



SAHARA ONE
Media and Entertainment Limited

Mr. India

Annual Report 2010-2011

| Particulars | Pg. No. |
|--|----------------|
| Board of Directors, COO, CFO, Company Secretary, Statutory Auditors and Internal Auditors | 02 |
| Bankers, Registered Office, Registrar and Share Transfer Agent, Branches | 03 |
| Directors' Report | 04 |
| Certification on Financial Statement | 13 |
| Management Discussion and Analysis Report | 14 |
| Segment wise or product wise performance | 20 |
| Corporate Governance Report | 21 |
| Shareholding Distribution and Share Price Movement | 24 |
| Certificate on Corporate Governance Compliance | 26 |
| Declaration on Code of Conduct | 27 |
| General Shareholders' Information | 28 |
| Auditors' Report | 29 |
| Balance Sheet | 32 |
| Profit & Loss Account | 33 |
| Schedules | 34 |
| Cash Flow Statement | 51 |
| Abstract under Schedule VI (Part IV) | 52 |

BOARD OF DIRECTORS

Shri Subrata Roy Sahara - CHAIRMAN

Smt. Swapna Roy

Shri Om Prakash Srivastava

Shri Ranvir Singh Rathore

Shri Amitabha Ghosh

Shri Brijendra Sahay

Shri Jagdish Narain Roy

Shri Boney Surinder Kapoor

MANAGER AND PRINCIPAL OFFICER

Shri Suresh Mishra

CHIEF OPERATING OFFICER (Motion Pictures)

Shri Deepak Segal

CHIEF FINANCIAL OFFICER

Shri Sanjay Garg

COMPANY SECRETARY

Shri S. C. Tiwari

STATUTORY AUDITORS

M/s S. R. Batliboi & Associates

CHARTERED ACCOUNTANTS

INTERNAL AUDITORS

M/s Chaturvedi & Co.

CHARTERED ACCOUNTANTS

BANKERS

The ICICI Bank Ltd. (Formerly The Bank of Rajasthan Ltd.)
HDFC Bank Limited
IDBI Bank Limited
Punjab National Bank

REGISTERED OFFICE

Sahara India Point,
CTS 40-44, S.V. Road,
Goregaon (West), Mumbai-400 104

REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Pvt. Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai-400 078

BRANCH / DIVISION / UNITS

Sahara India Bhawan,
1, Kapoorthala Complex,
Lucknow -226 024

Sahara India Complex,
C-2, C-3 & C-4, Sector XI,
Noida, U.P.- 201 301

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Thirtieth Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2011.

FINANCIAL / OPERATIONAL RESULTS

(Rs. in Millions)

| FOR THE YEAR ENDED | 31st March 2011 | 31st March 2010 |
|---|-----------------|-----------------|
| Total income | 1415.82 | 2023.06 |
| Total expenses | 1409.99 | 1886.56 |
| Profit Before tax | 5.83 | 136.50 |
| Provision for taxation (Current, Deferred, earlier year Fringe Benefit tax and others) | 5.30 | 47.18 |
| Prior Period income/ (expenses) | - | - |
| Surplus after tax and extraordinary items for the Year | 0.54 | 89.32 |
| Surplus carried to the Balance Sheet | 575.88 | 575.34 |

In the reporting fiscal, the Net Profit of company substantially decreased to Rs.0.54 million as compared to Rs. 89.32 million in last year due to poor performance of Motion Pictures Segment during the year and substantial increase in personnel cost of the Company.

DIVIDEND

With a view to conserve resources with the company, the Board of Directors has decided not to recommend any dividend for the financial year 2010- 2011.

CAPITAL ISSUE

Company has not made any issue of Shares during the reporting period; hence the equity capital of the Company stands the same at Rs. 21,52,50,000=00.

SAHARA ONE

Sahara one television aims at endowing its viewers with a wide variety of fresh and distinctive programming. We had a high voltage line-up of our popular fiction shows which included Woh Rehne Wali Mehlon Ki, Ganesh Leela, Retake with Pratibha Advani, Kesariya Balam Aavo Hamare Des and Shorr depicting a collage of traditional and contemporary stances with a spectrum of emotions. Some of our new shows which were launched during reporting period are as follows:

'Ganga Kii Dheej' marked the return of internationally renowned star Kabir Bedi to the small screen. Supported by Ashwini Kalsekar, Leena Jhumani, Saurabh Pandey and Mohit Raina, 'Ganga Kii Dheej' follows the journey of a young girl Pakhi (Leena Jhumani) residing in Kaliganj whose life changes because of rituals blindly followed by the community. Before they get married, they have to undergo a purity test in the name of religion, which is conducted by the village priestess, Maha Mai (Ashwini Kalsekar), who is feared by all the villagers Failing the test means banishment from the village. Then one day Pakhi decides to stand up against the practice.

