



BROADCAST INITIATIVES LIMITED

PULSE OF INDIA

LIVE INDIA

ख़बर हमारी, फैसला आपका

5th ANNUAL REPORT
2008-2009



Our exit poll was the closest to the reality. We gave tough challenge to those who are believed to be the best in this genre for last 20 years.



Did extensive coverage of US Elections 2009 which included analysis of results with political analysts.



We did special analitical coverage of India's first mission on moon 'CHANDRAYAAN' with Sr. Astronomer Amitabh Pandey.



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BROADCAST INITIATIVES LIMITED

5TH ANNUAL REPORT 2008-2009

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Gautam Adhikari
Chairman

Markand Adhikari
Vice-Chairman &
Managing Director

Anand Pandit
Director
(Upto 24th June 2008)

G. D. Sharma
Director

M.S. Kapur
Director

Vidhee Shroff
Company Secretary

AUDITORS

A. R. Sodha & Co.,
Chartered Accountants

INTERNAL AUDITORS

Khakhar & Co.,
Chartered Accountants

BANKERS

Indian Overseas Bank

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
(Formerly Known as)
Intime Specturm Registry Limited
C-13, Pannalal Silk Mills Compound
Bhandup (West), Mumbai - 400 078.
Tel.: 022-25963838
Fax: 022-25946969
E-mail : helpline@linkintime.co.in
Website : www.linkintime.co.in

REGISTERED OFFICE

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

ADDRESS FOR CORRESPONDENCE

Dheeraj Arma, 3rd Floor,
Anant Karekar Marg,
Bandra (East),
Mumbai - 400 051.
Tel No.: 022-26583500
Fax No.: 022-26583636

STUDIO

Premnath Motors Compound
1, Mandir Marg,
New Delhi - 110 001.



CHAIRMAN'S MESSAGE

Dear Shareholders,

I take this opportunity to greet you and thank you for the trust bestowed on the organization and share with you my thoughts on the company's performance during the year gone by.

The financial turmoil and global market crisis in the year 2008-09 has affected the television and media Industry in various ways such as downward trend of TRPs (Television Rating Points) and structural changes, so we are continuously taking a fresh perspective in envisioning our path ahead to approach towards growth and not merely survival, as growth has been the key driving force of the Company. We are constantly working on re-inventing ourselves to maintain our supremacy in the content arena.

Additionally, our operational cost management model further enhances our ability to take decisions that are in the best interests of the Company and also to remain competitive, even in such times.

The marketplace is indeed getting very competitive. Several players are contesting for a greater share of the total entertainment industry sector has resulted in the demand for higher value, niche content at competitive prices. Gone are the days when channels could be satisfied after attaining a distinct pole position in the market place. Today, they too have to constantly scout for fresh content to retain their viewership.

As the economy shows signs of recovery, this segment is now poised for rapid expansion and growth on the basis of a fundamentally strong entity with focus on current deliverables by expanding presence in other key markets, technological up-gradation, adoption of best practices and global bench marking in the following ways:

- We plan to expand our news gathering base by setting up at least three new news bureaus which will enable us to broadcast anything live from these centers and also our news anchors will be able to hold live discussions with our guests sitting anywhere at these news centers.
- Plan to add two more state of the art latest OB vans for live broadcasts from any part of the country.
- Technical aspect, we also bought one additional VZrt graphics machine for the enhanced packaging of on mega news events like elections and budget.
- Upgraded our Mumbai facility with latest state of the art studio for live broadcasts including graphics.
- Developed efficient sales and marketing team

Though full of opportunities, the year 2009-10 also spells caution for the industry players. Despite being favorably placed and having efficient operations, your company has done a critical re-evaluation of all its investments and expenditure plans. We have taken necessary steps to create a leaner and more focused organization by controlling the costs and improving efficiencies across various disciplines. At the same time, your company is in full compliance with the Code of Corporate Governance laid down by SEBI (Securities and Exchange Board of India) and the listing agreement entered with the Stock Exchanges. We will ensure that post the slowdown, Broadcast Initiatives Limited emerges stronger than ever before.

I am confident that the Company will firmly establish itself as one of India's most successful and admired media companies in the years to come.

At the end, I would like to conclude by thanking, on behalf of the Board of Directors of Broadcast Initiatives Limited to our viewers, investors and other stakeholders for their support and confidence in the management of your company.

For and On behalf of the Board of Directors
For Broadcast Initiatives Limited

Date : 30th July, 2009

Place : Mumbai

Gautam Adhikari
Chairman



BROADCAST INITIATIVES LIMITED

Regd. Office: 6th Floor, Adhikari Chambers, Oberoi Complex, New link Road, Andheri (West), Mumbai- 400053.

NOTICE

Notice is hereby given that Fifth Annual General Meeting of the Members of Broadcast Initiatives Limited will be held on Tuesday, September 29, 2009 at 11.00 a.m. at I.M.A. (Indian Medical Association) Bldg., J.R. Mhatre Marg, J.V.P.D. Scheme, Juhu, Mumbai - 400 049 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2009 and Profit & Loss Account for the year ended on that date and the Report of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. M. S. Kapur, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. A. R. Sodha & Co., Chartered Accountants, Mumbai, as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration."

SPECIAL BUSINESS:

4. To consider and in though fit to pass with or without modification, the following resolution as an, Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of the section 94 and other applicable provisions, if any of the Companies Act, 1956 (including any amendment thereto or re-enactment thereof) and pursuant to Articles of Association of the Company, the Authorised Share capital of the Company be and is hereby increased from Rs.300,000,000 (Rupees Thirty Crores only) divided into 30,000,000 (Three Crores) Equity Shares of Rs.10 (Rupees Ten only) each to Rs.500,000,000 (Rupees Fifty Crores only) divided into 50,000,000 (Five Crores) Equity Shares of Rs.10 (Rupees Ten only) each".

RESOLVED FURTHER that the Board of Directors be and are hereby authorized to do all such acts, deeds and things and matters as may be necessary to give effect to the above resolution."

5. To consider and in though fit to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT consequent to increase in Authorised Share Capital of the Company, Clause V of the Memorandum of Association of the Company be and is hereby altered by substituting it with the following new clause V:

V. The Authorised Share Capital of the Company is Rs. 500,000,000 (Rupees Fifty Crores only) divided into 50,000,000 (Five Crores only) Equity Shares of Rs.10 (Rupees Ten only) each".

RESOLVED FURTHER that the Board of Directors be and are hereby authorized to do all such acts, deeds and things and matters as may be necessary to give effect to the above resolution."

6. To consider and in though fit to pass with or without modification, the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of section 293 (1) (d) of the Companies Act, 1956 and such other provisions of the act as may be applicable and pursuant to the provisions of the Articles of Association of the Company and in suppression of earlier resolutions passed on this matter, the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof) of the Company, be and are hereby authorized to borrow from time to time such sum or sums of money in any manner as they may deem necessary for the purpose of the business of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) from financial institutions, Company's bankers or from any person or persons, firms and the remaining outstanding amount at any point of time will exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose; provided that the total amount up to which money may be borrowed by the Board of Directors and which may remain outstanding at any given point of time shall not exceed the sum of Rs. 150 Crores (Rupees One Hundred and Fifty Crores) on such terms and conditions as to interest, repayment, security or otherwise as they may, in their absolute discretion, think fit.

RESOLVED FURTHER that pursuant to the provisions of section 293 (1) (a) of the Companies Act, 1956 and such other provisions of that act as may be applicable and in suppression of earlier resolutions passed on this matter, the Board of Directors (hereinafter referred to as the "Board", which term shall be deemed to include any Committee thereof) of the Company be and are hereby authorized to create charge, mortgage, hypothecation on all or any of the moveable and immovable properties or such other assets of the Company, wheresoever situated, both present and future on the whole or substantially the whole, of the undertaking of the Company ranking parri- passu with or second or subservient or subordinate to the mortgage, hypothecation and charge already created for securing loans and /or advances and or guarantees and /or financial assistance on such terms and conditions and at such time or times and in such form or manner as it may deem fit, to or in favour of National / International Financial Institutions/ Banks/ Trustees for the Bond holders (in case of issue of Bonds) etc. hereinafter referred as "the lenders" to further secure any Term Loans/ Cash Credit Facilities/ Debentures/ Bonds or the like, obtained/ to be obtained from any of the aforesaid lenders together with interest thereon at the respective agreed rate(s), compound interest, additional interest, liquidated damage(s), commitment charge(s), premia on prepayment or on redemption cost, charge(s), expenses and all other monies payable by the Company to such lenders under the respective loan / other agreement(s) entered / to be entered into between the Company not exceeding the aggregate of the amounts consented by the company by the resolution passed at this meeting pursuant to section 293(1)(d) of the Companies Act, 1956.

RESOLVED FURTHER that the any Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things as may be deemed necessary and to alter the terms and conditions of the security so created / to be created in consultation with the lenders and to finalize, execute deeds, agreements, documents and writings as it may in its discretion deem necessary or desirable for the purpose of giving effect to the aforesaid resolution".

Date: 30th July, 2009
Place: Mumbai

By Order of the Board of Directors

Regd. Office: 6th Floor, Adhikari Chambers,
Oberoi Complex, New link Road, Andheri (West)
Mumbai- 400053.

