

Beare to be
different

51032



ANNUAL
REPORT
2001-2002



SRI ADHIKARI BROTHERS TELEVISION NETWORK LTD

C O N T E N T S

General Information	2
Chairman's Statement	3
Director's Report	4
Management Discussion and Analysis	9
Report on Corporate Governance	14
Auditor's Report	23
Annual Accounts of the Company	27
Accounts of SABe TV Ltd.	45
Annual Accounts of Westwind Realtors Ltd.	54
Consolidated Accounts	65
Performance Highlights	80

GENERAL INFORMATION

BOARD OF DIRECTORS

Gautam Adhikaari

Chairman

Markand Adhikaari

Vice Chairman & Managing Director

Anand Pandit

Director

Arun Khakhar

Director

Suhas Bade

Director

T. P. Ostwal

Director (till 31st Oct 2002)

COMPANY SECRETARY

Rujuta Mehendale

REGISTERED OFFICE

6th Floor, Adhikari Chambers,
Oberoi Complex, New Link Road,
Andheri (West)
Mumbai 400 053.

STUDIO

5B, 5th Floor,
Adhikari Chambers,
Oberoi Complex,
Mumbai 400 053.

BRANCHES

Delhi Office
1121/1122/1123,
Ansal Towers,
38, Nehru Place,
New Delhi - 110 019.

E.O.U.

5A, 5th Floor,
Adhikari Chambers,
Oberoi Complex,
Mumbai 400 053.

BANKERS

Development Credit Bank Ltd
UTI Bank Limited
Bank of Maharashtra

AUDITORS

A. R. Soora & Co.
Chartered Accountants
101, Ashiana, 11th Road,
T.P.S. III, Santacruz (East)
Mumbai 400 055.

INTERNAL AUDITORS

Sanjay & Vijay Associates
6, Ashiana, 11th Road,
T.P.S. III, Santacruz (East)
Mumbai 400 055.

REGISTRAR & SHARE TRANSFER AGENT

Sharex (India) Private Limited
17/B, Dana Bank Building,
2nd Floor Horniman Circle,
Fort, Mumbai 400 001.

DEPOSITORY REGISTRAR

Intime Spectrum Registry Pvt. Ltd
260, Shanti Industrial Estate,
Sarajini Maidu Road,
Mulund (West)
Mumbai 400 080.

Dare to be
different

'cause we're the Complete Media House



Sajan Tum Jhuth Mat Bollo

A rib tickler about lies & truths & the fine line between.



Raamkhilavaan (C.M.) 'n' Family

A satire that takes light hearted potshots at the Indian political system.

Export House —

Sponsored Slot

Channel —

Commissioned Programs —

Production House —



Doli Leke Aiye Hai Dullhaniya

He's single, though not yet ready to mingle. He loves his bachelorhood, but everyone around him is determined to alter that.



Suraag

The most watched Indian Television Serial that exposes the enigmas of the criminal world.



Naatakam

The extraordinary story of three women, and the choices that they make, the trials & tribulations that they face & the games that they play - all go into making this a truly Dramatic experience.

