



Annual Report
2012-13



SRI ADHIKARI BROTHERS
TELEVISION NETWORK LTD.



a Sri Adhikari Brothers enterprise

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SRI ADHIKARI BROTHERS TELEVISION NETWORK LIMITED

18TH ANNUAL REPORT 2012-2013

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GENERAL INFORMATION

BOARD OF DIRECTORS

Gautam Adhikari
Chairman and
Whole-Time Director

Markand Adhikari
Vice-Chairman and
Managing Director

Arun Khakhar
Non-Executive/
Independent Director

Prasannakumar Gawde
Non-Executive/
Independent Director

M. S. Kapur
Non-Executive/
Independent Director

AUDITORS

A. R. Sodha & Co.
Chartered Accountants

BANKERS

Punjab National Bank
Canara Bank

COMPANY SECRETARY

Payal Garg

REGISTERED OFFICE

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

Tel.: 91-22-40230000
Fax: 91-22-26395459

E-mail: investorservices@adhikaribrothers.com
Website: www.adhikaribrothers.com

REGISTRAR & SHARE TRANSFER AGENTS

Sharex Dynamic (India) Pvt. Ltd.,
Unit No. 1, Luthra Industrial Estate,
Safed Pool, Andheri Kurla Road,
Andheri (East), Mumbai -400072.

Tel.: 91-22-2851 5644/ 2851 5606
Fax.: 91-22-2851 2885

E-mail: sharexindia@vsnl.com
Website: www.sharexindia.com



CHAIRMAN'S STATEMENT

Dear Shareholders,

It gives me immense pleasure to interact with you once again through the foreword to the 18th Annual Report for the year ended 31st March, 2013.

During the year under review broadcasting, content and broadcast delivery platforms have witnessed a sea shift in market dynamics largely arising out of the impact created by the onset of digitalisation in India. Television is the most preferred form of entertainment in India. It has the highest impact of advertising on the audience. India has the third largest TV households globally, after China and the US.

Telecom Regulatory Authority of India (TRAI) along with Indian Broadcasting Foundation (IBF), the representative body for the broadcasters have been making giant strides in altering the anomalies of the market and bringing in better addressable systems leading to better governance. While at one level it seeks to reduce the cost of deliveries for the broadcaster, it is also seeking to provide better viewing to the last mile by reducing the number of advertisement and setting a standard precedent for the broadcasters to follow. The Government's push towards digitalization and addressability for cable television by 2014 is welcomed by all stakeholders of our industry. The move is expected to provide an impetus to DTH and digital cable growth and a positive growth to content distribution in India. It will also cater to the unique and diverse needs of the viewer when it comes to entertainment. To achieve better quality viewing and transparency in revenue earning and sharing, digitalization is the inevitable path forward. Digitalisation will provide superlative experience with digital content, played on digital platform, viewed on a digital screen.

With digitisation there is an increase in localisation of content as well as an increase in the offering of channels in the niche genre. Regional channels are attractive for advertisers due to lower cost of connect with the right audience. The attraction to broadcasters is due to lower cost of content and distribution costs coupled with increasing advertiser's interest. Regionalization has caught the eyes of most established broadcasters, catering to specific interests of the viewers.

Your Company has been closely monitoring the developments and are taking strategic steps to respond positively to the changing environment.

Our channel '**MASTIII**' continues to maintain leadership position in the year under review as well. Our Regional Channels '**DABANGG**' and '**DHAMAAL**' catering to the Hindi speaking belt have been doing extremely well. '**DABANGG**' is also a leader in this Genre in the targeted regions by a huge margin. Most of the National Brands have evinced interest to promote their products on '**DABANGG**'.

The group is also bringing in a vibrant Marathi music cum humour channel '**MAIBOLI**' to add to the existing bouquet of channels.

Digitalisation has opened up exciting new avenues of revenue generation from already expensed out content. Our digital division have launched our channels on digital platforms like Ditto TV and Avani TV. We are also in the process of creating a network of channels on YouTube. Apart from showcasing the rich content base, our digital division shall also produce original content targeted at the new age viewers with a view to understand the patterns and create a robust business model out of it.