'Hamaari Beti Raaj Karegi' a story of Anjali Shukla (Akansha Juneja), her dreams and her journey of life. Anjali is an educated and cultured girl from a simple well to do Brahmin family of Lucknow. A final year B.A. student, Anjali wishes to complete her studies before taking the matrimonial plunge. She has a younger sister Sneha (Mrinalini) who is pursuing engineering. Anjali's father Uma Shankar Shukla (Debashish Naha) is a honest man. Like any other father, he desires to get both his daughters educated and dreams of getting them married in an educated and cultured household.

Anjali's marriage is fixed with Vikram (Shashank Sharma), son of Shashidhar Chaturvedi (Shekhar Sharma). Vikram's family even refrains from asking anything more than just Anjali's hand for their son. Anjali is happy as she feels that she has found her dream life partner in Vikram. Uma Shankar Shukla, Anjali's father, feels blessed to have found the perfect household where his daughter would be treated like a queen!

However, the mask comes off when Shashidhar Chaturvedi comes to know that Uma Shankar has lost the court case for property worth several crores, and calls off the marriage. Uma Shankar pleads and begs with Shashidhar but Shashidhar is unrepentant. Anjali's heart breaks to see her father at Shashidhar's feet. How Anjali faces the situation makes for a gripping series.

Hi! Padosi...Kaun Hai Doshi? is a rib-tickling comedy from the Sahara One stable. A high-octane comic caper that tickles your funny bones **Hi! Padosi...Kaun Hai Doshi?** narrates the life of two families, that move into Ram Bharose Co-operative Housing Society. This housing society stands on the site of a "tabela" (buffalo stable) in a suburb of Mumbai that was once owned by Ram Bharose.

Dr. Harbans Lal Mehta a typical loud Punjabi and Advocate Hasmukh Lal Mehta, the archetypal Gujarati end up as neighbors sharing the same initials "H. L. Mehta", giving rise to mix-ups that entangle the two Mehta families and the other wacky residents of Ram Bharose society in a series of comic escapades!

The veteran king of comedy, Kader Khan, essays the character of Ram Bharose. He happens to be the guardian of Ram Bharose Co-Op hsg soc and the sutradhar of **Hi! Padosi...Kaun Hai Doshi?** The other lead characters are Sanjeeda Sheikh (Sejal Mehta), Munni Jha (Adv. Mehta) and Sejal Shah (Ketki Mehta) who represent the Gujarati Mehta family. Giriraj Kabra (Bittu), Neelu Kohli (Rano Mehta) and Govind Khatri (Dr. Mehta) essays the characters representing the Punjabi Mehta family.

"Jai Jai Jai Bajrangbali" follows the story of Lord Hanuman from his birth to his meeting Shri Ram, the battle against Ravana and the rescue of Mata Sita, to his desire that he remains on earth as long as Rama's name is venerated by people. A new approach to the story will tell the purpose of Lord Hanuman's coming to the mortal world as the eleventh Rudravtar of Lord Shiva, the destroyer and transformer among the trinities.

This lavishly mounted serial portrays Lord Hanuman's life and service to humanity in delivering the world from the atrocities of invincible demons like Ravana, and mortal agonies like disease and evil influences. These form the central idea of the script of **Jai Jai Jai Bajrangbali**. The series is produced by Sagar Arts, known for its landmark series including *Ramayan*, which changed the television landscape, *Jai Ganga Maiya*, *Jai Mahalakshmi*, *Jai Maa Durga*, *Shri Krishna*, *Sai Baba*, and many others. Directed by Prem Sagar and with Shiv Sagar as the Creative Producer, the serial has a cast of handpicked actors essaying the principal roles.

"Kahani Chandrakanta Ki" takes a leap to the next generation, a generation where love grows amidst intrigue and dark secrets. However, as fate would have it, this love takes seed in the same earth that has been seeped with the poison of hatred and conspiracy through the ages.

