of the total strength of the Board. None of the Non-executive Independent Directors is entitled to any remuneration except sitting fees.

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

b) Board Procedure

The agenda is prepared in consultation with the Chairman of the Board and the Chairmen of the other committees. The agenda for the meetings of the board and its committees, together with the appropriate supporting documents, are circulated well in advance of the meeting.

Matters discussed at Board meetings generally relate to Company's Business or otherwise their continuity, quarterly results of the Company, review of the reports of the Audit Committee and compliance with their recommendation(s), suggestion(s), non compliance of any regulation, statutory or listing requirements etc.

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

Attendance at Board Meetings and last Annual General Meeting

During the year under review, the Board of Directors met six times viz. 28th April, 2006, 31st July, 2006, 29th August, 2006, 31st October, 2006, 17th November, 2006 and 22nd January, 2007.

The attendance record of the Directors at each Board meeting and the last Annual General Meeting held:

Name	Category	Attendance at Board Meetings		Directorship in other public Companies	Membership/ Chairmanship Committees in other Companies		Attendance at A.G.M. held on 28 th Sept, 2006
		Held	Attended	Director	Chairman	Member	Yes/No
Mr. Gautam Adhikari	Promoter, Chairman & Non Executive Director	6	6	4	-	-	Yes
Mr. Markand Adhikari	Promoter, Vice Chairman & Managing Director	6	6	5	-	-	No



Mr. Arun Khakhar	Independent & Non Executive Director	6	6	1	-	-	Yes
Mr. Anand Pandit	Independent & Non executive Director	6	6	14	2	2	Yes
Mr. M.K. Aggarwal	Independent & Non executive Director	6	5	2	1	1	Yes

Additional Information on Directors being appointed / re-appointed at the Annual General Meeting :

At the ensuing Annual General Meeting Mr. Arun Khakhar, retires by rotation and being eligible, offers himself for re-appointment.

The information and details to be provided under Corporate Governance Code are as under :

Mr. Arun Khakhar, aged 55 years is B. Com. He has a wide experience of around 25 years in various fields such as Real Estate Development and Hospitality Industry. He is on the Board of the Company as an Independent Director. His wide experience in various fields is an asset for the development of the Company's business. He is also on the Board of Hotel Sashi Private Limited.

3. AUDIT COMMITTEE

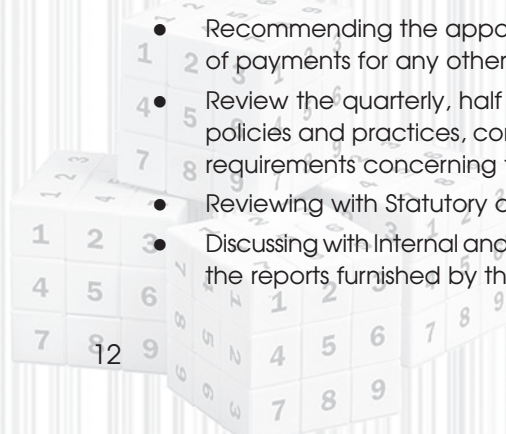
The Committee comprises solely of independent and non-executive directors having financial background and knowledge in the business of the Company. The Committee comprises of Mr. Arun Khakhar (Chairman of the Committee), Mr. Anand Pandit and Mr. M. K. Aggarwal. The Company Secretary, Ms. Swati Nerurkar is Secretary to the Committee.

The Audit Committee met five times during the year under review viz. 28th April, 2006, 31st July, 2006, 29th August, 2006, 31st October, 2006 and 22nd January, 2007 and the number of meetings attended by each member during the year ended 31st March 2007 are as follows:

Name of the member	Designation	No. of Meetings attended
Mr Arun Khakhar	Chairman	5
Mr. Anand Pandit	Member	5
Mr. M. K. Aggarwal	Member	5

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

- Reviewing 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 statement is 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 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 Exchanges and legal requirements concerning the financial statements.
- Reviewing with Statutory and Internal auditors the adequacy of 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.
- Compliance with the Stock Exchanges and legal requirements concerning financial statements.
- Reviewing any related party transaction i.e. transactions of the Company of material nature, with promoters or the management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

4. REMUNERATION COMMITTEE

The Remuneration Committee comprises of three Non-Executive Independent Directors. The Company Secretary, Ms. Swati Nerurkar is the Secretary of the Committee.

The broad terms of reference of the Remuneration Committee are to recommend the Company's policy on Remuneration Packages for the Managing Director / Executive Director, reviewing the structures, design and implementation of remuneration policy in respect of key management personnel.

The composition of the Remuneration Committee is as follows:

Name	Designation
Mr. Anand Pandit	Chairman
Mr. Arun Khakhar	Member
Mr. M. K. Aggarwal	Member

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

Only sitting fees are paid to the Independent directors.

Details of Remuneration paid to Directors during the year-ended 31.03.2007

(Rs Million)

Name	Category	Salary	Perquisites or Allowances	Stock Option
Mr. Gautam Adhikari	Chairman & Non Executive Director	Nil	0.01	Nil
Mr. Markand Adhikari	Vice Chairman & Managing Director	4.19	0.01	Nil
Mr. Anand Pandit	Independent & Non Executive Director	Nil	Nil	Nil
Mr. Arun Khakhar	Independent & Non Executive Director	Nil	Nil	Nil
Mr. M.K. Aggarwal	Independent & Non Executive Director	Nil	Nil	Nil

No. of equity shares held by directors as on 31st March, 2007

Name	Category	No. of Shares held
Mr. Gautam Adhikari	Chairman & Non Executive Director	10340145
Mr. Markand Adhikari	Vice Chairman & Managing Director	10340140
Mr. Anand Pandit	Independent & Non Executive Director	25830
Mr. Arun Khakhar	Independent & Non Executive Director	500

5. INVESTORS' GRIEVANCE COMMITTEE

The Company's Investor's Grievance Committee functions under the Chairmanship of Mr. Arun Khakhar and other members of the Committee are Mr. Anand Pandit and Mr. M. K. Aggarwal. The Company Secretary, Ms. Swati Nerurkar is the Secretary of the Committee.



SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

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

The Committee held 5 meetings during the year under review on 28th April, 2006, 31st July, 2006, 29th August, 2006, 31st October, 2006 and 22nd January, 2007.

Name and designation of compliance officer

Ms. Swati Nerurkar, Company Secretary is the Compliance Officer.

Status of Investors' complaints

The Company has received 20 letters / complaints relating to transfer, non receipt of Annual Report, dividend declared etc. from the investors during the year ended 31.03.2007 and all of them were replied satisfactorily.

6. SHARE TRANSFER COMMITTEE

The Share Transfer Committee is empowered to consider and approve the physical transfer, transmission, transposition, issue of duplicate certificates, consolidation / split renewal of share certificates etc. The Share Transfer Committee Meetings were held 13 (Thirteen) times during the year ended on 31st March, 2007. The Committee comprised of the following members:

Name of the Members	Designation	No. of Meetings attended
Mr. Gautam Adhikari	Chairman	13
Mr. Markand Adhikari	Member	13

7. SUBSIDIARY COMPANIES

The Company has a subsidiary company viz. Westwind Realtors Private Limited; however it does not fall under the norms prescribed in Clause 49 of the Listing Agreement for "Material non-listed Indian Subsidiary".