Your Company, as mentioned above, will continue to capitalize on the opportunities being presented. We are to bring a host of new ideas, programmes and may be more channels in the near future. We shall continue to produce quality entertainment that would cater to all segments of the society. As it is our philosophy to entertain our viewers with humour, good content and pleasing visuals and exceed their expectations.

I would like to convey my appreciation for the support and the patience you, as shareholders, have extended to the Company over the years. I also would like to acknowledge the contribution of the advertisers, producers, artistes, bankers, employees and all other stakeholders – without your support and trust, this Company would not have been able to deliver the quality entertainment it has always produced.

With warm regards,

Gautam Adhikari

Chairman & Wholetime Director

Place: Mumbai

Date: 8th August, 2013



NOTICE

Notice is hereby given that **18th Annual General Meeting** of the members of Sri Adhikari Brothers Television Network Limited will be held on Friday, the 27th day of September, 2013 at 12.30 P.M. at Celestial Banquets, B-47, Paramount Building, Monginis Factory Lane, Opp. Citi Mall, New Link Road, Oshiwara, Andheri (West) – Mumbai 400 053 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss for the year ended on that date and the Reports of the Board of Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares for the financial year ended 31st March, 2013.
3. To appoint a Director in place of Mr. Arun Khakhar, who retires by rotation and being eligible, offers himself for re-appointment.
4. To re-appoint M/s. A. R. Sodha & Co., Chartered Accountants (having FRN:110324W), Mumbai as Statutory Auditors of the Company to hold office from the conclusion of ensuing Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 314(1)(b), read with Director's Relatives (Office or Place of Profit) Rules, 2011 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded for re-appointment of Mr. Ravi Adhikari, a relative of directors of the Company, as a Creative Director for a further period of 5 years with effect from 1st October, 2013 at remuneration of ₹ 2,50,000/- p.m. inclusive of all amenities and perquisites payable to him.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution".

6. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force) and all other necessary permissions, sanctions and approvals as may be required, the revision in terms of remuneration of Mr. Markand Adhikari as Managing Director of the Company for a remaining period of his tenure w.e.f. 18th August, 2013 to 17th August, 2015 from ₹ 350,000/- p.m. to ₹ 400,000/- p.m. inclusive of salary, perquisites and allowances on such terms and conditions as set out in the draft agreement as placed before the meeting for the purpose of identification be and is hereby approved.

RESOLVED FURTHER THAT in the event of absence or inadequate profits in any financial year, the remuneration, as approved by this resolution, shall be payable as minimum remuneration to Mr. Markand Adhikari during his tenure as a Managing Director of the Company.

RESOLVED FURTHER THAT the Board of Directors and the Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things as may be necessary to give effect to the aforesaid resolution".

7. To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions of the Companies Act, 1956 (including any modification(s) or re-enactment thereof, for the time being in force) and subject to all applicable laws and in accordance with all relevant provisions of the Memorandum and Articles of Association of the Company and subject to the provisions of Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and subject to any other necessary approval, consent, permission and/or sanction of the Central Government, Reserve Bank of India, Ministry of Finance and/or any other appropriate authorities, including banks, Financial Institutions or other creditors; subject to the provisions of the Foreign Exchange Management Act, 1999 (FEMA), Foreign Exchange Management (Transfer or issue of security by a person resident outside India) Regulations, 2000 as amended and all applicable regulations framed and notifications issued there under; Securities and Exchange Board of India (Issue of