Chunargarh and Shivgarh have been at loggerheads since time immemorial. But destiny has a different plan to take this enmity to an entirely different dimension, when Kunwar Inderjit Singh, the Prince of Chunargarh and Princess Kishori of Shivgarh fall in love. The path is not as easy as it seems. King Shivdutt of Shivgarh, Princess Kishori's father is burning in the fire of revenge to get back his love Chandrakanta, as well as the kingdom of Chunargarh itself. Shivdutt collects his allies and starts planning his strategy to get back his love and empire. An ace in the art of politics and warfare, Pandit Jagannath, and the warriors Badrinath, Nayantara and Bhavani Singh, form a formidable army.

On the other hand, the King of Chunargarh, Virendra Pratap Singh is also preparing to destroy Shivgarh for the last time. With a team of fearsome warriors, politicians, and mata haris, the ace in his sleeve is Abhimanyu the master spy. The chief of Virendra Singh's army, Paramvir Singh with Tej Singh and two beautiful magical mata haris, Chapla and Padmini have readied a strategy for war against Shivgarh. The war clouds are rolling in, and there is one man who can change the stakes of the game, a loyalist of Virendra Pratap Singh, Chandilal who revolts and joins Shivdutt. Amidst all this, Kroor Singh of Chunargarh is doing everything possible to make the two kingdoms fight, so he can get the beautiful Princess Chandrakanta.

“Rishton Ke Bhanwar Mein Uljhi... Niyati” deals with the dilemma that women face when they start a new life with their husband and his family.

It is the story of Niyati Sharma, coming from a middle-class family from Nagpur... a practical girl who has grown up appreciating her father's hard work to get his daughters educated and her mother's sacrifices to supplement their meager family income.

When Niyati gets a job, she gets the opportunity to bring home her salary and give her parents some much needed relief from their incessant struggle to make ends meet.

A marriage proposal comes for Niyati from the Shastri family, a large joint family where all the sons including the married ones hand over their earnings to their mother, who rules the household with an authoritarian hand.

Niyati gets married and is a dutiful daughter-in-law. Continuing her job, she follows the family practice and hands over her earnings to her mother-in-law.

Then destiny takes a turn. Her father meets with an accident and is unable to continue with his job. Niyati decides to support her father financially, which brings her in confrontation with her domineering mother-in-law. With her father's financial situation worsening, Niyati faces the dilemma of choosing between her responsibility to her husband and his family and her duty as a daughter to her father.

Also launched were two non-fiction shows to cater to a Sunday morning audience, “Dream Destinations... Sapnon Ka Safar”, a travel show; “Young Jourknows”, a show shot and hosted by today's young generation; and “Forecast”, a show on astrology. In addition, a daily late night horror series “Kala Saya” also attracted viewership to the channel.

SAHARA MOTION PICTURES

Sahara Motion Pictures (SMP) has not only attracted commercially acclaimed directors like Ram Gopal Verma, Anees Bazmee and Priyadarshan, but also the critically acclaimed Shyam Benegal, Madhur Bhandarkar and Nagesh Kukunoor. The rewards - 5 National Awards, the highest recognition in Indian Cinema for Shyam Benegal's 'Bose - The Forgotten Hero' and Madhur Bhandarkar's 'Page 3'. And box office hits like Maalamal Weekly, Corporate, Sarkar, Darna Mana Hai , Ab Tak Chappan , Hanuman, No Entry and Wanted to name a few.

The year 2010, saw most producers taking massive hits owing to the recession whereas Sahara Motion Pictures took it head-on delivering the super-hit film of the year 'Wanted'. The policy to bank on one sure-shot project during the recession period rather than risk many projects proved to be a successful one. With lesser shoot-schedules during this period the time was utilized in sourcing and developing new scripts and building a better creative bank.

Movie Released for the Year 2010 – 2011

| Movie | Cast | Director | Rights | Released |
|---------------|---|---------------|----------|----------|
| Kaccha Limboo | Sarika, Atul Kulkarni, Vinay Pathak, Taheer Suterwala | Sagar Bellary | Producer | 2011 |

Films slated to release in 2011 – 2012 are:

- It's My Life: Directed by Anees Bazmi. Starring Harman Baweja, Genelia D'souza.
- Mumbai Cutting: 11 esteemed Directors like Anurag Kashyap, Kundan Shah and Sudhir Mishra come together to present a collection of 11 short films. Starring Raima Sen, Soha Ali Khan, Jimmy Shergil and others
- Coffee Shop: A romantic film with a story showing that a lot can happen over a cup of coffee.