8. GENERAL BODY MEETINGS

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

Financial Year	AGM	Date	Time	Location of the meeting
31 st March, 2006	11 th AGM	28.09.2006	11.00 a.m.	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049
31 st March, 2005 (18 Months)	10 th AGM	30.06.2005	11.00 a.m.	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049.
30 th September, 2003 (18 Months)	9 th AGM	31.03.2004	10.00 a.m.	Anand Hall, Gandhigram Road, Near Harekrishna Temple, Juhu, Mumbai 400 049.

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

AGM held on	Special Resolution passed
31-03-2004	No Special resolution was passed.
30-06-2005	No Special resolution was passed.
28-09-2006	1. To raise funds by issue / offer and allotment of the securities including Equity Shares / GDRs / ADRs / FCCBs / Warrants / Bonds or any other financial instruments. 2. To alter Capital Clause in Articles of Association of the Company to increase the Authorised Capital of the Company from Rs. 15 Crores to Rs. 20 Crores.



EGM held on	Special Resolution passed
07-12-2005	1. Sub-division of nominal value of Equity Shares of the Company from Rs. 10/- to Rs. 2/- per share
19-08-2005	1. To raise funds by issue / offer and allotment of the securities including Equity Shares / GDRs / ADRs / FCCBs / Warrants / Bonds or any other financial instruments. 2. To issue of warrants, convertible into Equity Shares, on preferential basis to promoters.

b) Resolution passed through Postal Ballot

During 2006-07 consent of Members of the Company was sought by Special Resolution, through postal ballot, to raise funds through offer/issue of ADRs/ GDRs/ FCCBs or any other securities, including issue of securities to "Qualified Institutional Buyers", up to an aggregate amount not exceeding US\$ 20 Million or equivalent sum in Indian Rupees.

The postal ballot process was undertaken in accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

Mr. Manish L. Ghia, Practicing Company Secretary was appointed as Scrutinizer for conducting the Postal Ballot process. The results of the Postal Ballot announced on 22nd December 2006 for matters stated above requiring Members' approval by Special Resolution are given herein below:

Total Postal Ballots received	:	25
Number of Invalid Postal Ballots received	:	Nil
Number of valid Postal Ballots received	:	25
Number of Votes in favour of the Resolution	:	2,09,05,095
Number of Votes against the Resolution	:	Nil

The said Special Resolution was approved by requisite majority.

No Special Resolution is proposed through the Postal Ballot at ensuing Annual General Meeting.

9. DISCLOSURES

a) Related Party Transactions

Transactions, with related parties are disclosed in Note No. 4 of Schedule 16 to the Financial Statements in the Annual Report. However, these transactions are not likely to have any conflicts with the Company's interest. The Audit Committee has reviewed these transactions as mandatorily required under Clause 49 of the listing agreement.

b) Disclosure of Accounting treatment

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

c) Disclosure of Risk management

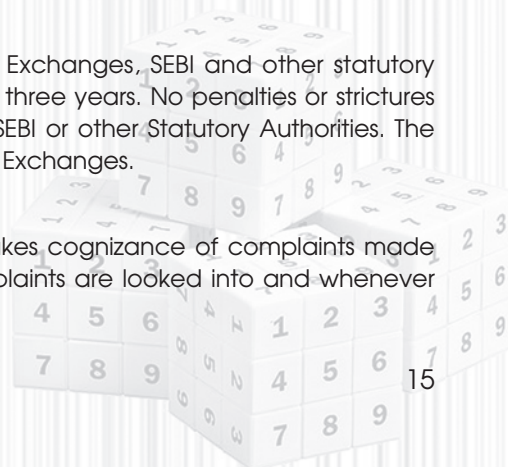
The Company has initiated the risk assessment and minimization procedure.

d) Compliance by the Company

The Company has complied with the requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market during the last three years. No penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or other Statutory Authorities. The Company has paid the listing fee for the year 2007-08 to the Stock Exchanges.

e) Whistle Blower Policy

Though there is no formal Whistle-blower policy, the Company takes cognizance of complaints made and suggestions given by the employees. Even anonymous complaints are looked into and whenever necessary, suitable corrective steps are taken.





SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

f) Code of conduct

The Company has laid down a code of conduct for the Directors, Senior Management and Employees of the Company. The code has been posted on the website of the Company. A declaration to the effect that the Directors and Senior Managerial personnel have adhered to the same, signed by the Vice-Chairman & Managing Director of the Company, forms part of this report, which along with the Auditors' Certificate on compliance of clause 49 of the Listing Agreement by the Company is annexed to this report.

g) Review of Directors' Responsibility Statement

The Board in its report has confirmed that the annual accounts for the year ended 31st March, 2007 have been prepared as per applicable accounting standards and policies and that sufficient care has been taken for maintaining adequate accounting records.

h) CEO / CFO Certification

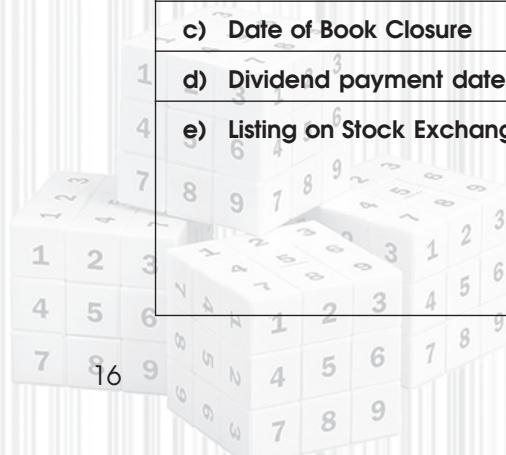
In terms of the requirements of Clause 49(v) of the Listing Agreement, the CEO and CFO have submitted necessary certificate to the Board at its meeting held on 29th August, 2007 stating the particulars specified under the said clause.

10. MEANS OF COMMUNICATION

- a) At present half yearly report on accounts is not being sent to each household of shareholders.
- b) The quarterly, half-yearly and annual financial results are published in The Financial Express and Dainik Sagar.
- c) The Company has its own website www.adhikaribrothers.com and has been uploading financial results and quarterly shareholding pattern along with other relevant information useful to investors on the website.
- d) At present the Company does not make presentation to Institutional Investors and Analysts.
- e) The Management Discussion and Analysis is given separately in this Annual Report.
- f) Further, in compliance with the requirements of the Listing agreement, the Company has also posted the financial Results, Shareholding pattern and other required data on the website of SEBI's Electronic Data Information and Retrieval (EDIFAR) system maintained by National Informatics Centre.