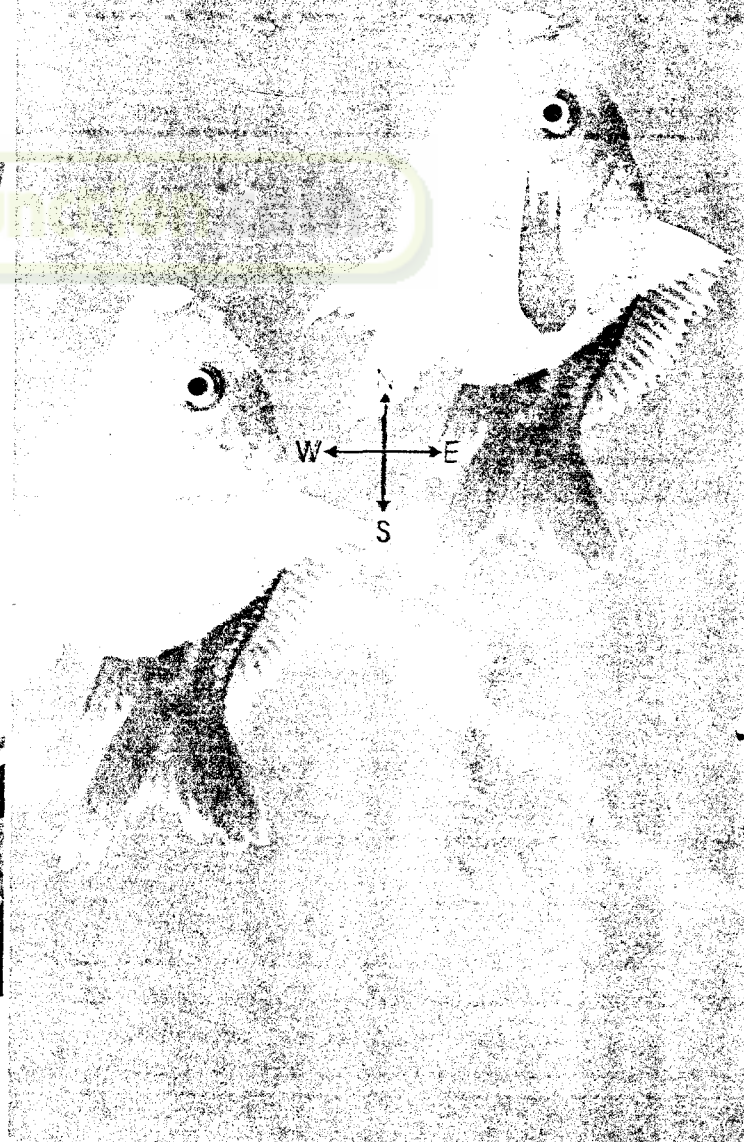


Sanchini Suli

Crime based mysteries, nailbiting suspense, hot pacy action-get it all with Inspector Raj in this slick, powerpacked thriller.

Dare to be different

'cause our programming software extends to zones all over the Nation, and we're the largest Player on Private as well as DD networks



CHAIRMAN'S STATEMENT

Dear Members,

It gives me pleasure to interact with you through this forward to Annual Reports for the year 2001 – 2002.



YEAR IN RETROSPECT

The financial year 2001 – 2002 was full of dramatics. The global politics and global economies went through difficult times. On 11th September, 2001, the world witnessed one of the worst terrorist action resulting in collapse of world trade center towers. The impact was felt throughout the world. The global financial and capital markets nosedived. When there was a sign of stability and revival on economic and capital market front, the corporate accounting scandal in USA had devastating impact on global capital markets. The country felt contagion effect of market slump and the capital market in the country registered a steep fall. In such a scenario, your Company was not immune to the downturn.

The total ad spends in the country could not keep the growth rate of 15% CAGR. The total ad spends grew by 6.30% to Rs 89300 millions as compared to Rs 84000 millions of the previous year. However, ad spend on electronic media grew at 7.03% over previous year.

WAY FORWARD

The Management has devised a definite strategy for consolidation and growth. After taking over the channel "SABe TV's" effective 1st January, 2002, the Management has set a goal to achieve cash breakeven in the current year. "SABe TV's" has created a niche position in a competitive market. With excellent humour based programmes, top quality suspense thrillers and Innovative current affairs band, SABe TV's has started attracting attention of viewers across all sections. Its quite evident from the fact that over 200 brands of over 60 corporates prefer "SABe TV's" platform to reach viewers. The Management strongly believe that terrestrial platform on national and regional levels will continue to attract substantially large viewer homes which are not cable connected. Your Company has been the largest operator on sponsored slots on DD network. During the current year the Company has successfully acquired 10 hours on DD Metro. The Company's programmes on DD Metro have been very successful since launch. Currently the Company's programmes achieved 8 of the top 10 slots on rating basis.

The Company has also ventured into southern zone. The Company has acquired slots on SUN, Gemini and Udaya TV. Considering the above, I expect the Company to improve the topline and bottomline; in the current year.

I wish you a very happy and a prosperous new year.

GAUTAM ADHIKAARI

CHAIRMAN

Date : 5th December, 2002

Place : Mumbai

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

Dear Members,

Your Directors have pleasure in presenting the 8th Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2002.



At the outset, the Board regrets the delay in forwarding this Annual Report together with Audited Annual Accounts for the year ended 31st March, 2002.

The delay has occurred since the Company was awaiting for the approval of Reserve Bank of India for takeover of the channel business by the Company, effective 1st January 2002. The approval of Reserve Bank of India was received only on 2nd December 2002. The Company had to carry out Audit of accounts for the year ended 31st March 2002, impacting the takeover of the channel business which was carried out only after the approval was received. The Board is hopeful that the members will appreciate the situation the Company was in, which has caused the delay.

A] FINANCIAL RESULTS

Particulars	For the year ended 31.03.2002 (Rs in millions)	For the year ended 31.03.2001 (Rs in millions)
TOTAL REVENUE FROM BUSINESS	760.58	974.30
Earnings before finance charge, depreciation & tax (EBIDTA)	132.05	132.38
Less : Finance charge	11.88	10.94
Less : Depreciation	26.99	9.98
EARNINGS BEFORE TAX (EBTA)	93.18	111.46
Taxation: current tax	6.17	7.73
: deferred tax	29.62	—
PROFIT AFTER TAX (PAT)	57.39	103.73
Add : Profit b/f from previous year	55.66	52.13
PROFIT AVAILABLE FOR APPROPRIATION	113.05	155.86
Less : Prior period adjustments	5.27	—
Less : Proposed Dividend	9.25	9.25
Less : Dividend Distribution Tax	—	0.94
Less : Transfer to General Reserve	40.00	90.00
PROFIT CARRIED TO BALANCE SHEET	58.53	55.67

The Company has taken over channel business from its wholly owned subsidiary "SABe TV Limited" of Mauritius, with effect from 1st January, 2002. The Audited Annual Accounts capture revenue from exports to SABe TV Limited, till 31st December, 2001 and ad-revenue and operating expenses for channel "SABe TV's" for a period from 1st January, 2002 to 31st March, 2002.