As of July 2011 SMP has finished 80% shoot of their first in-house production tentatively titled 'The Loving Doll' –a horror film based on a strong relationship bond. The way forward being stories with 'wholesome entertainment' SMP aims towards sustaining the title of a trustworthy and bankable banner in the field of movie entertainment.

The slate of films being worked upon for the release in 2011- 2012:

| Movie | Cast | Director | Production | Released |
|--------------------------------|---|----------------|---|-----------------|
| Rang Birangi | Prabhudeva, Adnan Sami, Bipasha Basu, Lara Dutta, Baman Irani & Other | Sunil Agarwal | In association with BSK Entertainment | TBD |
| The Loving Doll | Karan Singh Grover, Diana Hayden, Kitu Gidwani | Pavan Kaul | Sahara Motion Pictures | TBD |
| Untitled | Prateek Babar and two newcomers | Satish Kaushik | In association with BSK Entertainment | TBD |
| Love, Break – ups, Zindagi etc | Zayed Khan, Dia Mirza, Cyrus Sahukar, Tisca Chopra | Sahil Sangha | In association with Born-Free Entertainment | October 6, 2011 |
| No Entry 2 | Anil Kapoor, Salman Khan, Fardeen Khan & 3 Actresses | Anees Bazamee | In association with BSK Entertainment | TBD |

FILMY

Apart from the monthly activities, following are the Highlights which are special shows/films that have been initiated, for the first time on the channel.

HIGHLIGHTS

- **'B TOWN BUZZ'** - 2nd October 2010 saw the launch of our Bollywood Magazine format show – **'B Town Buzz'**, a weekly, half hour show featuring the hottest gossips, events, music launches, mahurats and whatever is 'buzzing' in 'Bollywood'. The show is hosted by Sahara Samay Entertainment Editor, Garima Thakkar. The show airs every Saturday, 7:30 pm. The show will complete 42 successful and 'buzzing' episodes this 16th July 2011.
- **World Television Premiere** of Ram Gopal Verma's horror flick **'Darna Zaroori Hai'** on 16th January 2011, at 7pm.
- FILMY celebrated Valentine's day with a special show called **'Gabbar ka Valentine'** on 13th and 14th February. The show featured Gabbar Singh's funny and 'filmy' attempts to woo 'Basanti' by extracting 'love tips' from popular Bollywood characters like Saif Ali Khan, Shahrukh Khan, 'Chulbul Pandey' and Babu

Bhaiya (Paresh Rawal). The show was sponsored by **Cadbury's Dairy Milk Shots** and was well-received by our viewers.

- **FILMY BAND BAAJA** – A special morning slot featuring the best of Bollywood songs, from all eras. The show also celebrates special episodes like Legends special, Akshay Kumar special, Aishwarya Rai special etc.
- **FILMY FUNDA TICKERS** – These are GFX based tickers, featuring interesting trivia regarding Bollywood, its movies, actors/actresses, film makers etc. These tickers run on a daily basis, at various intervals, on the channel. These tickers were initiated for the first time, on the channel, since March 2011.
- July'10 celebrated **World Music Day** with special, GFX and VO based fillers, featuring interesting facts regarding 'Music', in a 'filmy' style.
- August'10 celebrated the **Independence Day** with special GFX and VO based factoids regarding the special day, in a 'filmy' way.
- October '10 celebrated the nine Days of Navratri with daily blockbuster movies like KHAMOSHI THE MUSICAL, SSSHHH, SINGH IS KING, GANGSTER, BEWAFHA, HUM TUMHARE HAI SANAM, NO ENTRY, MAIN HOON RAKHWALA & ZINDA.
- Christmas was made special for the kids with films like The Princess Diaries, Homeward Bound, Herbie: Fully Loaded, from 8:30 am to 6:30 pm
- On Republic Day, FILMY brought a line up of movies highlighting the patriotic spirit in very Indian, with movies like Jo Bole So Nihal, Hey Ram, Lakshya and The Legend of Bhagat Singh.
- FILMY celebrated the colourful Kites festival – Makar Sankranti, with a string of films highlighting the colourful culture of Gujarat and Rajasthan, the two main states where the Kites festival is celebrated. The films were Dor, Guru and Hum Dil De Chuke Sanam.

FIRANGI

The channel is being revitalized with new content and also is proposed to be distributed on DD Direct (Doordarshan DTH service), which will enable it to reach newer viewers on an all India basis.

