

Sahara One Media and Entertainment Limited

Annual Report 2011-2012



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BOARD OF DIRECTORS

Shri Subrata Roy Sahara - CHAIRMAN

Smt. Swapna Roy

Shri Om Prakash Srivastava

Shri Boney Surinder Kapoor - WHOLE TIME DIRECTOR

Shri Ranvir Singh Rathore

Shri Brijendra Sahay

Shri Jagdish Narain Roy

MANAGER AND PRINCIPAL OFFICER

Shri Suresh Mishra

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 Limited
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 Thirty First Annual Report of the Company together with the Audited Statement of Accounts for the year ended 31st March 2012.

FINANCIAL / OPERATIONAL RESULTS

(Rs. in Millions)

FOR THE YEAR ENDED	31st March 2012	31st March 2011
Total income	1309.88	1415.82
Total expenses	1304.02	1409.99
Profit Before tax	5.85	5.83
Provision for taxation (Current, Deferred, earlier year tax and others)	8.05	5.30
Prior Period income/ (expenses)	-	-
Surplus after tax and extraordinary items for the Year	(2.20)	0.54
Surplus carried to the Balance Sheet	573.68	575.88

In the reporting fiscal, the company has reported net loss of Rs.2.20 million as compared to net profit of Rs. 0.54 million in last year mainly due to substantial increase in Content costs to Rs. 1188.74 million as compared to Rs. 852.25 million during the previous financial year 2010-2011 and increase in current tax to Rs. 6.50 million as against Rs. 1.63 million during the previous financial year 2010-2011.

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 2011- 2012.

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 offers its viewers a colorful spectrum of emotions through its wide-ranging programming for the woman of today. The first part of the year saw the launch of 'Jai Jai Jai Bajrangbali' from the House of Sagars. 'Kahani Chandrakanta Ki' and 'Neem Neem Shahad Shahad' were also launched. These offerings were followed by the launch of a powerful line-up of popular fiction shows in the latter part of the year which included Rajshri Productions' 'Jhilmil Sitaron Ka Aangan Hoga', and Entertainment Hub's 'Piya Ka Ghar Pyaara Lage'. Two new shows in the Horror genre were also launched, 'Haunted Nights' and 'Yeh Kaali Kaali Raatein'.

While the growing popularity of the mythological 'Jai Jai Jai Bajrangbali' from the House of Sagars, showed an increasing trend with the show delivering strong ratings, 'Rishton Ke Bhanwar Mein Uljhi... Niyati' continued to entice viewers with focus on family drama.

The channel continued on its growth path with a steady growth in the ratings. From 24 GRPs at the beginning of the financial year, the channel delivered 53 GRPs in the last week of March 2012. During the same period, the channel's reach also increased from 41 million to 52 million.

Details of the new shows which were launched during the reporting period are as follows:

'Jai Jai Jai Bajrangbali' – The series 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. The story takes a new approach with focus on 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.

The series is produced by Sagar Arts, known for its landmark series including the epic Ramayan, Jai Ganga Maiya, Jai Mahalakshmi, Jai Maa Durga, Shri Krishna, Sai Baba, and many others. The series is directed by Prem Sagar with Shiv Sagar as the Creative Producer, and a cast of select actors.

“Jhilmil Sitaron Ka Aangan Hoga” - After entertaining the audiences with their popular family drama ‘Woh Rehne Waali Mehton Ki’, ‘Jhilmil Sitaron Ka Aangan Hoga’ marks Rajshri Productions’ return to Sahara One. With the trademark Rajshri style and flavor in their depiction of love stories, but with a twist in the tale, the story revolves around Aakash who marries Angana, and enters the Raichand family as a Ghar Jamai. The show launched on 27th February, 2012 and airs Monday to Friday at 9 pm on Sahara One. The show has shown a steady increase in popularity amongst the viewers since the launch.