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Capital and Disclosure Requirements) Regulations, 2009, including the guidelines for Qualified Institutional Placement prescribed in Chapter VIII thereof; subject to such conditions as may be prescribed by any of them while granting any such approval, consent, permission or sanction and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee(s) constituted /to be constituted by the Board to exercise its powers including powers conferred by this resolution and/or by duly authorized persons thereof for the time being exercising the powers conferred on the Board by this resolution, the consent and approval of the members of the Company be and is hereby accorded to create, offer, issue and allot, in the course of one or more public/private offerings in domestic and /or in the course of international offerings with or without green shoe option, equity shares (including Qualified Institutions Placement (QIPs) under ICDR Regulations) and/ or equity shares through Global Depository Receipts (GDRs) and/or American Depository Receipts(ADRs) or Foreign Currency Convertible Bonds (FCCBs) and/or other securities convertible into equity shares at the option of the Company and/or holder(s) of such securities, and/or securities linked to equity shares and/or securities including non convertible debentures with warrants or other securities with or without warrants, which may be either detachable or linked and which warrant has a right exercisable by the warrant holder to subscribe for equity shares and/or any instruments or securities representing either equity shares and/or convertible securities linked to equity shares (including the issue & allotment of equity shares pursuant to a green shoe option, if any), (all of which are hereinafter collectively referred as "securities") to eligible investors under applicable laws, regulations & guidelines whether residents or non residents and/or institutions/banks and/or incorporated bodies, mutual funds, venture capital funds, and/or multilateral financial institutions and/or individuals and/or trustees and/ or stabilizing agents or otherwise, and whether or not such investors are members of the Company, through Prospectus and/or Letter of Offer or Circular and/or on public and/or private/preferential basis, such issue and allotment to be made at such times/ intervals in one or more tranches, for cash, at such price or prices, in such manner and where necessary , in consultation with the Book Running Lead Managers and/or other Advisors or otherwise, on such terms & conditions as the Board, may, in its absolute discretion, decide at the time of issue of securities provided that the total amount raised through the issuance of such securities shall not exceed ₹1 50 Crores (Rupees One Hundred Fifty Crores) or its equivalent in one or more currencies, including premium if any, as may be decided by the Board.

RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid securities may have all or any terms and conditions or combination of terms in accordance with applicable Regulations, prevalent market practices etc.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the Depository Receipts and/or securities issued pursuant to QIP shall be the date on which the Board of the Company decides to open the proposed issue, or the date on which the holder of securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said equity shares, as the case may be ("Relevant Date").

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any securities or as may be necessary in accordance with the terms of the offering, all such equity shares shall rank *pari passu* with the existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of security or securities representing the same or equity shares, as described herein above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at their discretion deem necessary or desirable for such purpose, including without limitation the utilization of issue proceeds, entering into underwriting and marketing arrangements and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit."

By Order of the Board of Directors

Place: Mumbai
Date: 8th August, 2013

Payal Garg
Company Secretary

Registered Office:
6th Floor, Adhikari Chambers,
Oberoi Complex, New Link Road,
Andheri (West),
Mumbai - 400 053



NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF ON POLL ONLY AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES IN ORDER TO BE EFFECTIVE MUST BE RECEIVED BY THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING OF THE MEETING.**
2. Members/Proxies should bring their Attendance Slip duly filled and signed for attending the meeting.
3. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of special business is annexed hereto and forms part of this notice.
4. Corporate members are requested to send duly certified copy of the Board resolution pursuant to Section 187 of the Companies Act, 1956 authorising their representatives to attend and vote at the Annual General Meeting or any adjournment thereof.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Monday, 23rd September, 2013 to Friday, 27th September, 2013 (both days inclusive).
6. Dividend on equity shares as recommended by the Board of Directors for the year ended 31st March, 2013, if approved by the members at the ensuing Annual General Meeting, will be paid to those members whose names shall appear in the Register of Members as on the date of the Annual General Meeting of the Company i.e. 27th September, 2013.
7. In terms of Sections 205A and 205C of the Companies Act, 1956, the amount of dividend remaining unclaimed or unpaid for a period of seven years from the date of transfer to Unpaid Dividend Account of the Company is required to be transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government and no claims shall lie against the said fund or the Company for the amount of dividend so transferred to the fund. Shareholders who have not yet encashed their dividend warrant(s) for the financial year ended 31st March, 2006 or any subsequent financial years are requested to make their claims to the Company.
8. Members desirous of seeking information relating to the accounts and operations of the Company are requested to address their queries to the Company at least 7 days in advance of the meeting to enable the Company to keep the information ready.
9. Members holding shares in physical form are requested to notify immediately any change in their address to the Company or Registrar and Share Transfer Agents - Sharex Dynamic (India) Private Limited quoting their folio number. Members holding shares in electronic form may update such details with their respective Depository Participants.
10. The Securities and Exchange Board of India has made it mandatory for all companies to use the bank account details furnished by the depositories for crediting the dividend through National Electronic Clearing Services (NECS) to investors wherever ECS and bank details are available. In the absence ECS details, the Company will print the bank account details, if available, on the payment instruments for distribution of dividend.
11. Members are requested to address all correspondences, including dividend mandates to the Registrar and Share Transfer Agents - Sharex Dynamic (India) Private Limited, Unit: Shri Adhikari Brothers Television Network Limited, Unit No. 1, Luthra Industrial Estate, Safed Pool, Andheri Kurla Road, Andheri (East), Mumbai- 400 072.
12. Members are requested to bring their original photo ID (like PAN Card, Aadhar Card, Voting Card, etc. having photo identity) while attending the meeting.