11. GENERAL INFORMATION FOR SHAREHOLDERS

a) Date Time and Venue of Annual General Meeting	Date : 27 th September, 2007 Time : 10.30 a.m. Venue : Anand Hall, Gandhigram Road, Harekrishna Temple, Juhu, Mumbai – 400 049.
b) Financial Calendar (2007-08)	i) First Quarter Results - Upto the end of July, 2007 ii) Second Quarter Results - Upto the end of October, 2007 iii) Third Quarter Results - Upto the end of January, 2008 iv) Fourth Quarter Results - Upto the end of April, 2008
c) Date of Book Closure	20 th September 2007 to 27 th September 2007 (Both days Inclusive)
d) Dividend payment date	On or after 27th September 2007
e) Listing on Stock Exchanges	1. National Stock Exchange of India Ltd. 2. Bombay Stock Exchange Ltd. The Company's 1.50% Foreign Currency Convertible Bonds (due 2012) are listed on Singapore Exchange Securities Trading Limited, 2 Shenton Way, #19-00, SGX Centre 1, Singapore 068804 The Company has paid the Listing fees for the year 2007-2008.





f) Stock Code Symbol	NSE : SRIADIKARI BSE : 530943
g) Demat ISIN Number For CDSL and NSDL	INE416A01028

h) Market Price Data:

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

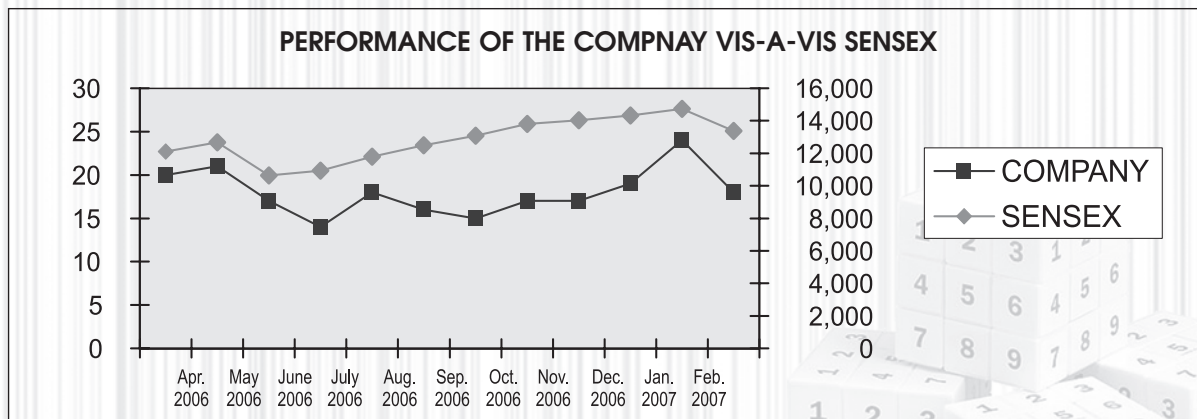
Month	National Stock Exchange of India Ltd		Bombay Stock Exchange Limited	
	Price (Rs.)*		Price (Rs.)**	
	High	Low	High	Low
April'06	19.60	14.85	19.70	14.55
May'06	21.20	15.20	21.35	15.15
June'06	16.10	12.00	16.15	12.05
July'06	14.25	11.00	14.40	11.00
Aug'06	17.75	11.95	17.50	11.51
Sep'06	15.80	13.65	15.90	13.50
Oct'06	15.00	13.20	15.09	13.05
Nov'06	16.90	13.00	17.00	13.10
Dec'06	17.50	13.90	16.85	13.85
Jan'07	19.00	14.50	19.20	14.85
Feb'07	23.55	17.50	23.65	17.05
March'07	19.00	14.60	18.15	14.25

*Source: www.nse-india.com

**Source: www.bseindia.com

i) Performance in comparison to SENSEX

The performance of the Company `s Equity Shares relative to the BSE Sensitive Index (BSE Sensex) is given in the chart below.



Note: Indicates Monthly closing positions.



SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

j) Registrar and Share Transfer Agents:

Sharex Dynamic (India) Pvt. Ltd.,

Unit 1, Luthra Industrial Estate, Safed Pool, Andheri Kurla Road, Andheri East, Mumbai 400072

Tel.: 91-22-2852 8087/ 2851 5606, Fax.: 91-22-2851 2885, E-mail: sd_india@rediffmail.com

k) Share Transfer System:

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

l) Category wise distribution of equity shareholding as at 31st March 2007:

Category	Number of shares held	Percentage of Shareholding (%)
Promoter and Promoter Group	20709285	44.62
Mutual Funds/ UTI	3290356	7.09
Financial Institutions/ Banks	101520	0.22
Venture Capital Funds	400	0.00
Insurance Companies	1034750	2.23
Foreign Institutional Investors	955500	2.06
Bodies Corporate	4855198	10.46
Individuals	15352245	33.08
Clearing Member	118246	0.25
GRAND TOTAL	46417500	100

Notes:

Pursuant to regulation 3(1)(e)(i) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 1997 and subsequent amendments thereto, promoters group and persons acting in concert consist of :

Gautam Adhikari, Markand Adhikari, Kailashnath Adhikari, Kanchan Adhikari, Parthasarthy Iyer, Heeren Adhikari, Swati Adhikari, Sharda Adhikari, Mrs. Bindu Raman, Anjana Adhikari, Sri Adhikari Brothers Assets Holding Private Limited, TV Workshop Private Limited.

m) Distribution of shareholding as on 31st March 2007:

Number of Equity shares held	Number of shareholders	% of total number of shareholders	Number of Shares	% of Total Number of Shares
1 to 100	3448	20.91	225347	0.49
101 to 200	1898	11.51	332592	0.72
201 to 500	5972	36.22	2494818	5.37
501 to 1000	2396	14.53	2145587	4.62
1001 to 5000	2307	13.99	5637934	12.15
5001 to 10000	241	1.46	1871215	4.03
10001 to 100000	211	1.28	5243441	11.3
100001 to above	15	0.09	28466566	61.33
Total	16488	100	46417500	100



n) Dematerialization of shares and liquidity:

About 99.21% of the shares have been dematerialized as on 31st March 2007. The Equity shares of the Company are traded on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

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

As on 31st March 2007 there were no outstanding ADRs, GDRs, Warrants or any convertible instruments, convertible into Equity Shares. However in the month of June 2007, the Company has issued and allotted 1.50% Foreign Currency Convertible Bonds (FCCB) aggregating to US \$ 9 million.

p) Address for Investor Correspondence:

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

Sharex Dynamic (India) Pvt. Ltd.,

Unit 1, Luthra Industrial Estate,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai 400072
Tel.: 91-22-2852 8087/ 2851 5606
Fax.: 91-22-2851 2885
E-mail: sd_india@rediffmail.com

For general correspondence:

Company Secretary
Sri Adhikari Brothers Television Network Ltd.
Adhikari Chambers, 6th Floor,
Oberoi Complex, New Link Road,
Andheri (West),
Mumbai – 400 053
Email : cs@adhikaribrothers.com

q) Electronic Clearing Services:

The Company avail ECS facility for distribution of dividend in the metropolitan cities.