“Piya Ka Ghar Pyara Lage” - The popularity of ‘Hi! Padosi, Kaun Hai Doshi’ lead to the channel exploring avenues to make the show more popular. The opportunity came about when the two main characters played by Sejal (Sanjeeda Sheikh) and Bitto (Giriraj Khabra) were to get married on the show. The treatment of the show was slowly changed from an all out comedy to a saas-bahu drama. With the change in genre from sitcom to a daily soap, the show was also rechristened to a more apt title ‘Piya Ka Ghar Pyara Lage’. The show has since attracted viewers and is among the top shows on the channel delivering strong ratings.

‘Haunted Nights’ and ‘Yeh Kaali Kaali Raatein’ - A horror band was created on weekdays at 11 pm. with the launch of two new shows, ‘Haunted Nights’ and ‘Yeh Kaali Kaali Raatein’, offering our viewers quality but ‘Haunted’ entertainment full of spine-chilling horror and diverse shades of romance, one of its unique kind. With star power from the small screen in its various stories, like Rashmi Desai, Shilpa Saklani, Manini De Mishra, Saakshi Tanwar and the likes, these shows have made a mark on the audience psyche garnering good viewership and ratings.

“Kahani Chandrakanta Ki” follows in the steps of the legendary success of ‘Chandrakanta’ on Doordarshan and 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. The thrilling adventures appeal to children as well as adults.

‘Neem Neem Shahad Shahad’: This series deals with the nuances of living in a traditional joint family system versus the new nuclear family arrangement. It is the story of two sisters – Sonali and Nirali who share a great bonding and can go to any extent to make each other happy but when it comes to marriage, their dreams are poles apart. The elder sister Sonali wishes to get married in a joint family with lots of family members around whereas the younger Nirali feels nauseated at the thought of a joint family and wants to have a nuclear family living separately with her husband and kids. The show explores the advantages and disadvantages of joint family vis-a-vis nuclear family through the life of these two sisters.

The weekly show on Astrology ‘Forecast’, was re-launched with a completely new look as ‘Astrovani’.

The year was also marked by the World Satellite premiere of the critically acclaimed box-office successes ‘Ragini MMS’, ‘Shor In the City’ and ‘Chala Mussadi Office Office’, which delivered strong ratings.

Key matches of the Celebrity Cricket League were also telecast on the channel providing a dose of cricket mixed with glamour to our viewers.

SAHARA MOTION PICTURES

Sahara Motion Pictures (SMP) has been known for producing big budget movies from commercially acclaimed directors like Ram Gopal Verma, Anees Bazmee and Priyadarshan, and at the same time supporting the cause of good cinema with films directed by critically acclaimed directors like Shyam Benegal, Madhur Bhandarkar and Nagesh Kukunoor. While the first has lead to box office hits like ‘No Entry’, ‘Wanted’ and ‘Malamaal Weekly’, the second has lead to the movies receiving the highest recognition in Indian Cinema with 5 national Awards for Shyam Benegal’s ‘Bose - The Forgotten hero’ and Madhur Bhandarkar’s ‘Page 3’.

The year was focused on sourcing and developing new scripts and building a better creative bank. Pre-production work started on the sequel to ‘No Entry’.

‘Love Breakups Zindagi’ was released during the year on 7th October 2011 across 332 screens all over India in major centres. The film received critical acclaim.

Movie Released for the Year 2011-2012

Movie	Cast	Director	Rights	Released
Love Breakups Zindagi	Dia Mirza, Zayed Khan, Cyrus Sahukar, Tisca Chopra, Satyadeep Mishra, Pallavi Sharda	Sahil Sangha	Producer	2012

Films slated to release in 2012 - 2013 are:

- The Loving Doll: Directed by Pavan Kaul. Starring: Diana Hayden, Karan Singh Grover, Kitu Gidwani.
- 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 2012 SMP has finished shoot of their first in-house production tentatively titled 'The Loving Doll' -a horror film based on a strong relationship bond. The film is currently in post-production.