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13. In pursuance of the Clause 49(IV)(G) of the Listing Agreement, the details of director seeking re-appointment at the ensuing Annual General Meeting to be held on 27th September, 2013 are given below:

Name of Director	Mr. Arun Khakhar
Date of Birth	23 rd August, 1951
Nationality	Indian
Date of appointment as director	19 th December, 1994
Designation	Independent Director
Qualification	Bachelor of Commerce (Accounting & Economics)
Experience/Expertise	More than 32 years of Experience in holding of various Senior Level Management Position
Shareholding in the Company (Equity shares of ₹ 10/- each)	100
List of Directorships held in other Companies	1. TV Vision Limited 2. Hotel Shashi Private Limited
List of Chairmanship and Membership in Other Public Companies (considered only Audit Committee and Shareholders' /Investors Grievance Committee)	Membership in Audit and Investor Grievance Committee of TV Vision Limited
Relationship with existing Directors of the Company	Not Related

Green Initiative

The Ministry of Corporate Affairs (MCA), vide its Circular Nos. 17/2011 dated April 21, 2011 and 18/2011 dated April 29, 2011 has taken a "Green Initiative" by allowing paperless compliances by the Companies to serve the requisite documents (including notice calling of Annual General Meeting alongwith Annual Report) to its members vide e-mode in pursuance to Section 53 of the Companies Act, 1956. Accordingly, the Company shall be required to update its database by incorporating your designated e-mail ID in its records.

You are thus requested to join with us in Green Initiative of your Company and kindly submit your e-mail ID vide the e-mail updation form given with this Annual Report. The same could be done by filling up and signing at the appropriate place in the said form and by returning this letter either by post or by sending scan copy through e-mail at sabgogreen@sharexindia.in.

Further, if any of the members still wish to get hard copy/physical copy of aforesaid documents, the request of the same should be made in writing and through e-mail also and the Company undertakes to provide the same at no cost to members.

The e-mail ID provided shall be updated subject to successful verification of your signatures as per record available with the Registrar and Share Transfer Agents of the Company.


EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956:
Item No. 5

The Board of Directors of the Company appointed Mr. Ravi Adhikari, relative of directors of the Company as Creative Director for a period of 5 years w.e.f. 1st October, 2008, subject to the approval of the members of the Company. The members of the Company in their Annual General Meeting held on 30th September, 2008 approved his appointment. Further, the Board of Directors revised his remuneration w.e.f. 1st October, 2010 for the remaining period of his tenure and the same was approved by the members of the Company in their Annual General Meeting held on 29th September, 2010.

As the tenure of Mr. Ravi Adhikari as Creative Director expires on 30th September, 2013, the Board of Directors of the Company in their meeting held on 8th August, 2013, re-appointed him for further period of 5 years w.e.f. 1st October, 2013 at remuneration of ₹ 2,50,000/- p.m., subject to the approval of members of the Company in their general meeting.

Other details of the appointee are as follows:

Name of the Appointee	Mr. Ravi Adhikari
Qualifications	B. Com. from Mumbai University
Designation	Creative Director
Date of re-appointment	1 st October, 2013
Tenure of re-appointment	Five Years
Experience	He has worked and is trained under the umbrella of his illustrious father Mr. Gautam Adhikari in many of his projects. He has also worked in the capacity of assistant director with many popular directors.
Remuneration proposed	₹ 250,000/- p.m. w.e.f. 1 st October, 2013.
Relation with Directors/ Director(s) interested/ concerned in the resolution	Son of Mr. Gautam Adhikari and relative of Mr. Markand Adhikari.

As per the provisions of Section 314(1)(b) of the Companies Act, 1956, the approval of members is required in case of the appointment of any relative of director(s) holding any office or place of profit, if remuneration exceeds ₹ 50,000/- p.m.