DECLARATION

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the Senior management personnel have fully complied with the provisions of the Code of Conduct as laid down by the Company for Directors and Senior Management Personnel during the financial year ended on 31st March, 2007.

For Sri Adhikari Brothers Television Network Limited

Markand Adhikari

Vice Chairman & Managing Director

Place : Mumbai

Date : 29th August, 2007





AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

We have examined the records concerning Compliance of the conditions of Corporate Governance by **SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED** for the year ended 31st March, 2007 as stipulated in clause 49 of the Listing Agreement entered into with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of management; our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of the opinion on the financial statements of the Company.

On the basis of relevant records and documents maintained and furnished to us & the information and explanations given to us by the Company's management, to the best of our knowledge and belief, we certify that the Company has complied with the conditions of corporate governance, as stipulated in Clause 49 of the said Listing Agreement.

On the basis of records maintained by the Registrar and Share Transfer Agents 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 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
Partner
M. No. 31878

Place : Mumbai
Date : 29th August, 2007





AUDITOR'S REPORT

To,

The Members.

Sri Adhikari Brothers Television Network Ltd.

We have audited the attached Balance Sheet of **Sri Adhikari Brothers Television Network Ltd.** as at 31st March 2007, and also the Profit and Loss Account, Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

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

- a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;
- b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
- c) The Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report is in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet, Profit and Loss Account and cash flow statement dealt with by this report is in compliance with the Accounting standard referred to in Section 211 (3C) of the Companies Act, 1956; *subject to non provision for diminution in value of Investment amounting to Rs.37.65 Million in Middlesex Broadcasting Corporation Limited. Had the provision for diminution in value of Rs.37.65 million been made, the profit for the year & investment would have been lowered by that amount.*
- e) On the basis of written representations received from the Directors, as on 31st March, 2007, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2007 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 subject to as stated in *d) above.*
 - I. In the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2007.
 - II. In the case of Profit and Loss Account, of the Result for the year ended on that date and
 - III. In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For A. R. SODHA & Co.
Chartered Accountant

A. R. Sodha
Partner
M. No. 31878

Place : Mumbai
Date : 30th June, 2007





ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of Our Report of even date,

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

1. a. The Company has generally maintained proper records of fixed assets showing full particulars, including quantitative details and situation of fixed assets.
b. We have been informed that, the tangible fixed assets has been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable with regard to the size of the company and nature of assets. According to information and explanations given to us by the management, no material discrepancy was noticed on such verification.
c. During the year the company has not disposed off substantial part of its fixed asset.
2. a. Physical verification of inventory has been conducted at reasonable intervals by the management.
b. The procedures as informed & explained to us, of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
c. The Company is generally maintaining proper records of inventory shown in the balance sheet and no discrepancy noticed on physical verification between the physical stocks and the book records.
3. a. According to the information and explanation given to us and on the basis of records furnished before us, company has not granted any interest free unsecured loans to the parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, clause 4(iii) (b), (c), & (d) of Companies (Auditor's Report) Order, 2003 are not applicable.
b. According to the information and explanation given to us and on the basis of records furnished before us, in respect of interest free unsecured loan amounting to Rs.18 millions taken during the year from two parties covered in the register maintained under section 301 of the Companies Act, 1956. The year end balance of this account is Nil.
c. According to information & explanations given to us, we are of the opinion that the terms of the said loan are not prima facie prejudicial to the interest of the Company.
d. As the aforesaid loan is repayable on demand we cannot comment in respect of overdue Principal.
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, for the purchase of fixed Assets and sale of services. 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. As the Company has not accepted or renewed any deposit from the public, the directives issued by the Reserve Bank of India and the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under are not applicable. The Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal has not passed any order.
7. On broadly reviewing the internal audit reports furnished to us & information & explanation 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 the business.
8. According to the information and explanations given to us, the Central Government has not prescribed maintenance of cost records under section 209(1) (d) of the Companies Act, 1956 in respect of the products dealt with by the company.



9. a. According to the information and explanations given to us and records examined by us, the Company is regular in depositing applicable statutory dues including investor education & protection fund, custom duty with appropriate authorities. However certain delays were noticed in depositing undisputed statutory dues including income tax, service tax & cess with the appropriate authorities. However, as at 31st March there were no arrears of statutory dues for more than six months from the date they become payable.
- b. According to the information and explanation given to us, following dues are not deposited on account of disputes.

(Rs. in Million)

Statute & Nature of Dues	Amount not Deposited	Forum where dispute is pending	Period
Income Tax Act	4.69	CIT (A)	A.Y. 2000-01
Income Tax Act	4.72	CIT (A)	A.Y. 2001-02

10. The Company has no accumulated losses & has not incurred cash losses in the financial under audit & in the immediately preceding financial year.
11. The company has delayed repayment of principal amounting to Rs.3.1 million by 60days & 11.1 million by 15 to 30 days & Interest amounting to Rs.4.17million by 15 to 30 days to banks. However there was no overdue amount at the year end.
12. According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the company is not chit fund, nidhi, mutual fund, and societies accordingly clause 4(xiii) of Companies (Auditor's Report) Order, 2003 is not applicable.
14. The Company is not dealing or trading in Shares and Securities.
15. According to the information and explanation given to and records of the Company examined by us, the company has given guarantee for loans taken by others from banks. The terms and conditions of such guarantees are *prima facie* not prejudicial to the interest of the Company.
16. The term loan has been applied for the purpose for which it was taken.
17. According to the information and explanations given and overall examination of records furnished to us, loans raised on short term basis have not, *prima facie*, been used for long term purpose.
18. During the year, the company has not made preferential allotment of shares to Parties covered in the Register maintained under Sec 301 of the Companies Act, 1956.
19. During the year, the Company has not issued any debentures.
20. The company has not raised any money by public issue during the year under audit.
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 year nor we have been informed of such instances by the management.

For A. R. SODHA & Co.
Chartered Accountant

A. R. Sodha
Partner
M No 31878

Place : Mumbai
Date : 30th June, 2007





SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

BALANCE SHEET AS AT 31ST MARCH 2007

	Schedule	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	92,835,000	92,835,000
Reserves and Surplus	2	977,954,956	933,882,800
		1,070,789,956	1,026,717,800
Loan Funds			
Secured Loans	3	79,760,236	24,858,379
Unsecured Loans	4	30,313,726	49,231,230
		110,073,962	74,089,609
Deferred Tax Liability		68,431,259	50,640,360
	TOTAL	1,249,295,177	1,151,447,769
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	750,543,583	658,790,600
Less : Depreciation		133,050,914	79,328,512
Net Block		617,492,669	579,462,088
Capital Work in Progress		12,553,903	38,100,000
		630,046,572	617,562,088
Investments	6	149,799,803	293,604,803
Current Assets, Loans & Advances			
Inventories	7	348,790	40,635,834
Sundry Debtors		153,792,370	116,335,910
Cash & Bank Balances		294,802,899	69,188,164
Loans & Advances		67,052,524	69,227,455
		515,996,583	295,387,363
Less : Current Liabilities & Provisions	8	57,885,116	74,031,346
Current Liabilities		16,901,608	16,551,810
Provisions		74,786,724	90,583,156
		441,209,859	204,804,207
Net Current Assets		15,456,676	17,149,424
Deferred Tax Asset		12,782,267	18,327,247
Miscellaneous Expenditure (To the extent not written off or adjusted)	9	12,782,267	18,327,247
	TOTAL	1,249,295,177	1,151,447,769