Vidhee Shroff
Company Secretary



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 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 fixed for holding of the meeting. A body corporate being a member shall be deemed to be personally present at the meeting. If represented in accordance with the provisions of Sections of the Companies Act, 1956. The representative so appointed, shall have the right to appoint a proxy.
2. Shareholders/Proxy holders are requested to produce at the entrance the attendance slip forwarded to them duly completed and signed in accordance with the specimen signature registered with the company.
3. The register of Directors' shareholdings, maintained under section 307 of the Companies Act, 1956 is open for inspection at the Registered Office of the Company during the office hours on all working days, except Saturdays, between 11.00 a.m. and 1.00 p.m. up to date of the Annual general Meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 23rd September 2009 to Monday, 28th September 2009. (Both days inclusive).
5. Members desirous of asking any questions seeking information relating to the accounts and operations of the Company at the Annual General Meeting are requested to send in their questions so as to reach the Company/s registered office at least 7 days before the Annual General Meeting so that the same can be suitably replied to.
6. Members are requested to quote folio numbers/DP ID and Client ID, as the case may be, in all correspondences with the Company.
7. Members are requested to address all correspondences to the Registrar and Share Transfer Agents- Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) at C-13 Pannalal Silk Mills Compound, L.B.S.Marg, Bhandup (West), Mumbai-400 078.
8. Members are requested to:
 - Intimate to the Depository Participant (DP), changes if any, in their registered address and/or changes in their bank account details, if shares are held by them in dematerialized form;
 - Intimate to the Company's Registrar and Transfer Agents, Link Intime India Private Limited (Formerly known as Intime Spectrum Registry limited), changes if any, in their registered addresses, if the shares are held in physical form (Share Certificate).
9. In terms of the approvals granted by the Ministry of Corporate Affairs vide its Order No.47/487/2009-CL-III dated 30th June, 2009 under Section 212 (8) of the Companies Act, 1956, copies of Balance Sheet, Profit & Loss Accounts and report of the Board of Directors and Auditors of the said subsidiaries have not been attached with the balance sheet of the Company. The Annual reports, other documents, and the related detailed information of the aforementioned subsidiary companies will be made available upon the request by any member, or investor of the Company/subsidiary Companies. Further, the Annual Accounts of the subsidiary companies will be kept open for inspection for any investor/ Shareholder at the registered office of the Company and the concerned subsidiary Companies during the office hours on all working days.
10. Members attending the Annual General meeting are required to bring with them following:
 - a) Members holding shares in dematerialized form; Details of their DP and Client Numbers;
 - b) Members holding shares in physical form; Details of their registered Folio Numbers;
 - c) The Attendance Slip duly completed and signed in terms of Specimen signature lodged with Company; and
 - d) In case of corporate entities, the authorized representative should bring with him/her, a certified true copy of the resolution passed at relevant Board/Government body of the entity concerned. In the event such a person is desirous of appointing a proxy to represent him/her, the condition as outline above, as proxy/deposition of the proxy with the company, would apply.
11. Pursuant to the requirements of the listing agreements with the Stock Exchanges, on Corporate Governance, the information about the Director proposed to be re-appointed is given in the Annexure to this notice.
12. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item Nos. 4 & 5:

The present Authorised Share Capital of the Company is Rs.300,000,000 (Rupees Thirty Crores only) divided into 30,000,000 (Three Crores only) Equity Shares of Rs.10 (Rupees Ten only) each. In order to enable the company to expand the business, the consent of the shareholders is being sought under these resolutions to increase the authorized share capital of the company to Rs.500,000,000 (Rupees Fifty Crores only) divided into 50,000,000 (Five Crores only) Equity Shares of Rs.10 (Rupees Ten only) each pursuant to section 94 of the Companies Act, 1956.

The Alteration to the Capital Clause of Memorandum of Association of the Company is consequent upon increase in Authorised Share Capital. Draft of the Memorandum of Association and Articles of Association of the Company subsequent to the Authorised Capital increase are available for inspection from 3.00 p.m. to 5.00 p.m. on any working day up to the date of the Annual General Meeting.

None of the Directors of the Company is concerned or interested in the said resolutions except as Shareholder of the Company. The Board of Directors accordingly recommends the resolution for your Approval.

Item no. 6:

The members have at their meeting held on 17th February, 2006 approved the borrowings by the Company in excess of the paid up-share capital and free reserves to the extent of Rs.50 Crores.

With the proposed expansion plans and to fund the needs of the working capital, there may be requirement to borrow monies from banks, financial institutions etc., which together the monies already borrowed may exceed the limit of Rs. 50 Crores as earlier approved by the members.

In view of the same, your Directors recommend that the said limit to borrow money in excess of the paid up capital and free reserves be increased from 50 Crores to Rs.150 Crores.

As per the provisions of Section 293 (1) (d) of the Companies Act, 1956, no Company can borrow in excess of the paid up share capital and free reserves unless authorized by a resolution passed by the members.

The proposed borrowings of the Company may, if necessary be secured by way of charge, mortgage, hypothecation of the Company's assets in favour of the lenders and it is necessary for the Company to pass a resolution under section 293(1) (a) of the Companies Act, 1956, for creation of charges, mortgages and hypothecations for an amount not exceeding Rs.150 Crores i.e. the amounts consented by the company by the resolution passed at this meeting pursuant to section 293(1)(d) of the Companies Act, 1956 at any point of time.

The Board accordingly recommends the Ordinary Resolution at item no. 6 of the accompanying notice for approval by the members.

None of the Directors of the Company is concerned or interested in the said resolutions except as shareholder of the Company.

Date: 30th July, 2009

Place: Mumbai

By Order of the Board of Directors

Regd. Office: 6th Floor, Adhikari Chambers,
Oberoi Complex, New link Road, Andheri (West)
Mumbai- 400053.

Vidhee Shroff
Company Secretary

ANNEXURE:

PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES, THE INFORMATION ABOUT DIRECTOR PROPOSED TO BE RE-APPOINTED IS FURNISHED AS FOLLOWS:

Mr. M. S. Kapur, aged 63 years, he is B.Sc., M.A. from Punjab University. He started his banking career with Punjab & Sindh Bank in 1969 and has more than 37 years of experience in the banking industry. He has retired as a Chairman and Managing Director of Vijaya Bank in March 2006. He worked as Officiating Chairman & Managing Director of Syndicate bank and Punjab & Sindh Bank and also as Chief Vigilance Officer of Union Bank of India and Indian Overseas Bank.

Names of the Companies in which he is a director:

- Bharat Dynamics Limited
- Corporate Ispat Alloys Limited
- DKP Solutions Private Limited
- International Space & Infrastructure Deliveries Private Limited
- The Lake (Shore) Palace Hotel Private Limited.

The membership of committees of the Board of other Companies: Nil.

Shareholding in the Company: 298

Relationship between Directors inter-se: He is not related to any existing director of the Company.



DIRECTORS' REPORT

To,
The Members of Broadcast Initiatives Limited.

Your Directors have pleasure in presenting the Fifth Annual Report on the operations of your Company together with the Audited Accounts for the financial year ended 31st March, 2009.

1. FINANCIAL HIGHLIGHTS

(Rs. in Lacs)

Particulars	Financial Year ended March 31,2009	Financial Year ended March 31,2008
Sales	947.47	1,371.69
Other Income	31.52	114.28
Total Income	978.99	1,485.97
Total expenditure	4,001.64	3,689.97
Profit / (Loss) before interest and depreciation	(3,022.65)	(2,204.00)
Less: Interest and finance charges	56.69	86.13
Profit / (Loss) before depreciation and taxation	(3,079.34)	(2,290.13)
Less: Depreciation	726.85	451.61
Profit / (Loss) before Tax	(3,806.19)	(2,741.74)
Less: Provision for taxation		
Current year	-	-
Fringe Benefit Tax	11.57	10.91
Deferred Tax	116.17	121.95
Net Profit / (Loss) after tax and before Extra- ordinary items	(3,933.93)	(2,874.60)
Extra-ordinary items	-	-
Net Profit / (Loss) after Extra- ordinary items	(3,933.93)	(2,874.60)
Profit / (Loss) brought forward from previous year	(4,087.63)	(1,213.03)
Balance carried forward to the Balance Sheet	(8,021.56)	(4,087.63)

2. OPERATIONS

For the year ended March 31, 2009, the Company earned total revenue of Rs.97,899,231 as against previous year Rs.148,596,991 a decrease of 65.88%. The net loss of the Company increased by 36.85% i.e. from Rs.287,459,761 to Rs.393,392,560. As per the consolidated accounts the total revenues is Rs.164,791,946 as against previous years Rs.338,500,650 a decline of 48.68% during the year under review.

A detailed discussion on the business performance is presented in the Management and Analysis section of the Annual Report.

3. DIVIDEND

In view of the loss during the year, your Board has not recommended any dividend.

4. PROJECTS AND EXPANSION PLANS

Last financial year was full of challenges for the news television because of growing competition in the news genre and the recession in the Indian economy as a whole. But still **Live India** was able to not only hold its position in the market but also to capitalize its flamboyant and hard hitting news channel image amongst the viewers.

Keeping the constant innovative and competitive media industry in mind **Live India** is also fully geared up to face the new challenges and for this purpose, we are constantly upgrading ourselves in terms of manpower, content and technology and the following strategies were implemented :

1. Last year we upgraded our 10 regional news bureaus with lease lines which enabled us to receive live news feeds from these news bureaus. These bureaus are located at Delhi, Chandigarh, Srinagar, Bhopal, Ahmedabad, Patna, Jaipur, Kolkata, Lucknow and Mumbai. This year we plan to expand our news gathering base by setting up at least three new news bureaus which will enable us to broadcast anything live from these centers and also our news anchors will be able to hold live discussions with our guests sitting anywhere at these news centers. This up-gradation will make Live India's news gathering mechanism one of the most wide spread networks in India. We already have two super bureaus in New Delhi and Mumbai with all the latest studio facilities equipped for live telecast for 24 hours.
2. This year we also plan to add two more state of the art latest OB vans for live broadcasts from any part of the country.
3. Going ahead with our technical expansion plans, we also bought one additional VZrt graphics machine for the enhanced packaging of mega news events like elections and budget.
4. Apart from this, We also upgraded our Mumbai facility with latest state of the art studio for live broadcasts. The production and post production facilities including graphics have been provided for both Mi Marathi and Live India. The said up-gradation is under process.



5. In television industry, if Content is King then distribution is the back bone of the channel. We are in a process of expanding our reach through out the country especially HSM (Hindi speaking market). We are in the process of tying up with major MSOs (Multi Service Operators) and cable operators in all major regions. This will enable us to increase our reach and simultaneously increase multi service operators our ratings.
6. Live India is also in the process of tying up with major DTH (Direct to Home) players to increase our reach. It is available on Dish TV, the largest DTH platform in the country. Apart from this currently the discussions are going on with Tata Sky, BIG TV, Airtel and Sun TV.
7. In terms of content Live India is constantly innovating in the field of programming. Our election coverage was one of the best in the industry. Live India's exit poll was the only one which could predict the right numbers before Lok Sabha elections and it was appreciated by one and all.
8. After a successful stint with Star TV in sales, now Live India has put in its own dedicated sales team and we are in a process of expanding it by setting up the offices and appointing new representatives across the country.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

- There is a separate section on Management Discussion and Analysis appended as Annexure to this Annual Report, which includes the following:
- Market and Industry Overview
- Strength , Weakness, Opportunities and Threats (SWOT Analysis)
- Segment wise operations
- Business strategy
- Risk and Concerns
- Internal Audit Control Systems and their adequacy
- Review of operations
- Human Resources & Industrial relations

6. SUBSIDIARY COMPANIES

As on 31st March 2009 the Company has three Subsidiary Companies:

1. Sri Adhikari Brothers Media Limited

The Channel called by the name of Mi Marathi by M/s. Sri Adhikari Brothers Media Limited. The channel is a Marathi entertainment channel. The said channel promises to be an interesting fusion of modern and traditional content for all age groups.