DIVIDEND

The Board of Directors have recommended a dividend of Rs 1.10 per equity share subject to approval of members. Once approved by the members at the Annual General Meeting, the dividend will be paid to all those members whose names appear on the Register of Members, as on 30th December, 2002. After giving effect to all valid transfers in physical form, lodged with the Company on or after 27th December, 2002 and to those whose names appear as beneficial owners as at the end of business hours on 27th December 2002, as per the particulars so furnished by National Securities Depository Ltd., Central Depository Services (India) Ltd.

PUBLIC DEPOSITS

The total deposits outstanding as on 31st March 2002 amounted to Rs 19.26 millions. The Company has not accepted any deposits from public during the year under review.

B] RATIONALE FOR TAKEOVER OF CHANNEL "SABe TV's"

The Company had set up a wholly owned subsidiary "SABe TV Limited" in January 2000, primarily to handle the broadcasting business.

In compliance with condition laid down by Ministry of Information & Broadcasting, the Company has commenced uplink of channel "SABe TV's" from India. Since the channel has commenced uplink from India the Company has decided to takeover the channel business from its subsidiary. This will also provide an opportunity to tap local non exporter advertiser's.

C] YEAR IN RETROSPECT

During the year under review, the company continued to be the largest producer on the Doordarshan's national and regional networks. The content "**Suraag**" a suspense thriller, continued as top rated programme across all channels. The Company's programmes continued as top three programmes on the regional Marathi network of Doordarshan. "**Damini**" achieved a unique feat of being the only programme to reach over 1000 episodes. "**Office Office**" content on SABe TVs has won 14 awards for best comedy in last 2½ years.

As a strategic initiative towards the global reach, the Company entered into an alliance with Middlesex Broadcasting Corporation Limited of Leicester, U.K. The Company will invest into the ordinary capital of the investee Company. The alliance will provide an opportunity for export of the content from the library to improve top line and bottom line. The company is exploring similar type of alliance in U.S.A., Canada, Mauritius and African Countries.

The financials have been discussed under the chapter titled "Management Discussion and Analysis".

D] MANAGEMENT

During the year under review, there has been no change in the Board of Directors. However subsequent to 31st March, 2002, Mr. T. P. Ostwal resigned from directorship of the Company effective 31st October, 2002. The Board placed on record its appreciation of the valuable contribution Mr. T. P. Ostwal made during his tenure as a Director.

Mr. Anand Pandit, the Director, is retiring by rotation. Being eligible, he has offered himself for re-appointment.

During the year under review, the Board of Directors met 7 times to supervise the business of the Company.

E] 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 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.

The particulars of foreign exchange earnings and outgo for the year under review are annexed to this report.

F] MEDIA SOFTWARE

The Company has around 6329 hours of television content in library.

G] AUDITORS AND THEIR REPORT ON ANNUAL ACCOUNTS

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 forthcoming 8th Annual General Meeting. The Company has received a letter from them to the effect that they are willing to continue as Auditors if appointed and that their re-appointment, if made, would be within the limit prescribed under Section 224 (1-B) of the Companies Act, 1956. The Board recommend the re-appointment of M/s A. R. Sodha & Co. as Statutory Auditors.

H] DIRECTOR RESPONSIBILITY STATEMENT

Pursuant to the provisions contained in Section 217 (2AA) of the Companies Act 1956, the Directors of your Company hereby confirmed that for the year ended 31st March, 2002 :

- a) 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) Directors 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 at the end of the financial year and of the profit or loss of the Company for that period.
- c) Directors 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) Directors have prepared the Annual Accounts on a going concern basis.

I] CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, 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.

J] REPLY TO AUDITORS OBSERVATIONS.

The directors report to the observations of the Auditor under para II and under para III (d) relating to the non-provision for diminution in the value of investments and non provision for doubtful debts of amounts receivable from SABe TV Limited. Detailed clarification has been provided under note no 2 of notes to accounts.

K] APPRECIATION

The Directors place on record their appreciation for the support extended to the Company by advertisers, producers and artistes, Company's bankers, shareholders and creditors. The Directors also place on record their appreciation for the support extended by the staff to enable the Company to achieve the results.

For & On Behalf of the Board of Directors

MARKAND ADHIKAARI

Vice Chairman & Managing Director

Date : 5th December, 2002.

Place : Mumbai.