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

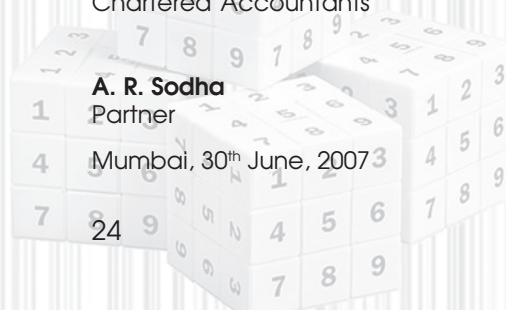
A. R. Sodha
Partner

Swati Nerurkar
Company Secretary

Markand Adhikari
Vice Chairman & Managing Director

Mumbai, 30th June, 2007

Mumbai, 30th June, 2007




PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH'2007

	Schedule	For the year ended on 31.03.2007 Rupees	For the year ended on 31.03.2006 Rupees
INCOME			
Sales		399,389,819	377,066,376
Other Income	10	17,259,818	4,149,220
		416,649,637	381,215,596
EXPENDITURE			
Production Expenses	11	152,414,191	264,774,127
(Increase)/Decrease in Inventory	12	40,287,044	(32,868,479)
Administrative Expenses	13	53,622,313	47,236,426
Selling & Distribution Expenses	14	1,756,299	4,212,825
Miscellaneous Expenses Written Off		5,544,980	5,544,980
		253,624,828	288,899,879
PROFIT BEFORE FINANCE CHARGES, DEPRECIATION & TAX			
Finance Charges	15	15,689,574	3,504,276
PROFIT BEFORE DEPRECIATION & TAX			
Depreciation/Amortisation	5	68,147,229	15,921,692
PROFIT TAX & EXTRA ORDINARY ITEMS			
Current Tax		8,971,001	6,133,672
Deferred Tax		19,483,647	13,454,892
Fringe Benefit Tax		462,598	499,391
Earlier Years (Excess)/ Short Provision		(318,135)	-
PROFIT/(LOSS) AFTER TAX			
Profit brought forward from previous year		37,777,794	(8,672,694)
Surplus Available For Appropriation		88,366,689	44,129,100
APPROPRIATIONS			
Proposed Dividend		5,570,100	5,570,100
Dividend Distribution Tax on Dividend		946,638	781,206
Balance Carried To Balance Sheet		81,849,950	37,777,794
		88,366,689	44,129,100
Basic & Diluted Earning Per Share (Face Value Rs.2 per share) (See Note 5 of schedule 16)		1.09	1.14

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
Partner

Swati Nerurkar
Company Secretary

Markand Adhikari
Vice Chairman & Managing Director

 Mumbai, 30th June, 2007

 Mumbai, 30th June, 2007




SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL STATEMENTS AS AT 31st MARCH, 2007

(Rs. In Millions)

PARTICULARS	For the Year Ended 31.03.2007	For the Year Ended 31.03.2006
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before Tax and Extraordinary items	79.19	72.89
Adjustments for :		
Depreciation	68.15	15.92
Interest income	(15.02)	(2.53)
Loss on Sale of Fixed Assets	1.15	0.04
Preliminary / Share Issue Expenses written off	5.54	5.55
Interest expense	12.52	3.50
Operating profit before working capital changes	151.53	95.38
Adjustments for :		
Trade and other receivables	(32.98)	191.01
Inventories	40.29	(32.87)
Trade payable and provisions	(18.47)	(8.59)
Cash generated from operations	140.37	244.93
Direct taxes paid (Net of Refund)	(8.91)	(5.28)
Net cash from operating activities	131.46	239.65
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(82.24)	(156.18)
Sale of Fixed Assets	0.46	414.95
Sale/(Purchase) of Investments	143.81	(243.81)
Interest received	15.02	2.53
Net cash from investing activities	77.04	17.49
C CASH FLOW FROM FINANCING ACTIVITIES		
Long Term Borrowings (Net)	54.90	(140.87)
Short Term Borrowings (Net)	(10.12)	(59.56)
Repayment of Public Fixed Deposits	(8.80)	(1.05)
Interest paid	(12.52)	(3.50)
Dividend (including dividend tax) paid	(6.35)	-
Net cash from financing activities	17.11	(204.98)
Net increase in cash and cash equivalents (A+B+C)	225.61	52.16
Opening balance of cash and cash equivalents	69.19	17.03
Closing balance of cash and cash equivalents	294.80	69.19

Notes:

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

As per our report of even date

For **A. R. Sodha & Co.**
Chartered Accountants

A. R. Sodha
Partner

Mumbai, 30th June, 2007

For & on behalf of the Board

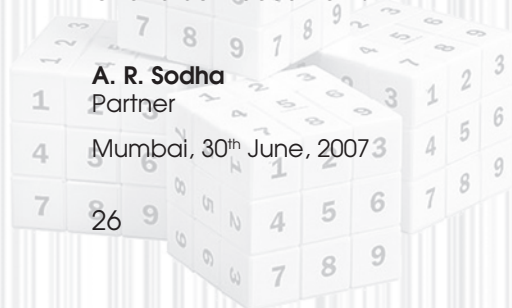
Gautam Adhikari
Chairman

Markand Adhikari

Vice Chairman & Managing Director

Swati Nerurkar
Company Secretary

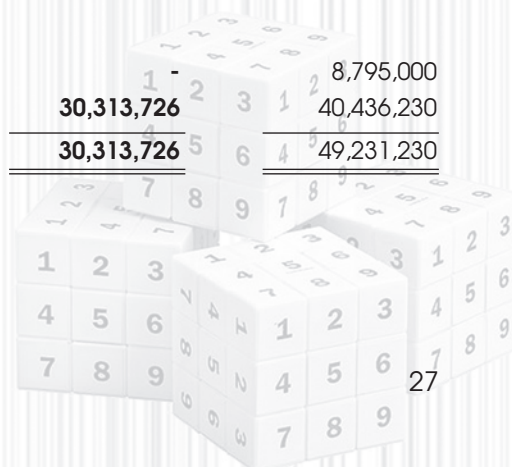
Mumbai, 30th June, 2007





SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
100,000,000 (P.Y.75,000,000)Equity Shares of Rs. 2/- each	<u>200,000,000</u>	<u>150,000,000</u>
Issued, Subscribed & Paid-up		
46,417,500 (P.Y 46,417,500) Equity Shares of Rs. 2/- each fully paid-up	<u>92,835,000</u>	<u>92,835,000</u>
	<u>92,835,000</u>	<u>92,835,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
A) Capital Reserve	28,467,950	28,467,950
B) General Reserves	225,110,695	225,110,695
C) Securities Premium Account	642,526,361	642,526,361
D) Surplus in Profit & Loss Account	81,849,950	37,777,794
TOTAL	<u>977,954,956</u>	<u>933,882,800</u>
SCHEDULE 3		
SECURED LOANS		
From Scheduled Bank		
Term Loan	68,426,711	-
(Installment due within a year Rs. 36,923,076/-)		
(First Charge over receivables)		
Other Facilities	7,208,110	20,747,498
(Second Charge over receivables)		
Vehicle Loans	4,125,415	4,110,881
(Against hypothecation of Vehicles)		
(Installment due within a year Rs. 1,414,692/- (P.Y. 1,209,789/-))		
	<u>79,760,236</u>	<u>24,858,379</u>
SCHEDULE 4		
UNSECURED LOANS		
Fixed Deposits from General Public	1 -	8,795,000
Short Term Loan From Bank	30,313,726	40,436,230
	<u>30,313,726</u>	<u>49,231,230</u>





SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

(Amount in Rs.)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2006	Additions	Deductions	As at 31.03.2007	As at 01.04.2006	For the Year	Adjust- ments	As at 31.03.2007	As at 31.03.2007	As of 31.03.2006
Business & Commercial Rights	397,178,457	20,000,000	-	417,178,457	108,816	40,715,106	-	40,823,922	376,354,535	397,069,641
Land & Building	95,765,325	-	-	95,765,325	9,529,143	1,560,975	-	11,090,118	84,675,207	86,236,182
Plant & Machinery	94,754,976	1,316,554	-	96,071,530	39,602,913	6,374,028	-	45,976,941	50,094,589	55,152,063
Seis	11,584,600	47,885,820	11,660,486	47,809,934	269,365	12,574,551	11,326,586	15,17,330	46,292,604	11,315,235
Furniture & Fixtures	29,519,212	36,746,754	-	66,265,966	11,834,667	3,033,834	-	14,868,501	51,397,465	17,684,545
Vehicles	15,859,262	1,362,463	4,702,716	12,519,009	6,785,557	1,540,387	3,098,241	5,227,703	7,291,306	9,073,705
Computers	14,128,768	804,594	-	14,933,362	11,198,051	2,348,348	-	13,546,399	1,386,963	2,930,717
TOTAL	658,790,600	108,116,185	16,363,202	750,543,583	79,328,512	68,147,229	14,424,827	133,050,914	617,492,669	579,462,088
Capital W.I.P	38,100,000	14,370,149	39,916,246	12,553,903	-	-	-	-	12,553,903	38,100,000
Previous Year	854,299,439	422,838,084	618,346,923	658,790,600	266,763,370	15,921,692	203,356,550	79,328,512	579,462,088	-

Note :

On dismantling of set on discontinuation of TV Serials, cost of set of that particular TV Serial has been reduced from the set account and unamortized cost has been charged to P & L Account.



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

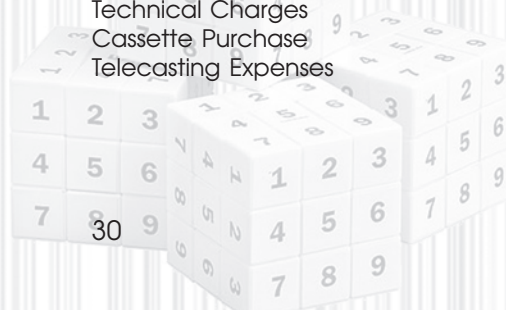
	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
SCHEDULE 6		
INVESTMENTS		
Unquoted		
Middlesex Broadcasting Corporation Limited		
83,335 (P.Y.83,335) Equity Shares of ₹ 1 each	49,797,589	49,797,589
Shares Application Money	2,214	2,214
Inter Corporate Deposit	-	243,805,000
PNB Principal Mutual Fund (8,563,330 units NAV as on 31.03.07 is Rs. 11.6874 per unit)	100,000,000	-
	<u>149,799,803</u>	<u>293,604,803</u>
SCHEDULE 7		
CURRENT ASSETS, LOANS & ADVANCES		
Inventories		
Program Episodes	348,790	40,635,834
	<u>348,790</u>	<u>40,635,834</u>
Sundry Debtors		
<i>(Unsecured, Considered good)</i>		
Outstanding for more than six months	2,245,872	26,183,294
Other Debts	151,546,498	90,152,616
	<u>153,792,370</u>	<u>116,335,910</u>
Cash & Bank Balances		
Cash on Hand	930,679	1,374,184
<i>Balance with Scheduled Banks in</i>		
Current Accounts	22,718,935	66,481,895
Fixed Deposits	271,153,285	1,332,085
	<u>294,802,899</u>	<u>69,188,164</u>
Loans, Advances & Deposits		
<i>(Unsecured, Considered good)</i>		
Recoverable in cash or kind for the value to be received -	67,052,524	69,227,455
	<u>67,052,524</u>	<u>69,227,455</u>





SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

	AS AT 31.03.2007 Rupees	AS AT 31.03.2006 Rupees
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors	56,753,981	72,149,369
Interest on F.D. Accrued but not due	-	985,251
* Unclaimed Dividend	759,725	896,726
* Unclaimed Fixed Deposit	371,410	-
<i>* kept in a separate Bank A/c</i>	<u>57,885,116</u>	<u>74,031,346</u>
Provisions		
For Expenses	1,242,410	3,567,441
For Taxation	9,142,460	6,633,063
Proposed Dividend	5,570,100	5,570,100
Dividend Distribution Tax	<u>946,638</u>	<u>781,206</u>
	<u>16,901,608</u>	<u>16,551,810</u>
SCHEDULE 9		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses & Share Issue Expenses		
Opening Balance	18,327,247	23,872,227
Less : Written off during the year	<u>5,544,980</u>	<u>5,544,980</u>
	<u>12,782,267</u>	<u>18,327,247</u>
	For the Year Ended 31.03.2007 Rupees	For the Year Ended 31.03.2006 Rupees
SCHEDULE 10		
OTHER INCOME		
Interest Income	15,016,995	2,528,328
Exchange Rate Difference	7,091	-
Sundry Balances Written Back.	410,085	278,076
Rent Income	1,400,000	700,000
Miscellaneous Income	<u>425,647</u>	<u>642,816</u>
	<u>17,259,818</u>	<u>4,149,220</u>
SCHEDULE 11		
PRODUCTION EXPENSES		
Programme Purchase Cost	20,645,328	78,373,398
Remuneration to Artist & Technicians	59,534,578	89,280,306
Shooting Charges	32,906,907	46,204,805
Location & Equipment Hire Charges	33,932,794	38,199,711
Technical Charges	934,436	5,567,644
Cassette Purchase	4,460,148	5,501,624
Telecasting Expenses	-	1,646,639
	<u>152,414,191</u>	<u>264,774,127</u>





SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

	For the Year Ended 31.03.2007 Rupees	For the Year Ended 31.03.2006 Rupees
SCHEDULE 12		
(INCREASE)/DECREASE IN INVENTORIES		
Opening Balance	40,635,834	7,767,355
Closing Balance	348,790	40,635,834
(Increase)/ Decrease in Inventories	<u>40,287,044</u>	<u>(32,868,479)</u>
SCHEDULE 13		
ADMINISTRATIVE & OTHER EXPENSES		
Salaries, Allowances etc.	9,758,363	13,273,897
Contribution To Provident Fund & Other Funds	608,075	1,163,489
Staff Welfare Expenses	1,358,943	1,028,813
Electricity Charges	1,762,748	1,419,171
Communication Expenses	1,886,983	1,707,676
Insurance Charges	423,817	314,750
Rent, Rates & Taxes	1,074,183	1,727,463
Repairs & Maintenance	1,676,145	2,299,962
Traveling & Conveyance	3,639,809	2,603,097
Legal & Professional Charges	18,681,323	13,467,095
Printing & Stationery	616,893	466,446
Membership & Subscription	28,232	48,473
General Expenses	4,288,227	2,985,226
Audit Fees	500,000	500,000
Loss on Sale of Assets	1,147,473	42,868
Directors Remuneration	4,188,000	4,188,000
Sundry Debit Balance w/off	1,983,101	-
	<u>53,622,313</u>	<u>47,236,426</u>
SCHEDULE 14		
SELLING & DISTRIBUTION EXPENSES		
Business Promotion Expenses	1,209,866	1,667,219
Advertising & Marketing Expenses	546,433	1,913,282
Distribution Expenses	-	632,324
	<u>1,756,299</u>	<u>4,212,825</u>
SCHEDULE 15		
FINANCE CHARGES		
Bank Interest	11,999,323	2,241,460
Interest on Fixed Deposits (General Public)	512,134	968,575
Others	3,178,117	294,241
	<u>15,689,574</u>	<u>3,504,276</u>



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

SCHEDULE 16

ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES:

a) Basis for preparation of Financial Statements:

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

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

b) Fixed Assets:

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

c) Depreciation:

- Depreciation has been provided on Straight Line Method on Pro Rata basis at the rates and in the manner specified in Schedule XIV of the Companies Act, 1956.
- Intangible Assets comprising of Business & Commercial Rights are amortized over a period of 10 years on Pro Rata basis.

d) Inventories:

- Cassettes and Tapes are charged off fully in the year of purchase.
- Inventories are valued at lower of cost or net realizable value. The cost of each episode of a program is determined on the basis of average cost.
- Where the carrying amount of inventory exceeds recoverable amount in the ordinary course of business or where the management does not anticipate any future economic benefits flowing from it, appropriate expense / loss has been provided for.

e) Revenue Recognition:

The principles of revenue recognition are as under:

- In respect of sale of program contents / rights, income is recognized when the relevant program is delivered to and accepted by the buyers and all the significant risks and rewards of telecasting rights / license of the program has been transferred to the buyer.
- In respect of Interest Income, it is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.
- Income from letting of office space is recognized on time proportion basis and in accordance with terms of the agreements.

f) Investments:

- Investments that are not readily realisable or intended to be held for more than a year are classified as Long-term investments. The Long Term Investments are carried at cost of acquisition. Provision for diminution in value is made if the decline in the value is other than temporary in the opinion of the management.
- Short-term investments are recognized at cost less diminution, if any.



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

- Investment in shares of a company, the holding of which is directly related to the right to hold the immovable property and the legal title to it, is classified as Land & Building and carried at its Investment value and other ancillary cost attributable to it.

g) Foreign Currency Transaction:

- Initial Recognition

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

- Conversion

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

- Exchange Differences :

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

h) Employee Benefits:

- Employee benefit in the form of provident fund is charged to profit & loss account when contributions to respective funds are due. Liability in respect of Leave Encashment & Gratuity is provided on the basis of actuary valuation taken at the end of each year.
- Other short term employee benefits are charged to profit & loss account on accrual basis.

i) Taxes on Income:

Tax expense comprises both current and deferred taxes. Current Tax provision as per Income Tax Act, 1961, is made based on the tax liability computed after considering tax allowances and exemptions at the balance sheet date.

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

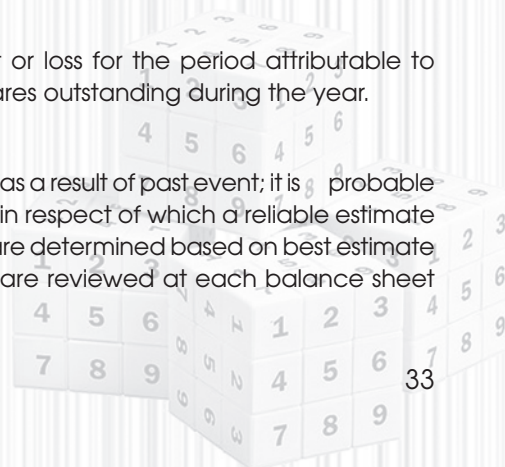
Deferred tax asset is recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits.

j) 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 year.

k) Provisions

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





SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

NOTES TO ACCOUNTS

2. SHARE CAPITAL:

In the Annual General meeting held on 28th September 2006, members approved increase in the Authorized Share Capital of the Company from Rs. 150 Million to Rs. 200 Million divided into 100 Million equity shares of Rs. 2/- each.

3. SEGMENT REPORTING :

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

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
Key Management Personnel	
Gautam Adhikari	Chairman
Markand Adhikari	Vice Chairman & Managing Director
Others	
Broadcast Initiatives Ltd.	Promoter Group Company in which Directors holding more than 20% shares of the Company
Sri Adhikari Brothers Media Ltd.	Subsidiary of Broadcast Initiatives Ltd.
Urvee Adhikari	Relative of Key Management Personnel

(b) Transactions with Related Parties:

(Rs. in Million)

Transactions	Subsidiaries	Key Management Personnel	Relatives of Key management personnel	Others	Total
Revenue	-	-	-	149.81	149.81
Rendering of Services	0.26	12.73	0.11		13.10
Outstanding balance included in current assets.	-	-	-	20.96	20.96
Outstanding balance included in current liabilities	0.07	-	0.01	-	0.08
Loan Taken	-	18.00	-	-	18.00
Current Account Transactions	-	-	-	2.82	2.82

5. EARNING PER SHARE:

Particulars	31 st March 2007	31 st March 2006
Profit / (Loss) after Tax (Rupees)	50,588,895	52,801,794
Weighted average Number of Shares outstanding during the year. (Face Value Rs.2 per share)	46,417,500	46,417,500
Basic Earning Per share (Rupees)	1.09	1.14



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

6. 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.

SABe TV Ltd, a WOS of a company is in the process of voluntary winding up and it is not carrying on any operating activity, Residual value of the investment in the WOS is fully adjusted in the previous year against the amount payable to the WOS. Accordingly, company has not consolidated Financial Statements of SABe TV Ltd.