2. Technocraft Media Private Limited

Our applications for launching a Bhojpuri Channel called as -"HUM BHOJPURIA" has already been made to the Ministry of Information and Broadcasting.

3. Live India Television Networks Private Limited

The company plans to acquire, develop sell, distribute and market rights of television channels including 'Live India' and 'Mi Marathi' channels.

In terms of the approvals granted by the Ministry of Corporate Affairs vide its Order No.47/487/2009-CL-III dated 30th June, 2009 under Section 212 (8) of the Companies Act, 1956, copies of Balance Sheet, Profit & Loss Accounts and reports of the Board of Directors and Auditors of the said subsidiaries have not been attached with the balance sheet of the Company. The Statement pursuant to section 212(3) and (8) of the Companies Act, 1956 containing the details of the Subsidiary Companies are annexed as Annexure 'B' to the Annual Report.

However the Annual Accounts of the above-referred subsidiary companies shall be made available to the Shareholders on request and will also be kept for inspection at the Registered Office of the Company and of the concerned Subsidiary Company during the office hours on all working days.

7. DEPOSITS

Your Company has not accepted any Fixed Deposits from the public and is therefore is not required to furnish information in respect of outstanding deposits under Non Banking Non-Financial Companies (Reserve Bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975.

8. CHANGES IN SHARE CAPITAL

During the year under review the Company's fund requirement of the Company has been met with mix of Equity, Debt and Internal Accruals.

Share Capital

During the year under review, the Authorised Share Capital of the Company has been increased from Rs. 250,000,000 to Rs. 300,000,000 comprising of 30,000,000 Equity shares of Rs.10 each/-.

In the Extra Ordinary General Meeting of the Company held on July 23, 2008 the approval of shareholders was received for increase in Authorised Share Capital of the Company from Rs 25 Crores to Rs 30 Crores and alteration of the Capital Clause of the Memorandum of Association consequent upon increase of the said Authorised Share Capital of the Company.

The Company has entered into Share subscription Agreement for issue of 6,000,000 Equity shares on preferential basis to M/s. HDIL Infra Projects Private Limited. The allotment of the said shares is pending as the approval of the Ministry of Information and Broadcasting is awaited.



In accordance with SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, open offer was made by the acquirers (M/s. HDIL Infra Projects Private Limited, Rakesh Kumar Wadhawan, Mr.Sarang Wadhawan) and persons acting in concert Mr. Waryam Singh and Mr. Ashok Kumar Gupta) and in the process they have acquired 27, 87,068 Equity Shares i.e. 14.43% of the existing paid up Share capital of the Company.

Till date the Company has not granted any options under Employees Stock Option Scheme.

9. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the requirements of Accounting Standard-21 issued by the Institute of Chartered Accountants of India, the Consolidated Accounts of the Company with its three subsidiary Companies viz. Sri Adhikari Brothers Media Ltd., Technocraft Media Pvt. Ltd. and Live India Television Networks Pvt. Ltd. and Auditors' Report on these accounts are published in this Annual Report

10. DIRECTORS

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company, Mr. M.S. Kapur retires by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment. Your Board recommends his re-appointment for shareholders approval.

A brief profile of the Directors who are re-appointed as required by clause 49 (IV) (G) of the Listing Agreement entered by the Company with the Stock Exchanges is given in the Notice of the ensuing Annual General Meeting.

Mr. Anand Pandit has resigned from the Directorship w.e.f. 24th June, 2008

The approval of the Ministry of Information and Broadcasting for the appointment of new Directors (Nominees of HDIL Infra Projects) is awaited.

11. AUDITORS

M/s. A. R. Sodha & Co., Chartered Accountants, the Statutory Auditors of the Company is retiring at the ensuing Annual General Meeting and have conveyed their willingness to be re-appointed as Statutory Auditors of the Company.

The company has received certificates from the Auditor to the effect that, if appointed, their appointment shall be in accordance with the limits specified as per section 224(1B) of the Companies Act, 1956.If appointed by the members they shall be the statutory Auditors for the financial year 2009-10 and the said appointment shall be in force from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting.

12. AUDITORS' REPORT

1. The Company's business has witnessed a good growth in terms of the acceptance of its channel Live India by the viewers, although the company has not been able to make profits in the past years due to increase in the cost of operations. The Company's performance is as per business plan and the Company is in the process of raising funds to support these business plans. All these aspects have led to the view of the management that there is virtual certainty of having taxable income in the coming future and therefore the deferred tax asset of Rs.664.62 lacs recognized in the earlier years have not been reversed.
2. There has been further investments made by HDIL Infra Projects Private Limited in the Company including subsidiary Companies and shares acquired from existing promoters and preferential issue has been contemplated awaiting approval of Ministry of Information and Broadcasting which shows that the value of investments in subsidiary companies need not be reduced and hence no provision made for diminution in value of investments in subsidiaries amounting to Rs.733.60 lacs in accordance with Accounting Standard 13" Accounting for Investments" issued by the Institute of Chartered Accountants of India.
3. There has been delay in depositing of Tax deducted at Source (TDS) due to mandatory online filing e-TDS which requires requisite software for filing the same and the said software was not available .Hence there has been delay in depositing the same and the said matter has already been resolved. There has also been a delay in depositing the amount of Provident fund, Employee State Insurance and Professional tax due to liquidity constraints.
4. There has been delay in the payments of interest and principal amount to the bank due to liquidity constraints.

13. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in terms of requirements of clause (e) of subsection (1) of section 217 of the Companies Act, 1956 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo, read along with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 is given in the statement annexed (Annexure 'A') hereto forming part of this report.

14. INDUSTRIAL RELATIONS

The industrial relations continued to be generally peaceful and cordial.

15. PARTICULARS OF EMPLOYEES

None of the employees are drawing remuneration in excess of the prescribed limit as mentioned under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975. Hence, no statement is required to be furnished.

16. CORPORATE GOVERNANCE

The Company is committed to maintain the highest standard of Corporate Governance. The Securities & Exchange Board of India (SEBI) had introduced a code of Governance for the Listed Companies which are implemented through the listing agreement with the stock



exchanges in which the Company's Shares are listed.

Your Company has complied with the requirements of clause 49 of the listing agreement entered by the Company with the Stock Exchanges regarding corporate governance. A separate section titled Corporate Governance has been included in this Report. The following have been made as a part of the Annual Report and are given as annexure to this report.

- A report on the Corporate Governance practices followed by the Company.
- The Auditors' Certificate regarding compliance of mandatory requirements of the Compliance of the conditions of the Corporate governance.
- Declaration on Compliance with the code of Conduct.

17. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 217 (2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures if any;
- 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, 2009 and of the profit or loss of the Company for the year ended on that date;
- 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 your Company and for preventing and detecting fraud and other irregularities;
- They have prepared the annual accounts for the financial year ended on 31st March, 2009 on a "going concern basis".

18. APPRECIATION

Your Directors would like to express their sincere appreciation to the regulatory and government as well as non government agencies, local authorities, financial institutions, bankers, customers, suppliers and business associates for the co-operation and support received by the Company.

Your Directors take this opportunity to acknowledge with gratitude and wish to place on record the devotion and exemplary contribution made by all the employees of your Company and its subsidiaries at all levels during the year under review.

Your Board of Directors is thankful to the esteemed shareholders, stakeholders and depositors for their continued patronage and the confidence reposed in the Company.

For and On behalf of the Board of Directors
For Broadcast Initiatives Limited

Date : 30th July, 2009

Place : Mumbai

Gautam Adhikari
Chairman

ANNEXURE 'A' TO DIRECTORS' REPORT

A. Conservation Of Energy , Research And Development:

Conservation of Energy:

Your Company is into the business of Broadcasting of News & Current Affairs and General Entertainment Television Channels. Since these activities do not involve any manufacturing activity, the 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, is not applicable.

However the information as applicable are given hereunder:

- **Measures of Conservation of Energy:**
Your Company, being a service provider, requires minimal energy consumption and every endeavor has been made to ensure optimal use of energy, avoid wastages and conserve energy as far as possible.
- **Additional investments and proposals, if any, being implemented for reduction of consumption of energy.**
We are constantly evaluating and investing into new technologies in order to make infrastructure more energy efficient.
- **Impact of the measures and consequent impact on the cost of production of goods**
As energy costs comprise a very small part of our total expenses, the financial impact of these measures is not material.
- **Total energy consumption**
Since the Company does not form part of the list of industries specified in the schedule, the same is not applicable to the Company.

B. Technology Absorption, Adaptation And Innovation:

The Company's research and development initiatives mainly consists of creation of new content and knowledge for the news channel for the viewers. The expenses incurred on such initiatives are not practically quantifiable.

The Company is an integrated player in the entertainment industry and our business is such that there is limited scope for new technology absorption, adaptation and innovation but still the Company will endeavour to deliver the best to its viewers and business partners and is constantly active in harnessing and tapping the latest and best technology in the industry.

C. Foreign Exchange Earnings and Outgo:

(Rs. in Lacs)

Particulars	Year ended March 31,2009	Year ended March 31,2008
Foreign exchange earnings	-	-
Foreign exchange outgo	34.87	528.49

**ANNEXURE 'B' TO THE DIRECTORS REPORT**

Information in pursuance of section 212 (8) of the Companies Act, 1956 relating to Subsidiary Companies for the year ended March 31, 2009:

(Rs. in Lacs)

Particulars	Sri Adhikari Brothers Media Limited	Technocraft Media Private Limited	Live India Television Networks Private Limited
Share Capital	1,000.00	310.00	1.00
Reserves	(3599.54)	(529.29)	(4.07)
Total Assets	2096.40	1363.98	0.79
Total Liabilities	4251.63	1489.27	3.92
Details of investment	-	-	-
Turnover	891.74	-	-
Profit Before Taxation	(1320.27)	(178.83)	(4.07)
Provision for Taxation	33.16	-	-
Profit after Taxation	(1353.43)	(178.83)	(4.07)
Proposed Dividend	-	-	-

The Annual reports, other documents and the related detailed information of the aforementioned subsidiary companies will be made available upon the request by any member, or investor of the Company/subsidiary Companies. Further, the Annual Accounts of the subsidiary companies will be kept open for inspection for any investor/ Shareholder at the registered office of the Company and the concerned subsidiary Companies during the office hours on all working days.