The approval of members is being sought for re-appointment of Mr. Ravi Adhikari as Creative Director and payment of remuneration to him as set out at Resolution No. 5 of the Notice.

The Board recommends the Special Resolution for your approval as set out at item no. 5 of the notice.

Except Mr. Gautam Adhikari and Mr. Markand Adhikari, none of the other Directors of the Company are concerned or interested in the said resolution.

Item No. 6

Mr. Markand Adhikari is the promoter and is associated with the company since inception. He is working as the Managing Director of the Company w.e.f. 18th August, 2000. He was re-appointed as the Managing Director of the Company for five years w.e.f. 18th August, 2010.

The Board of Directors of the Company at their meeting held on 8th August, 2013, revised the remuneration from ₹ 350,000/- p.m. to ₹ 4,00,000/- p.m. payable to Mr. Markand Adhikari as Managing Director for a remaining period of his tenure w.e.f. 18th August, 2013 to 17th August, 2015 on such terms and condition as set out in the draft agreement, subject to the approval of the members of the Company.

The Remuneration Committee of the Company at its meeting held on 8th August, 2013 has also approved the payment of remuneration of ₹ 400,000/- p.m. payable to Mr. Markand Adhikari.

The details as required under proviso (iv) to Clause B of Part II of Schedule XIII of the Act are given hereunder:

I. GENERAL INFORMATION:

- (1) Nature of Industry: Media Software Production.
- (2) Date of Commencement of Commercial Production: The Company is in existence and operational since 1994-95.



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(3) Financial Performance during the year ended 31st March, 2013:

EPS (Rs.)	:	1.41
Return on Net worth	:	2.17%
Debt Equity ratio	:	0.19:1

(4) Export performance and Net Foreign Exchange collaboration: Nil

(5) Foreign Investment or collaboration: Nil

II. INFORMATION ABOUT THE APPOINTEE:

(1) Background:

Mr. Markand Adhikari aged 56, is a Bachelor of Arts from University of Bombay. He is associated with the Company since incorporation and is looking after the day to day affairs of our Company.

He began his career with an advertising agency in eighties along with his brother. He was instrumental in creating successful association with National Network Doordarshan, during which period, the Company became the first content production house to be listed on the stock exchange in 1995. He is also credited with having developed the concept of sponsored slot production in the national network and having introduced many innovative formats to Indian television for the first time. He also guides our Company in marketing and product development.

(2) Past remuneration:

The Company is paying a monthly remuneration of ₹ 3,50,000/- p.m. to Mr. Markand Adhikari as a Managing Director since 18th August, 2010 with the approval of the members and the Central Government.

(3) Recognition or awards:

Under the able guidance of Mr. Markand Adhikari, the Company has won various awards like RAPA awards, Indian Tele awards and Hero Honda ITA awards, etc. The Company's flagship programme "Office Office" received more than 31 awards from various bodies.

(4) Job profile and his suitability:

Mr. Markand Adhikari is Vice Chairman and Managing Director of the Company. The Company is managed by him and he is responsible for the day to day management and affairs of the Company. Taking into consideration his expertise, he is best suited for the responsibilities currently assigned to him by the Board of Directors.

(5) Remuneration proposed:

Taking into consideration the size of the Company, profile of the appointee, and responsibilities shouldered by him, the Remuneration Committee and Board of Directors has found it fit to compensate for his efforts and devotion by paying remuneration comparable to that received by Directors in the Media Industry. Hence, the Company proposes to pay remuneration of ₹ 400,000/- p.m. to Mr. Markand Adhikari with effect from 18th August, 2013 for the remaining period his tenure i.e. upto 17th August, 2015.

(6) Comparative remuneration profile:

The remuneration payable to Mr. Markand Adhikari is justified in comparison to remuneration paid in the Industry and the size of the Company.

(7) Pecuniary relationship:

Mr. Markand Adhikari has no pecuniary relationship with the Company, directly or indirectly, or with managerial personnel, except that he is one of the Promoters and relative of the Chairman and Whole Time Director of the Company. He is also among the major shareholders of the Company.

III. OTHER INFORMATION:

(1) Reason for loss or inadequate profits:

The Company managed to earn a net profit after tax of ₹ 349.81 Lacs during the financial year ended 31st March, 2013. The inadequate amount of profit was largely due to stiff competition in the media industry.