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

7. DEFERRED TAX LIABILITY / ASSETS:

The Company has accounted for Deferred Tax in accordance with Accounting Standard – 22 “Accounting for Taxes on Income” issued by The Institute of Chartered Accountants of India. Accordingly, the components of deferred tax assets/liability as at 31st March 2007 are as follows.

(Rs. in Million)

Deferred Tax Liability:	As at 31 March 2007	As at 31 March 2006
Depreciation & Miscellaneous Expenditure	68.43	50.64
Total Deferred Tax Liability	68.43	50.64
Deferred Tax Asset:		
Carried forward Losses & Unabsorbed Depreciation	0.35	11.01
MAT Credit	15.10	6.13
Total Deferred Tax Asset	15.45	17.14

8. INTEREST IN JOINT VENTURE:

The company has a 50% interest in the assets, liabilities, expenses and income of Middlesex Broadcasting Company Limited (MBCL), incorporated in United Kingdom. Subsequent to financial year, the company has disinvested its entire equity stake in MBCL.

The company's share of the assets, liabilities, income and expenditure of the jointly controlled entity as per the Provisional & Unaudited financial as at 31st January 2007** are as under.

(Rs. in Million)

Particulars	Amount
Fixed Assets	2.42
Current Assets	13.80
Current Liabilities	25.46
Unsecured Loans	2.83
Revenue	6.77
Other Expenses	14.45

**The above information is furnished as per available details upto the date of signing of the Financial statements,





SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

9. CAPITAL WORK IN PROGRESS / CAPITAL COMMITMENTS:

Capital work in progress represents expenditure incurred on improvisation of immovable property pending capitalisation. Estimated amount of contracts outstanding on account of capital commitment (net of advances) is Rs.4 million.

10. CONTINGENT LIABILITIES:

(Rs. in Million)

PARTICULARS	As at 31.03.2007	As at 31.03.2006
Claims against the Company not acknowledged as Debt	20.00	20.00
Income Tax Demand	9.40	-
Corporate guarantee given by company and First charge over its block of assets in respect of loan taken by its subsidiary.	-**	131.50

** The said guarantee & Charge over assets has been released subsequent to balance sheet date.

11. EVENTS OCCURRING AFTER BALANCE SHEET DATE

To the best of knowledge of the management, there are no events occurring after the Balance Sheet date that provide additional information materially affecting the determination of the amount relating to the conditions existing at the Balance Sheet Date that requires adjustment to the Assets or Liabilities of the Company except to the extent stated otherwise.

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

Particulars	Year ended 31.03.2007		Year ended 31.03.2006	
	Quantity (Nos.)	Rs. in Million	Quantity (Nos.)	Rs. in Million
(a) Raw material (cassettes) consumed	5294	4.46	7722	5.51
(b) Value of imported & indigenous Raw material (cassettes) consumed:	Rs. InMillion	%	Rs. inMillion	%
(I) Imported	-	-	-	-
(II) Indigenous	4.46	100	5.51	100
(Rs. in Million)				
(c) Value of imports calculated on C.I.F basis	Year ended 31.03.2007		Year ended 31.03.2006	
(ii) Capital Goods	-		0.87	
(d) Expenditure in foreign currency				
(i) Travelling	0.06		0.04	
(ii) Exchange Loss	-		0.12	
(e) Earning in foreign exchange:				
(i) Export of Television Programmes on F.O.B basis	22.66		1.29	
(ii) Exchange Gain	-		-	
(iii) Sale of SAB TV Channel ,related Assets & others	-		569.05	



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENT

(Rs. in Million)

Particulars	Year ended 31.03.2007	Year ended 31.03.2006
(f) Directors Remuneration		
a) Salaries	4.19	4.19
b) Perquisites	0.01	0.01
Computation of net profit under Section 349 of the Companies Act, 1956 is not furnished as no commission is payable/paid to the Managing Director.		
(g) Payment To Auditors(Excluding Service Tax)		
a) Audit fees	0.40	0.40
b) Tax Audit fees	0.10	0.10
c) Other Services (Including Reimbursement of expenses)	0.06	0.06

13. DETAILS OF 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 & Regulation Act, 1951. In the absence of this information, company is unable to provide details in schedule 8" Current Liabilities & Provision" regarding the dues to small scale industries.

14. DEBTORS/CREDITORS/ADVANCES:

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

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

As per our report of even date

For & on behalf of the Board

For A. R. Sodha & Co.
Chartered Accountants

Gautam Adhikari
Chairman

A. R. Sodha
Partner
Mumbai, 30th June, 2007

Swati Nerurkar
Company Secretary
Mumbai, 30th June, 2007

Markand Adhikari
Vice Chairman & Managing Director





SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

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

BALANCESHEET 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

Deferred Tax Liability Deferred Tax Assets

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

For and on behalf of the Board

Gautam Adhikari

Chairman

Markand Adhikari

Vice Chairman & Managing Director

Mumbai, 30th June, 2007

Swati Nerurkar

Company Secretary

Mumbai, 30th June, 2007



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

Name of the Subsidiary Company	Westwind Realtors Private Limited
1. Financial Year of the Subsidiary ended on	March 31, 2007
2. Shares 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 the Company	
i) Dealt with in the Accounts of the Company	—
ii) Not Dealt with in the Accounts of the Company	Profit of Rs. 31,843/-
4. Net Aggregate amount of Profit / Loss for previous financial year of the subsidiary as far as it concerns members of the Company	
i) Dealt with in the Accounts of the Company	—
ii) Not Dealt with in the Accounts of the Company	Loss of Rs. 33,881/-
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.	There is no difference in the end of the Financial Year of the two companies, hence no change in interest.
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 :	There is no difference in the end of the Financial Year of the two companies, hence no material change
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

Place : Mumbai

Date : 30th June, 2007

Swati Nerurkar

Company Secretary





SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD.

STATEMENT PURSUANT TO SECTION 212(8) OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANY

PARTICULARS	WESTWIND REALTORS PVT. LTD. (Rs. in million)
Capital	10.00
Reserves	(0.02)
Total Assets	50.17
Total Liabilities	40.19
Details of Investment	0.00
Turnover	0.06
Profit before Taxation	0.04
Provision for Taxation	0.00
Profit after Taxation	0.04
Proposed Dividend	0.00

Note :

The Annual Report of the above-referred subsidiary will be made available to the shareholders on request and will also be kept for inspection by any shareholder at the respective Registered Offices of the Company and the concerned Subsidiary Company during the office hours on all working days.

For and on behalf of the Board

Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director

Swati Nerurkar
Company Secretary

Place : Mumbai
Date : 29th August 2007





**SRI ADHIKARI BROTHERS
TELEVISION NETWORK LTD.**

ADHIKARI CHAMBERS, OBEROI COMPLEX, NEXT TO LAXMI INDUSTRIAL ESTATE, OSHIWARA - NEWLINK ROAD,
ANDHERI(WEST), MUMBAI 400 053. TEL : 26395400 WEBSITE : www.adhikaribrothers.com

Risshton Ki Dor