Information in pursuance of Section 212(3) of the Companies Act, 1956 relating to Subsidiary Companies:

Particulars	Sri Adhikari Brothers Media Limited	Technocraft Media Private Limited	Live India Television Networks Private Limited
Financial year of the Subsidiary Company ended On	March 31,2009	March 31,2009	March 31,2009
Date on Which it became Subsidiary	2nd March, 2006	9th July, 2007	2nd August, 2007
Share of the Subsidiary Company held on the above dates			
(i) Number of Equity shares of face value of Rs. 10 each held in the Subsidiary Companies by Broadcast Initiatives Limited	7,000,000	2,170,000	10,000
(ii) Extent of Holding (%)	70%	70%	100%
Net aggregate amount of profits/(losses) of the subsidiary since it became a subsidiary so far as they concern members of the Company:			
(a) dealt with in the accounts of the Company for the year ended 31st March 2009 (Rupees in Lacs)	Nil	Nil	Nil
(b) not dealt with in the accounts of the Company for the year ended 31st March 2009 (Rupees in Lacs)	(947.40)	(125.18)	(4.07)
Net aggregate amount of profits/(losses) of the subsidiary since it became a subsidiary so far as they concern members of the Company:			
(a) dealt with in the accounts of the Company for the year ended 31st March 2009 (Rupees in Lacs)	Nil	Nil	Nil
(b) not dealt with in the accounts of the Company for the year ended 31st March 2009 (Rupees in Lacs)	(1572.28)	(245.32)	-
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 ended March 31, 2009.	Nil	Nil	Nil



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(ANNEXURE TO DIRECTORS' REPORT)

CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates, expectations may be 'forward looking statements' within the meaning of applicable laws and regulations, based on beliefs of the management of your Company. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties.

Many factors could cause the actual result to be materially different from those projected in this report, including among others, changes in the general economic and business conditions affecting demand/supply and price conditions in the segment in which the Company operates, change in business strategy, interest rates, inflation, deflation, foreign exchange rates, competition in the industry, changes in governmental regulations, tax laws and other Statutes & other incidental factors.

The Company does not undertake any obligation to publicly update any forward-looking statements, whether because of new information, future events or otherwise.

MARKET & INDUSTRY OVERVIEW:

The industry at a glance:

- India's media and entertainment industry grew 15 per cent annually in the last five years.
 - Projections for next five years lowered, yet a 12.5 & CAGR (Compound Annual Growth Rate) predicted.
 - Television would continue dominating the media and entertainment business.
- (Source: FICCI- KPMG Media & Entertainment Industry Report 2009, Indus Publication).
FICCI (Federation of Indian Chambers of Commerce and Industry)

The financial year 2008-09 brought with itself one of the worst economic crisis in recent times. India's economy despite its inherent strong fundamentals has also been affected by it. The initial reaction of business houses across the country was that of caution with which the passage of time got converted into a serious cut back on expenditure across the items in the Profit and Loss Account. In such a scenario, advertisement, marketing and Research & Development expenses are the first to get chopped.

A fall out of this has been reduced spending on advertisement across all verticals in the Indian Media and Entertainment industry. The industry per se, hit a rough patch in its smooth upward drive since many years in the past. Looking beyond the fiscal year under discussion, the year 2007 itself was a witness to the shining glory of the Indian Media & Entertainment (M&E) industry which not only outshined the growth of the Indian economy but also most other industries. Recording a significant growth of around Rs.520 Billion a 17% increase from Rs.445 billion in year 2006. In the year 2008 it was Rs.584 Billion a growth of 12.4% from Rs.520 billion in 2007.

With diverse growth projection estimates coming in from various industry analysts, the visibility regarding the overall growth in television advertisement continues to be dim. However, we expect advertising spends to improve around the festive season in the third quarter of the current fiscal while the first quarter would be helped by events like Elections, Budget etc. Notwithstanding this, digitization of distribution is expected to happen at a rapid pace going forward. With five heavyweight corporate houses already present in the **DTH** (Direct to Home) space, the **DTH** subscriber base is expected to keep improving. From a 12 million subscriber base in 2008 the **DTH** subscriber base is estimated to grow to around 28 million by 2013. Rapid proliferation of digitization is likely to push up the average TV viewership time. At the same time, TV & C&S (Cable & Service) penetrations are also likely to continue to grow at a steady rate. By 2013, the total number of TV owning households in India is estimated to be around 149 million with 85% of these estimated to be C&S subscribers. On the whole, rising ARPUs (Average revenue per user) from digital subscription and increasing C&S penetration are likely to result in subscription taking the next big leap in the coming years. Digitalization is also expected to put an end to the under declaration of subscribers by MSO's (Multi Service Operators) and LCO's (Local Cable Operators).

This significant growth in the market size is mainly witnessed due to an individual's increasing propensity for discretionary spending. Indian production houses are operating across multiple platforms and are constantly unearthing the potential of under penetrated geographies. Consequently, today they have been built on a wider scale and are attracting foreign media companies as well as investments. The market is flooded with new content delivery platforms that occupy a significant position in the distribution portfolio of players. The Indian media and entertainment industry is facing tough times. The fragmentation of audiences across media and distribution platforms is compounded by the greater need for accountability and measurability demanded by advertisers today.

o Sustainability

Diversification is the key to the growth and sustenance of any industry today. Media and entertainment is no exception. With the advent of superior technology platforms the industry is exploring newer formats. Online distribution channels, web-stores are various platforms to display content and provide for sound business propositions.

In addition to these, the DTH services have opened a completely new platform for business by way of pay per view services by making an entry into the homes of the consumers.

o Challenges

Whilst there are opportunities available for growth, there are also some hurdles on the way. Average revenue per subscriber, both on television (Rs.165 per month per household) and films (Rs.135 Per ticket) remains the biggest challenge. The fact that the sector by itself is largely disorganized and fragmented does not help. Lack of integrated production and distribution infrastructure further adds to the woes of the sector. Tier 2 and rural markets are yet to be penetrated. Lastly, the prevalent piracy and violation of intellectual properties remains a perpetual threat.

o Prospect

Despite challenge, the sector can pass off as the proverbial 'green pasture'. This is due to several reasons. Launch of alternate distribution platforms has enhanced the viewing experience for the consumer besides focusing on issues relating to addressability.



Today, an Indian viewer is exposed to as many as 450 channels, as compared to 120 in 2003 (Source : FICCI-KPMG Report). The television industry has evolved to be classified as one of the leading sectors of the Indian economy. This growth stems from an upbeat TV distribution industry that witnessed the emergence of digital mediums in the form of DTH, Digital Cable and IPTV. Having sensed the opportunity, several corporates have ventured into the DTH sector to get their share of the pie. This has led to multi service operators (MSOs) investing in digitizing their networks. The emergence of digital platforms has been able to counter the issue of addressability faced by the television industry to a certain degree.

o **Technology**

New Media refers to a new technology and communication methods by which the uniquely individualized information can simultaneously be delivered or displayed to a potentially infinite number of people. Here, all the players involved share equal or reciprocal control over content. New media like internet, mobile, IPTV, etc allows content owner to connect directly with the user and build viable communities around the content.

Video content consumption is one of the key trends and video advertising will become a key part of the above. Value Added Services (VAS) and 3G Spectrum is becoming a significant business for content owners and content producers by providing entertainment content to users. With the growth of the Internet bandwidth and subscriber base in India, the market is set for an exponential growth in video and multimedia entertainment content on the Internet. Opportunities are emerging for content companies to look at creating entertainment content for the digital devices and syndicate the same to various digital channels to maximize revenue and viewership.

STRENGTH, WEAKNESS, OPPORTUNITIES AND THREATS (SWOT ANALYSIS)

• **STRENGTHS**

- o The media and entertainment sector is one of the fastest growing in India because of its vast customer reach.
- o The country's growing middle-class with rise in disposable incomes has emerged as the mainstay of the media and entertainment industry.
- o There is an appreciable change in the lifestyle and entertainment sector due to which spending patterns of the Indian masses has led to rise in per capita income.
- o Technological innovations like online distribution channels, web-stores are complementing the ongoing revolution and growth of the sector.

• **WEAKNESS**

- o The media and entertainment sector in India is highly fragmented.
- o Poor media penetration in the lower socio-economic classes.

• **OPPORTUNITIES**

- o The increasing interest of global investors in the sector.
- o The poor media penetration among weaker sections, offering expansion opportunities.
- o The nascent stage of new distribution channels, offering an opportunity for development.
- o Rapid industry de-regulation.
- o Rise in viewership and advertising expenditure.
- o Technological innovations like animations, multiplexes, etc and new distribution channels like mobiles and internet opening up new sectoral opportunities.
- o Necessity of general knowledge and awareness among individuals through the medium of television.

• **THREATS**

- o Piracy and the violation of intellectual property rights pose a major threat.
- o Lack of quality content has emerged as a major concern.
- o Rapid technological innovations are exposing the sector to considerable uncertainty.

SEGMENT WISE OPERATIONS:

The Company is operating in single segment viz. broadcasting. Hence, the results are reported on a single segment basis.

BUSINESS STRATEGY:

The fiscal gone by was not one of the best years in the history of Indian media industry. However, through agile strategies and an effective cost control platform we are able to achieve stability in the industry:

1. Targeting increased operational efficiency across all functions in the organization:

Our focus on efficiency enhancement, further rationalization of cost and strengthening of Balance Sheet strength enhanced our competitive advantage many fold.

2. Expansion of news bureaus:

Further expansion of news bureaus will help us to receive live news feeds from these news bureaus.