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 in 2012- 2013 are:

Movie	Cast	Director	Production
Rang Birangi	Prabhudeva, Adnan Sami, Bipasha Basu, Lara Dutta, Baman Irani & Other	Sunil Agarwal	In association with BSK Entertainment
Untitled	Prateek Babar and two newcomers	Satish Kaushik	In association with BSK Entertainment
No Entry 2	Anil Kapoor, Salman Khan, Fardeen Khan & 3 Actresses	Anees Bazamee	In association with BSK Entertainment

FILMY

The channel highlights included:

- FILMY Premieres of new Bollywood films '**Ragini MMS**', '**Shor In the City**' and '**Chala Mussadi Office Office**'
- Relaunch of the popular '**Meri Bhains Ko Anda Kyun Mara**' with new comic scenes from the most popular Hindi movies.
- Telecast of the **Celebrity Cricket League** matches. These matches with teams from Bollywood, as well as from the Tamil, Telugu and Bengali film industry, proved to be very popular.

FIRANGI

The channel was launched on DD Direct (Doordarshan DTH service) and select private DTH services, making it available to newer viewers on an all India basis. The channel offers dubbed Hollywood movies in the action and horror genre.

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.

Shri O. P. Srivastava and Shri R. S. Rathore were re-appointed as Directors of the Company in the Annual General Meeting of the Company held on 28th September 2011 and are subject to retirement by rotation.

In accordance with the provisions of Section 256 of the Companies Act, 1956 and article 89 of Company's Articles of Association, Smt Swapna Roy and Shri J.N. Roy, 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, 2nd August, 2011 and 8th February 2012 . Shri R. S. Rathore is continuing as Chairman of the Audit Committee since 10th March 2008. At present the Company has four Directors as members of Audit Committee viz., Shri R. S. Rathore, Shri O.P. Srivastava, Shri Brijendra Sahay and Shri J. N. Roy and Company Secretary acts as Secretary to the Committee. Out of four committee members, three are Independent Directors and one is Promoter Director. The Chairman of the Audit Committee is 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 27.05.2011, 02.08.2011 and 30.03.2012.

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 2012 -2013 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 2011-2012 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.

PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year under review.

PARTICULARS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

Information required to be provided under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 in relation to Conservation of energy and technology absorption are currently not applicable to the Company. Particulars of foreign currency earnings and outgo during the year are given as hereunder:

Foreign Currency Earnings (Accrual Basis)	-	Rs. 28,61,182=00
Foreign Currency Expenditures (Accrual Basis)	-	Rs. 27,71,191=00

PERSONNEL

Information relating to employees pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011 is annexed to this report.

CORPORATE GOVERNANCE

Corporate Governance Guidelines as specified in the Listing Agreement with Stock Exchanges is applicable to the Company from the Financial Year 2001-02. The Company has complied with the Guidelines of Corporate Governance and a separate report on the Corporate Governance is forming part of this Annual Report. A Certificate by Practicing Company Secretary on the compliance with the guidelines of the Listing Agreement on the Corporate Governance is forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the operating management, confirm that:-

- in the preparation of the annual accounts the applicable accounting standards had been followed alongwith proper explanation relating to material departures, if any, and there is no material departure from following the accounting Standards.
- they have, in selection of accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgment and estimates that are reasonable and prudent, so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period.
- they have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities.
- they have prepared the annual accounts on a Going Concern basis.

ACKNOWLEDGEMENTS

Employees are our vital and most valuable assets. Your Directors value the professionalism and commitment of all employees of the Company and place on record their appreciation of the contribution made by employees of the Company at all levels that has contributed to your Company's success and enabled it to remain at the forefront of the media and entertainment business. Your Directors thank and express their gratitude for the

support and co-operation received from the Central and State Governments / regulatory authorities viz. the Ministry of Information & Broadcasting, the Department of Telecommunication, Ministry of Corporate Affairs, RBI, SEBI, Foreign Investment Promotion Board, the Stock Exchanges and Depositories and other stakeholders including viewers, producers and vendors.

For and on behalf of the Board of
Sahara One Media and Entertainment Limited

Sd/-
Swapna Roy
(Director)

Sd/-
O. P. Srivastava
(Director)

Place: Mumbai
Date: 3rd August, 2012