DIRECTORS

Shri Subrata Roy Sahara had been appointed as Director of the Company in the Annual General Meeting held on 31st August 2000 and his office shall not be liable to retire by rotation. He had been appointed as Chairman of the Company w.e.f. 29th June, 2000.

Smt Swapna Roy and Shri Brijendra Sahay were re-appointed as Directors of the Company in the Annual General Meeting of the Company held on 23rd September 2010 and are subject to retirement by rotation.

Shri Amitabha Ghosh, Former Dy. Governor of Reserve Bank of India, has been appointed as Additional Director under section 260 of the Companies Act, 1956 with effect from 2nd day of August, 2011 and proposed to be appointed as Director of the Company liable to retire by rotation in the ensuing AGM, under section 257 of the Companies Act, 1956.

Shri Boney Surinder Kapoor has been appointed as Additional Director under section 260 of the Companies Act, 1956 and further subject to the approval of Shareholders of the Company in General meeting, he has also been appointed as Whole-Time Director designated as "Head-Sahara One Media and Entertainment Limited" under section 269, 198 and 309 and Schedule-XIII of the Companies Act, 1956, in the Board Meeting held on 2nd Day of August, 2011 with effect from same date and proposed to be appointed as Director of the company liable to retire by rotation in the ensuing AGM, under section 257 of the Companies Act, 1956.

In accordance with the provisions of Section 255 of the Companies Act, 1956 and article 89 of Company's Articles of Association, Shri O. P. Srivastava and Shri R. S. Rathore, Directors of the Company are retiring by rotation and are eligible for re-appointment. The Board recommends their names for re-appointment as Directors of the Company in the ensuing Annual General Meeting.

AUDIT COMMITTEE

The Board of Directors of the Company constituted a committee of Directors (in compliance with clause 49 of the Listing Agreement) known as Audit Committee in its meeting held on 30th January 2001 and further re-constituted the same on 29th June 2002, 29th July 2006, 29th April 2008, 30th June, 2009 and on 2nd day of August, 2011. Shri R. S. Rathore is continuing as Chairman of the Audit Committee since 10th March 2008. At present the Company has five Directors as members of Audit Committee viz., Shri R. S. Rathore, Shri O.P. Srivastava, Shri Amitabha Ghosh (appointed w.e.f. 2nd day of August, 2011), Shri Brijendra Sahay and Shri J. N. Roy and Company Secretary acts as Secretary to the Committee. Out of five committee members, four are Independent Directors and one is Promoter Director. The Chairman of the Audit Committee an independent Director which is in compliance with the Clause 49 of the Listing Agreement.

REMUNERATION COMMITTEE

The Board of Directors of the Company constituted a committee of Directors known as Remuneration Committee in its meeting held on 26th August, 2009 (pursuant to the requirement of Schedule XIII of Companies Act, 1956) to deal with matters related to managerial remuneration of company as may be required from time to time. The Committee consists of following members at present:

| | |
|----------------------|-----------------|
| Shri O.P. Srivastava | Chairman |
| Shri R. S. Rathore | Member |
| Shri Brijendra Sahay | Member |
| Shri J. N. Roy | Member |

During the year under review, the meeting of the Remuneration Committee of the Company was held on 14th February, 2011.

STATUTORY AUDITORS

M/s S. R. Batliboi & Associates, Chartered Accountants, Mumbai, Statutory Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. The Company has received a letter from M/s S. R. Batliboi & Associates of their willingness to continue as Statutory Auditor of the Company along with a certificate to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956. The Board recommends their name for re-appointment as Statutory Auditors of the Company for the Financial Year 2011-2012 in the ensuing Annual General Meeting of Company.

AUDITORS' REPORT

M/s S. R. Batliboi & Associates, Statutory Auditors, submitted their Audit Report for the Financial Year 2010-2011 which was self explanatory and contained following major observation which carries explanations of management as hereunder:

The Company has given a guarantee amounting to Rs 525,000,000 in respect of loans taken by Sahara Sanchar Limited from a bank in respect of which it has not charged any commission nor was any adequate explanation provided to us of the benefit to the Company for giving such guarantee. There are no other guarantees given by the Company for loans taken by others from banks or financial institutions.

The Company does not foresee any risk for having given such Corporate Guarantee as the financials of Sahara Sanchar Limited are sound enough and able to meet its financial obligations.