3. Maintain high standards of Corporate Governance consistently:

Since inception, the Company has believed that good governance is critical to sustaining corporate development, increasing productivity and creating shareholder wealth. When it comes to compliance and corporate governance, Broadcast Initiatives Limited has always tried to go a step further than what is prescribed for accountability, disclosure and judiciousness in its conduct.

RISKS AND CONCERNS:

• **Regulatory Risk**

A delay in the introduction of Conditional Access System and popularization of Direct to home could lead to potential loss of viewership and hence decrease in advertising and subscription revenues.

Media, specifically news media, is a strongly regulated industry in India. Relevant authorities may introduce additional or new regulations applicable to its business or make changes in regulations relating to one or more of licensing requirements, access requirements, programming transmission, uplinking requirements, spectrum specifications, consumer protection, or other aspects of the Company's or any competitor's business, could have an adverse effect on the Company's business and results of operation. There can be no assurance that the Company will succeed in obtaining all requisite approvals in the future for its operations.



- **Cable Operators**

The Company's penetration among cable and satellite homes is primarily as a result of its distribution system and the cooperation it has enjoyed over the years from MSO's (Multi Service Operators) and local cable operators, who control signal access to the homes. If such support is not forthcoming for any reason, including the lack of viewer appeal of our channels or failure to strike mutually acceptable commercial terms with such operators, viewers' access to our channels could be impaired, resulting in a decline of both advertising and subscription revenues.

Continued underreporting of subscribers by local cable operators may adversely affect growth prospects in terms of lower subscription revenues.

- **Language Risk**

A substantial portion (92%) of the Company's revenues was derived from a single language, reflecting overdependence.

- **Competition Risk**

With increasing number of players entering the Broadcasting Industry, more specifically News Broadcasting, competition is ever increasing. To maintain its competitive edge in such a scenario, the Company will need to anticipate viewer preferences to create, acquire, commission and produce compelling content and maintain viewer-pull. It is impossible to predict how future changes could affect the Company's competitiveness as audiences may or may not accept recent launches as well as future launches due to a variety of reasons including quality of programming, price, marketing support, competition, etc.

Lack of viewer acceptance for content could also result in slippage in subscription and syndication revenues. Such unpredictability could adversely affect the Company's performance.

- **Technology risk**

Technological and regulatory changes have spawned new distribution platforms. While the Company proposes to make investments in content and technology to stay ahead of the game, it is impossible to predict how future changes could affect the Company's competitiveness.

In a business where newer generations of equipment are introduced all the time, their replacement could represent a financial setback.

- **People Attrition Risk**

The Company's success to a large part depends on the abilities and continued services of its senior management, as well as other skilled personnel, including creative and programming personnel. The Company's senior management is particularly important to its business because of their experience and knowledge of the media industry. The loss or non-availability to the Company of any of its senior management could have significant adverse affect. The Company may also not be able to either retain its present personnel or attract additional qualified personnel as and when needed. To the extent the Company will be required to replace any of its senior management or other skilled personnel, there can be no assurance that the Company will be able to locate or employ similarly qualified persons.

- **Financial and Advertising cost Risk**

Working Capital and debt

On the one hand, the Company suffers from a long receivables cycle while on the other it must remunerate professionals on schedule. Any mismatch could affect the Company's reputation as a preferred employer. In the business of entertainment content, excessive debt could stifle risk taking, since the consumer's response remains unpredictable, a risk in itself.

The trend of high levels of contribution of advertising revenues to aggregate revenues is likely to continue for the foreseeable future. In this scenario, if our Company's programming is unable to sustain high levels of viewership rating, the consequent decline in advertising revenues will manifest itself as a significant dip in aggregate revenues. If future trends favour other forms of advertising media like radio, outdoor, print, etc., our Company could be adversely affected. Business and economic cycles also have a cascading effect on advertising budgets of companies. The ongoing downturn could cause a decline in our revenues and profits.

Broadcast Initiatives Limited has been adopting various strategies to manage the cost pressures. However, trends in the recent past do not suggest that there is much probability of these risks fructifying it and the Company remains cautiously optimistic about its future prospects.

INTERNAL AUDIT, CONTROL SYSTEMS AND THEIR ADEQUACY:

Internal control systems are integral to your Company's corporate governance. The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness. More specifically, the objectives of these internal control systems are comprised of :

- Compliance with laws, regulations, standards and internal procedures.
- Safeguarding the Company's assets/ resources and protecting them from any loss.
- Ensuring the integrity of the accounting system; the proper and authorized recording and reporting of all transactions.
- Ensuring a reliability of all financial and operational information.

It has a proper and adequate system of internal control commensurate with the size and nature of its business and periodic review of business to ensure timely decision making and to take corrective action.

There is a comprehensive Management Information System, which forms an integral part of the Company's control mechanism.

REVIEW OF OPERATIONS

Particulars	(Rs. in Lakhs)	
	Year ended March 31, 2009	Year ended March 31, 2008
Income from operations	947.47	1,371.69
Total Expenditure	4,001.64	3689.97
Profit/(Loss) before Interest, Depreciation, Extra-ordinary items and Tax	(3,022.64)	(2,204.00)
Interest Expenditure	56.69	86.13
Depreciation	726.85	451.61
Provision for Taxation	127.74	132.86
Net Profit/ (Loss) after Tax	(3,933.92)	(2,874.60)



BROADCAST INITIATIVES LIMITED

SHARE CAPITAL

The Issued, subscribed and paid up Share Capital is Rs. 193,140,000 consisting of 19,314,000 Equity shares of rupees 10 each. There has been no change in the share capital during the year under review.

LOAN FUNDS

There is increase in secure loans due to overdraft facility amounting to Rs. 142,879,396 availed for against Intellectual Property Rights, Receivables and Immovable Property

FIXED ASSETS

There is increase in fix asset due to capital expenditure incurred for acquisition of Plant & Machinery (Rs. 4,248,861), Computer & Software (Rs. 3,389,851) and Development of construction sets (Rs. 2,577,004).

SUNDRY DEBTORS

Sundry debtor decreased to Rs. 39,754,952 in the fiscal 2009 from Rs. 43,244,445 in the fiscal 2008

OTHER INCOME

Other income includes interest income of fixed deposits and unsecured loans.

Expenditure

Particulars	FY 2008-2009		FY 2007-2008		% Inc/(Dec)
	Rupees	% of Revenue	Rupees	% of Revenue	
Personnel Cost	100,646,594	103	85,712,115	58	45
Operating & Other Expenses	299,516,974	306	283,284,756	191	115
Depreciation	72,685,385	74	45,160,951	30	44
Interest	5,669,051	6	8,613,007	6	0
Total Expenses	478,518,004	489	422,770,832	285	204

PROFIT (LOSS) BEFORE TAX

Loss before tax increased by 39% to Rs. 380,618,773 in fiscal 2009 from Rs.274,173,838 in Fiscal 2008.

PROFIT (LOSS) AFTER TAX

Loss after tax before exceptional items increased by 37% to Rs. 393,392,560 in fiscal 2009 from Rs.287,459,761 in fiscal 2008.

CASH FLOW

The cash flow position for the fiscal 2009 and fiscal 2008 is summarized in the below

(Rs. in Lacs)

Particulars	Fiscal	
	2009	2008
Net cash flow operating activities	(3096.27)	(479.05)
Net cash flow (used in) investing activities	(192.43)	(3519.04)
Net cash flow (used in) financing activities	2942.32	397.65
Opening cash flow equivalents at the beginning of the year	488.03	4088.47
Cash and Cash equivalent at the end of the year	141.65	488.03

HUMAN RESOURCES & INDUSTRIAL RELATIONS:

Your Company believes that human resources are vital resource in giving the Company a competitive edge in the current business environment and facilitates organizational growth and enhancing the shareholder value. The Company's philosophy is to provide congenial work environment, performance oriented work culture, knowledge acquisition/ dissemination, creativity, challenging work environment, provide growth oriented careers and responsibility. The Company provides challenging work environment and growth oriented careers to all its employees. The management and the employees are dedicated to achieve the vision, corporate objectives and goal of the organization. The industrial relations at the Company are cordial. There exists a harmonious and teamwork atmosphere with admirable management and employees relations at all levels of working. The total number of employees of the Company as on March 31, 2009 was 475. During the year under review, the Company has not faced any industrial relation challenges.

For and on behalf of the Board of Directors
For Broadcast Initiatives Limited

Gautam Adhikari
Chairman

Date : 30th July, 2009

Place : Mumbai



REPORT ON CORPORATE GOVERNANCE

(ANNEXURE TO DIRECTORS' REPORT)

1 COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE:

Your Company believes that Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all the facets of its operations and its interactions with the stakeholders including shareholders, employees, lenders and the Government. The Company believes that all its actions would contribute to the underlying goal of enhancing overall stakeholder value over a sustainable period of time. Corporate Governance is a voluntary code of self-discipline developed to ensure that the company abides by the ethical standards. The Company believes in maintaining highest standards of quality and ethical conduct, in all the activities of the Company. Corporate Governance at Broadcast Initiatives Limited has been a continuous journey and the business goals of the Company are aimed at the overall well being and welfare of all the constituents of the system.

It is that the imperative that for good corporate governance lies not merely in drafting a code of corporate governance but in practicing it. The report on the implementation of the Code of Corporate Governance pursuant to clause 49 of the Listing Agreement entered by the company with the Stock Exchanges where shares of the Company are listed and the details of it are furnished below.

THE GOVERNANCE STRUCTURE

2 BOARD OF DIRECTORS AND BOARD PROCEDURES :

A) COMPOSITION OF THE BOARD

The Board of Directors provides strategic direction and thrust to the operations of the Company. The Board consists of an optimal blend of the Company's Executive and Non-Executive Directors, who have in depth knowledge of the business, in addition to expertise in their respective areas of specialization i.e. two Executive Directors and two Non-Executive Directors.

As the Chairman is executive Director, at least half of the Board should comprise of independent Directors in terms of clause 49 of the Listing Agreement. The Board of Directors as at March 31, 2009 comprises of four Directors, so at least two of them should be independent directors. Since the Company has two non-executive Directors and independent Directors. The company has complied with the said clause of the Listing Agreement.

The Composition and category of directors as on March 31, 2009 are as follows:

Name	Category
Mr. Gautam Adhikari	Promoter, Chairman & Executive Director
Mr. Markand Adhikari	Promoter, Vice Chairman & Managing Director
Mr. G. D. Sharma	Independent & Non Executive Director
Mr. Anand Pandit ¹	Independent & Non Executive Director
Mr. M. S. Kapur	Independent & Non Executive Director

¹Resigned from Directorship with effect from 24th June 2008.

There are no institutional or nominee Directors on the Board of the Company.

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

B) OTHER PROVISIONS RELATED TO THE BOARD AND COMMITTEES:

NUMBER OF BOARD MEETINGS:

During the year under review, the Board of Directors met nine times viz. 31st May, 2008, 9th June, 2008, 24th June, 2008, 30th June, 2008, 4th July, 2008, 31st July, 2008, 31st August, 2008, 27th October, 2008 and 31st January, 2009. The maximum time gap between two meetings did not exceed four months.

The name of the members of the Board of Directors, their attendance at Company's Board Meetings and the Last Annual General Meeting are as follows:

Name of the Directors	No. of Board Meetings attended	Attendance of last A.G.M (i.e. last 30th September, 2008)
Mr. Gautam Adhikari	8	Yes
Mr. Markand Adhikari	9	Yes
Mr. G. D. Sharma	6	Yes
Mr. Anand Pandit ¹	0	No
Mr. M. S. Kapur	6	Yes

CHAIRMANSHIP / MEMBERSHIP:

Directors have confirmed to the Company that none of the Directors on the Board of the Company are members of more than 10 Committees and are Chairman in more than 5 Committees, across all Companies in which they are Directors.



The details of their Directorships of the Companies and Chairmanship/ membership held in other Public Companies are stated below:

Name	Particulars of other Directorships and other Committee Chairmanship/ Membership. ¹		
	Other Directorships	Committees ²	
		Chairmanships	Memberships
Mr. Gautam Adhikari	10	2	1
Mr. Markand Adhikari	11	-	2
Mr. G. D. Sharma	-	-	-
Mr. Anand Pandit ³	13	2	3
Mr. M. S. Kapur	5	-	-

1. For the purpose of reckoning the said limit of chairmanship / membership held by the Directors, the Audit Committee and Share Transfer Committee are also considered.
2. For the purpose of considering the limit of the committees on which a director can serve, all public limited companies, whether listed or not, shall be included and all other companies including private companies, foreign companies, Companies under Section 25 of the Companies Act, 1956 proprietorships and membership in governing councils, chambers and other bodies are not included while calculating directorships in above table.
3. Resigned from Directorship with effect from 24th June 2008.

C) CODE OF CONDUCT

The Company has laid down a code of conduct for its 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 is signed by the Vice-Chairman & Managing Director of the Company forms part of this report.

COMMITTEES OF THE BOARD

In compliance with the Listing Agreements (both mandatory and non-mandatory) and the SEBI Regulations, the Board has constituted a set of committees with specific terms of reference and scope to deal with specified matters expeditiously. The details of the committees constituted by the Board are given below:

3 AUDIT COMMITTEE

The Audit Committee, constituted by the Board of Directors in accordance with section 292 A of the Companies Act, 1956 and clause 49 of the listing Agreement with the Stock Exchanges.

CONSTITUTION:

During the year 2008-09, the Committee comprised of independent - non-executive directors and executive director having financial background and knowledge of the business of the Company.

The Committee comprised of the following members:

Mr. M. S. Kapur (Chairman of the Committee)

Mr. G. D. Sharma

Mr. Anand Pandit (Upto 24th June 2008)

Mr. Gautam Adhikari (w.e.f. 30th June 2008).

Ms. Vidhee Shroff acted as the secretary to the Audit Committee.

MEETING AND ATTENDANCE DURING THE YEAR:

The Audit Committee met five times viz on 31st May, 2008, 30th June 2008, 31st July 2008, 27th October 2008 and 31st January 2009 during the year under review and the number of meetings attended by each member during the year ended 31st March 2009 are as follows:

Name of the member	Designation	No. of Meetings attended
Mr. M. S. Kapur	Chairman	5
Mr. G. D. Sharma	Member	5
Mr Anand Pandit ¹	Member	0
Mr. Gautam Adhikari ²	Member	2

¹. Ceased to be a member with effect from 24th June 2008.

². Appointed as a member with effect from 30th June 2008.

The statutory auditors are invitees to the Audit Committee Meetings.

The terms of reference of Audit Committee inter alia, are as follows:

- The Audit committee provides direction to the audit and risk management function in the Company and monitors the quality of internal audit and management audit.



- The responsibilities of the Audit Committee includes overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment/removal of external auditors and fixing their remuneration and reviewing the financial statements before submission to the Board.
- To hold periodic discussions with the Statutory Auditors of the Company concerning the accounts of the Company, internal control system, scope of audit and observation of the Auditors;
- To review Compliance with the listing and other legal requirements relating to financial statements.
- To review Annual and Un-audited quarterly / half yearly financial results of the Company before submission to the Board;
- To make recommendations to the Board on any matter relating to the finance and management of the Company.
- To review the statement of significant related party transactions.
- Review of the management discussion and analysis of financial condition and results of operations.
- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956

4 REMUNERATION COMMITTEE CONSTITUTION:

Name of the member	Designation
Mr. G. D. Sharma	Chairman
Mr Anand Pandit ¹	Member
Mr. M. S. Kapur	Member

1. Ceased to be a member with effect from 24th June 2008.

The Remuneration Committee is a non- mandatory requirement of Clause 49 of the listing Agreement of the Stock Exchanges. The committee is entrusted with the responsibilities of approving compensation packages of Managing Director/Whole time Director, reviewing and approving the performance based incentives to be paid to Managing Director/Whole time Director. During the year 2008-09 Committee comprised of Independent and Non-Executive Independent Directors. The committee did not meet during the financial year 2008-09.

5 SHAREHOLDERS / INVESTORS' GRIEVANCE-CUM-SHARE TRANSFER COMMITTEE

During the year under review the Investors' Grievances cum Share Transfer Committee Meetings were held four times during the year ended on 31st March 2009 viz; 21st April, 2008, 30th June, 2008, 27th October, 2008 and 31st January, 2009.

CONSTITUTION :

- Mr. M. S. Kapur (Chairman of the Committee)
- Mr. G. D. Sharma
- Mr. Anand Pandit (Upto 24th June 2008)

Ms. Vidhee Shroff acted as the secretary of the said Committee.

MEETING AND ATTENDANCE DURING THE YEAR:

Name of the members	Designation	No. of Meetings attended
Mr. M. S. Kapur	Chairman	4
Mr. G. D. Sharma	Member	4
Mr Anand Pandit ¹	Member	1

¹. Ceased to be a member with effect from 24th June 2008.

The terms of reference of Share Transfer and Investors' Grievance Committee, inter alia, are as follows:

- To approve or otherwise deal with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, sub-division or consolidation of certificates and to deal with all related matters; to deal with all the matters related to de-materialisation or re-materialisation of shares, change in the beneficial holders of de-mat shares and granting of necessary approvals wherever required.
- To look into and redress shareholders / investors grievances relating to:
 - Transfer of shares.
 - Non-receipt of annual reports.
 - All such complaints directly concerning the shareholders / investors as stakeholders of the Company.
 - Any such matters that may be considered necessary in relation to shareholders and investors of the Company.
- To maintaining investor relations.

NAME AND DESIGNATION OF COMPLIANCE OFFICER:

Ms. Vidhee Shroff, Company secretary is the compliance officer of the Company.

STATUS OF INVESTORS' COMPLAINTS

There were 17 complaints received during the year ended 31st March 2009 out of which 2 complaints pertaining to the Initial Public Offer (I. P.O.).

**THE STATUS OF INVESTORS' COMPLAINTS RELATING TO I.P.O. CASES DURING THE FINANCIAL YEAR 2008-09**

No. of Complaints outstanding at the beginning of the year: Nil

No. Of Shareholders' Complaints received during the year: 2

No. Of Complaints replied/resolved during the year: 2

No. Of complaints pending at the end of the year: Nil

All the 17 complaints were successfully resolved and as on March 31, 2009 and no complaints were pending.

6. SUBSIDIARY COMPANIES

Clause 49 defines a material non-listed Indian subsidiary as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

The Company has three subsidiary companies viz. Sri Adhikari Brothers Media Ltd., Technocraft Media Pvt. Ltd., Live India Television Networks Pvt. Ltd. As per the norms prescribed in Clause 49 of the Listing Agreement for "Material non-listed Indian Subsidiary" Sri Adhikari Brothers Media Ltd. is the material subsidiary Companies.

The minutes of the Board of Directors of Unlisted subsidiary companies were placed at the Board meeting of the Broadcast Initiatives Limited in compliance of clause 49 (III) of the listing agreement.

7. GENERAL BODY MEETINGS**THE DATE, TIME AND LOCATION OF THE LAST THREE ANNUAL GENERAL MEETINGS OF THE COMPANY HELD ARE GIVEN AS BELOW:**

Financial Year	Date	Time	Location of the meeting
2007-2008	30.09.2008	12.00 p.m.	1 st Floor, Anand Hall, Gandhigram Road, Near Hare Krishna Temple, Juhu, Mumbai-400 049.
2006-2007	27.09.2008	04.30 p.m.	Anand Hall, Gandhigram Road, Near Hare Krishna Temple, Juhu, Mumbai-400 049.
2005-2006	16.05.2006	12.00 p.m.	Adhikari Chambers, Oberoi complex, New Link Road, Andheri (West), Mumbai-400 053.

DURING THE LAST THREE ANNUAL GENERAL MEETINGS HELD, THE FOLLOWING SPECIAL RESOLUTIONS WERE PASSED:

Financial Year	Particulars of Resolutions passed
2007-2008	• No Special Resolutions were passed in the said General Meeting
2006-2007	• Approval of Employee Stock Option Scheme for Employees/key senior level managerial personnel of the Company. • Maintenance of Registers and records at the premises of the Company's Registrar and Share Transfer Agent.
2005-2006	• Deletion of Article 46 (g) from the Articles of Association of the Company • Adoption of new set of Articles of Association keeping in view the requirements of converting the Company from a closely held public company to a listed one.

DETAILS OF SPECIAL RESOLUTIONS PASSED IN THE EXTRA ORDINARY GENERAL MEETING:

Financial Year	Particulars of Resolutions passed
2007-2008	• Increase in the Authorised Share Capital of the Company from Rs 25 Crores to Rs 30 Crores i.e. from 25,000,000 Equity Shares to 30,000,000 Equity Shares of Rs.10 each. • Alteration of the Capital Clause of the Memorandum of Association consequent to increase of the Authorised Share Capital of the Company from Rs 25 Crores to Rs 30 Crores. • To issue and allot on preferential basis 6,000,000 (Sixty Lakhs Equity Shares of Rs 10/- each) of the Company at an issue price of Rs 36.50 i.e. the price determined as per Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines 2000 for preferential issues to HDIL Infra Projects Pvt Ltd in accordance with Chapter XIII of SEBI (DIP) Guidelines, 2000 for Preferential Issues, subject to necessary provisions and approvals.



2006-2007	<ul style="list-style-type: none"> Alteration in the articles of association of the Company consequent upon increase in Authorised share capital from Rs.10 Crores to Rs. 25 Crores. Further issue of Equity shares under section 81 (1 A) of the Companies Act, 1956 through Initial Public Offer. Investments by FIIs and NRIs in Initial Public Offer of the Company. Authority to Board of Directors to grant 5 Lacs equity shares through employee stock option Scheme. Further issue of 7,64,000 equity shares on preferential basis to the promoters of the Company
2005-2006	<ul style="list-style-type: none"> Alteration in the articles of association of the Company consequent upon increase in Authorised Share Capital from Rs.1 Crores to Rs.10 Crores. Change in the name of the Company from 'SAB Samachar Ltd.' to 'Sri Adhikari Brothers News & Television Network Ltd. Further issue of 30,50,000 equity shares on preferential basis to the promoters of the Company. Investment in Sri Adhikari Brothers Media Ltd. U/s.372 A of the Companies Act in excess of limit upto Rs. 3.10 Crores. Reclassification of 30 Lacs Preferential Shares into equal number of equity shares. Further issue of 69 Lacs equity shares on preferential basis to the promoters of the Company. Change of name of the Company from 'Sri Adhikari Brothers News & Television Network Ltd.' to 'Broadcast Initiatives Limited'

8. DISCLOSURES

A. RELATED PARTY TRANSACTIONS

Related party transactions are defined as transactions of the Company of material nature with the promoters, directors or with their relatives and its subsidiaries etc. The transactions with related parties are disclosed in Note No. 7 of Schedule 18 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.

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 as applicable.

C. DISCLOSURE OF RISK MANAGEMENT

Your company has a well defined risk management frame work in place and it is discussed in detail in the management discussion and analysis section of this annual report. Your company has establish procedures to periodically place before the Board the risk assessment and minimization procedures being followed and steps taken by the Company to mitigate the risks. The Company has commensurate risk assessment and minimization procedure the company.

D. REMUNERATION PAID TO DIRECTORS DURING THE YEAR 2008-09

No remuneration was paid to either Executive or Non - Executive and Independent Directors except payment of sitting fees to Independent Directors for each meetings attended by them. The total sitting fees paid during the financial year 2008-09 are as under:

(Amount in Rs.)

Name	Sitting fees paid
Mr. G. D. Sharma	60,000
Mr. M. S. Kapur	60,000

No sitting fees were paid to Mr. Anand Pandit as he has not attended any Board meeting during his tenure.

NUMBER OF EQUITY SHARES HELD BY THE DIRECTORS AS ON 31ST MARCH 2009

Name of the Directors	Category	No. of Shares held
Mr. Gautam Adhikari	Chairman & Executive Director	5,381,500
Mr. Markand Adhikari	Vice Chairman & Managing Director	5,381,500
Mr. Anand Pandit ¹	Independent & Non Executive Director	200
Mr. M. S. Kapur	Independent & Non Executive Director	298
Mr. G. D. Sharma	Independent & Non Executive Director	Nil

1. Ceased to be a Director with effect from 24th June 2008.



E. MANAGEMENT

As a part of Directors' Report, Management and Discussions and Analysis Report is annexed to this Annual report pursuant to the Listing Agreement.

F. SHAREHOLDERS

INFORMATION ABOUT THE DIRECTORS:

The application by the Company for the approval of the Ministry of Information and Broadcasting for the appointment of new Directors is pending.

PROFILE OF DIRECTORS RETIRING BY ROTATION AND BEING ELIGIBLE FOR RE-APPOINTED AT ENSUING ANNUAL GENERAL MEETING:

Mr. M..S. Kapur is an Independent and Non-Executive Director on the Board of the Company is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for re-appointment.

Mr. M. S. Kapur, aged 63 years, he is B.Sc., M.A. from Punjab University. He started his banking career with Punjab & Sindh Bank in 1969 and has more than 37 years of experience in the banking industry. He has retired as a Chairman and Managing Director of Vijaya Bank in March 2006. He worked as Officiating Chairman & Managing Director of Syndicate bank and Punjab & Sindh Bank and also as Chief Vigilance Officer of Union Bank of India and Indian Overseas Bank.

Besides this, he holds directorship in following Companies:

- Bharat Dynamics Limited
- Corporate Ispat Alloys Limited
- DKP Solutions Private Limited
- International Space & Infrastructure Deliveries Private Limited
- The Lake (Shore) Palace Hotel Private Limited.

He does not hold the membership of committees of the Board of other Companies.

He holds 298 Shares of the Company as on March 31, 2009.

Except Mr. Gautam Adhikari and his brother Mr. Markand Adhikari, no other Directors are related to each other.

G. COMPLIANCE BY THE COMPANY

a. The Company has complied with the mandatory requirements of the Stock Exchanges, SEBI and other statutory authorities on all matters relating to capital market. Shares of the Company are listed on both the Stock Exchanges i.e. National Stock Exchange of India Limited and Bombay Stock Exchange Limited

b. Instances of Non Compliance by the Company:

The Stock Exchanges, SEBI, or other Statutory Authorities has imposed no penalties or strictures on the Company. The certificate from the auditors affirming compliance of conditions of Corporate Governance as stipulated in clause 49 (VII) of the listing agreement and is annexed to this Annual Report.

c. Adoption of Non mandatory Requirements:

Although it is not mandatory, the Board of Broadcast Initiatives Limited has constituted the Remuneration Committee. Details of the same have been provided under section "Remuneration Committee."

H. WHISTLE BLOWER POLICY

Though there is no formal Whistle-blower policy, the Company encourages all employees, officers and Directors, to investigate and report any suspected violations promptly. The Company further 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.

I. REVIEW OF DIRECTORS' RESPONSIBILITY STATEMENT

The Board in its report has confirmed that the annual accounts for the year ended 31st March 2009 have been prepared as per applicable accounting standards and policies, it is based on "going concern" basis. and that sufficient care has been taken for maintaining adequate accounting records.

J. POLICY FOR PROHIBITION OF INSIDER TRADING

In Compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 1992, (as amended from time to time) and to preserve the confidentiality and prevent misuse of unpublished price sensitive information, the Company has adopted a policy for Prohibition of Insider Trading for Directors' and specified employees of this Company, with regard to dealing in the shares of the Company.

K. CEO / CFO CERTIFICATION

The CEO and CFO have certified to the Board, stating the particulars specified under the clause 49(V) of the Listing Agreement in respect of the financial statements for the year ended March 31 2009, by placing before the Board the said certificate at its meeting held on 30th July, 2009.



9. MEANS OF COMMUNICATION

- The Company believes that all stakeholders should have access to adequate information, regarding the Company's position so as to enable them to accurately assess its future potential and it is in accordance with the applicable guidelines /listing agreements entered by the company with the Stock Exchanges.
- At present half yearly report on accounts are not sent to each household of shareholders.
- The quarterly, half-yearly and annual financial results are published in The Financial Express/ The Free Press Journal/Business Standard and Dainik Mumbai Lakshadeep/ Navshakti Mumbai.
- The Company has its own website www.liveindia.tv and has been uploading financial results and quarterly shareholding pattern along with other relevant information useful to investors on the website.
- The results and the shareholding pattern are also available on the stock exchange websites viz. www.bseindia.com and www.nseindia.com.
- At present the Company does not make presentation to Institutional Investors and Analysts.

10. GENERAL SHAREHOLDERS INFORMATION :

Date Time and Venue of the Annual General Meeting	Date : 29 th September 2009	
	Day : Tuesday	
	Time : 11.00 a.m.	
	Venue : I.M.A. (Indian Medical Association) Bldg., J.R. Mhatre Marg, J.V.P.D. Scheme, Juhu, Mumbai - 400 049	
Financial year	April 2008 to March 2009	
Financial Calendar (2009- 2010)	First Quarter Results for the Quarter : July, 2009 ended June 30,2009	
	Second Quarter Results for the Quarter : October, 2009 ended September 30,2009	
	Third Quarter Results for the Quarter : January, 2010 ended December 31,2009	
	Fourth Quarter Results for the Quarter : April, 2010 if (Unaudited) ended March 31,2010 or by end of June 2010 (if Audited)	
Date of Book Closure	Wednesday, 23 rd September 2009 to Tuesday, 29 th September 2009. (Both days inclusive)	
Dividend payment date	Not Applicable	
Listing on Stock Exchanges and Stock Code/ Symbol	The Company's 19,314,000 Equity Shares of the Company are listed on the following Stock Exchanges.	
	Name and address of Stock Exchanges.	Stock Code/Symbol
	National Stock Exchange of India Limited. Exchange Plaza, plot No.C/1, G Block, Bandra Kurla complex, Bandra (East), Mumbai- 400 051.	Symbol BROADCAST
	Bombay Stock Exchange Limited. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.	Stock Code 532816
Listing Fees	The Company has paid the Listing fees for the financial year 2009-10.	
ISIN for dematerialization of Listed Shares	INE698H01018	
CIN no.	L92130MH2004PLC144371	



• **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. at the end of each month in last financial year are as follows:

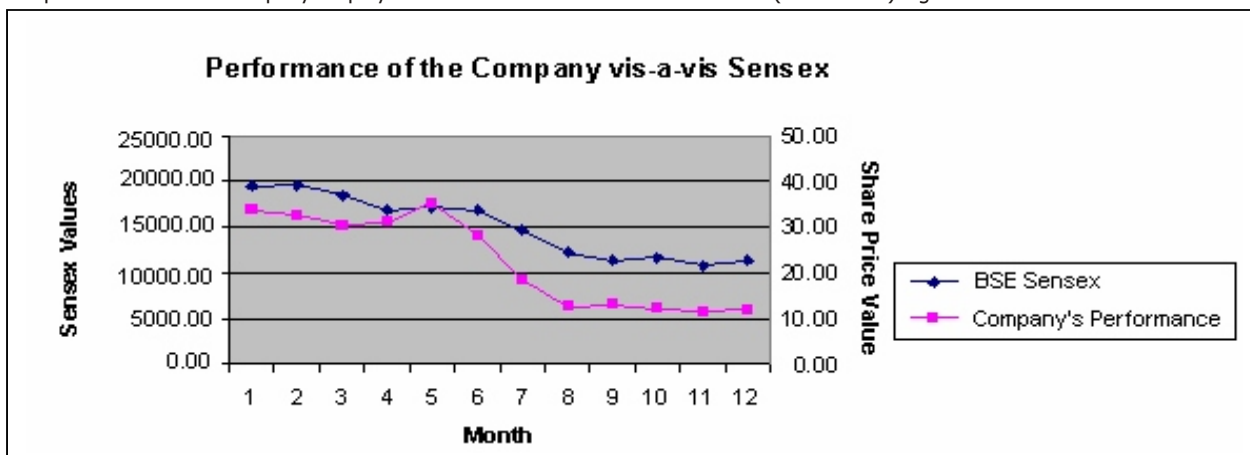
Month	National Stock Exchange of India Ltd.		Bombay Stock Exchange Ltd.	
	Price (Rs.)*		Price (Rs.)**	
	High	Low	High	Low
April'08	40.25	27.29	40.30	27.40
May'08	35.75	29.00	35.95	29.10
June'08	36.50	24.20	36.50	24.60
July'08	34.90	27.75	35.00	27.50
Aug'08	36.30	33.95	36.40	33.75
Sep'08	35.90	19.80	36.00	20.00
Oct'08	23.50	13.15	23.75	13.50
Nov'08	15.80	10.75	15.33	10.03
Dec'08	15.00	10.50	15.19	10.46
Jan'09	14.70	9.90	14.50	10.00
Feb'09	13.00	9.90	12.98	9.85
March'09	13.15	10.10	13.30	10.16

*Source: www.nseindia.com

**Source: www.bseindia.com

Performance of Share Price in comparison to BSE Sense

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



REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
(Formerly known as Intime Spectrum Registry Limited)
Address : C-13, Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (W), Mumbai - 400078.
Tel.: 91-22-25963838
Fax.: 91-22-25946969
www.linktime.co.in

• **SHARE TRANSFER SYSTEM**

The Company's Shares are compulsorily traded in dematerialized form and the Registrars and Share Transfer Agents of the Company periodically receive the beneficiary holdings from the Depository so as to enable them to update their records and send all corporate communications.

In case of transfers in physical form which are lodged with the Company's Registrar & Share Transfer Agent are normally processed within a maximum period of 30 days from the date of lodgment, if the documents are clear in all respects. Shares under objection are returned within two weeks. All the share transfers and other share related issues are attended by the Share transfer Committee constituted by the company and Company's Registrar & Share Transfer Agent.



The dematerialization requests of shares are processed and the confirmation is given to the respective depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) within 15 days.

• **CATEGORY WISE SHAREHOLDERS AS AT 31ST MARCH 2009**

Category	Name of Holders	No. of Shares held	Percentage of Shares holding(%)
Promoter and Promoter Group	3	10,763,200	55.73
Mutual Funds / UTI	-	-	-
Financial Institutions/ Banks	3	513965	2.66
Venture Capital Funds	-	-	-
Insurance Companies	-	-	-
Foreign Institutional Investors	2	415305	2.15
Bodies Corporates	288	3479561	18.02
Individuals	15987	4001469	20.71
Clearing Members	63	110623	0.57
Trusts	3	1002	0.01
Non Resident Indians	41	28377	0.15
Directors & Their Relatives & Friends	2	498	-
GRAND TOTAL	16392	19,314,000	100.00

Number of Equity shares held	Number of shareholders	% of total number of shareholders	Number of Shares allotted	% of Total Number of Shares
1 - 500	15092	92.05	2233276	11.56
501 - 1000	742	4.53	597058	3.09
1001 - 2000	312	1.90	470768	2.44
2001 - 3000	101	0.62	252604	1.31
3001 - 4000	42	0.25	149250	0.77
4001 - 5000	28	0.17	130647	0.68
5001 - 10000	37	0.23	270727	1.40
10001 and above	38	0.25	15209670	78.75
Total	16392	100.00	19,314,000	100.00

• **DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Company has made arrangements with both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for demat facility. 19313992 Equity shares aggregating to 99.99% of the total Equity Capital is held in dematerialized form as on 31st March 2009.

The Identification Number (ISIN) allotted to the Company under depository system is INE698H01018.

The Shares held by NSDL and CDSL as on 31st March 2009 is as follows:

Particulars	No. Of Shares	% of Total Capital
Shares held in Dematerialized form with NSDL	12958032	67.09%
Shares held in Dematerialized form with CDSL	6355960	32.91%
Shares held in Physical form	8	0.00%
Total	1,93,14,000	100.00%

• **OUTSTANDING ADRS, GDRS, WARRANTS OR ANY CONVERTIBLE INSTRUMENTS, CONVERSION DATE AND IMPACT ON EQUITY**

The Company has not issued any ADRs, GDRs, Warrants or any convertible instruments which are convertible into equity shares during the financial year 2008-09.

• **REGISTERED OFFICE**

6th Floor, Adhikari Chambers,
Oberoi Complex,
Newlink Road,
Andheri (West),
Mumbai- 400053

CORPORATE OFFICE

Dheeraj Arma, 3rd Floor,
Anant Kanekar Marg,
Bandra (East),
Mumbai - 400 051
Tel: 91-22-26583700
Fax: 91-22-26583737.
Website: www.liveindia.tv

STUDIO

Premnath Motors Compound 1,
Mandir Marg, New Delhi 110 001.



BROADCAST INITIATIVES LIMITED

- **ADDRESS FOR INVESTORS CORRESPONDENCE:**

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

- **REGISTRAR & SHARE TRANSFER AGENTS**

Link Intime India Private Limited
(Formerly known as Intime Spectrum Registry Limited)
Address: C-13, Pannalal Silk Mills Compound
L.B.S.Marg, Bhandup (W),
Mumbai-400078
Tel.: 91-22-25963838
Fax: 91-22-25946969.
Helpline@linktime.co.in
Website: www.linktime.co.in

- **FOR CORRESPONDENCE**

Ms. Vidhee Shroff, Company Secretary
Broadcast Initiatives Limited
Dheeraj Arma, 3rd Floor,
Anant Kanekar Marg,
Bandra (East),
Mumbai - 400 051
Tel: 91-22-26583500
Fax: 91-22-26583636.
Website: www.liveindia.tv

- **DEDICATED E-MAIL ID FOR INVESTORS**

Pursuant to clause 47(f) of the Listing Agreement and for the convenience of our investors. The Company has formulated an exclusive email id for investors i.e., Investorservices@liveindia.tv

- **AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

The company has obtained a certificate from the statutory auditors regarding compliance of conditions of corporate governance pursuant to clause 49(VII) (1) of the listing agreement which is annexed herewith.

- **DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT:**

I, MARKAND ADHIKARI, Vice-Chairman & Managing Director of Broadcast Initiatives Limited hereby confirm pursuant to Clause 49(1) (D) (ii) of the listing agreement, that:

- The Board of Directors of Broadcast Initiatives Limited has laid down a code of conduct for all the Board members and senior management of the Company, The said code of conduct has also been posted in the website of the Company i.e. www.liveindia.tv.
- All the Board Members and senior management personnel have affirmed their compliance with the code of conduct for year ended March 31, 2009.

Date: 30th July, 2009

Place : Mumbai

MARKAND ADHIKARI
VICE CHAIRMAN & MANAGING DIRECTOR

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members

Broadcast Initiatives Limited

We have examined the compliance of conditions of the Corporate Governance by **Broadcast Initiatives Limited** (the Company) for the year ended 31st March, 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with Bombay Stock Exchange Limited & National Stock Exchange of India Limited.

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

On the basis of relevant records & documents maintained and furnished to us and the information and explanation given to us by the company's management and 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 listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor 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

Date : 30th July, 2009

Place : Mumbai



AUDITOR'S REPORT

To,
The Members,
Broadcast Initiative Limited
Mumbai.

We have audited the attached Balance Sheet of Broadcast Initiatives Limited as at 31st March 2009 and Profit and Loss account for the period ended on that date and 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. Those 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 in Terms of Section 227 (4A) of the Companies Act, 1956 and on the basis of such checks and verification as were considered necessary, we report, in the Annexure hereto on the matters specified in the Paragraph 4 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 and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
- d) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report are in compliance with the Accounting standard referred to in Section 211 (3C) of the Companies Act, 1956 subject to;
 - i) *Non reversal of deferred tax assets of Rs.664.62 lacs recognized in earlier years on unabsorbed depreciation and carry forward of business losses in accordance with Accounting Standard 22 "Accounting for Taxes on Income" issued by Institute of Chartered Accountants of India.*
 - ii) *Non provision for diminution in value of investments in subsidiaries amounting to Rs.733.60 Lacs in accordance with Accounting Standard 13 "Accounting for Investments" issued by Institute of Chartered Accountants of India. Reference may be made to Note 3 to Notes to accounts Schedule 18.*
- e) On the basis of written representations received from the Directors of the Company as at March 31, 2009 and taken on record by the Board of Directors, we report that no director is disqualified from being appointed as a Director of the company under clause (g) of subsection (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, 2009 and
 - ii) In the case of Profit and Loss Account, of the Loss for the period ended on that date.
 - 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 Accountants,

Date : 30th July, 2009

Place : Mumbai

(A. R. Sodha)
Partner
M. No. 31878

ANNEXURE TO AUDITORS' REPORT

Annexure to the Auditors' Report on the Accounts for the Year Ended 31st March, 2009 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 maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
b. We have been informed that, the fixed assets have 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 a substantial part of its fixed assets and accordingly it has no effect on the going concern of the company.
2. The company is not having inventory of material amount at any time during the year hence the matters specified in Clause 4(ii) of Companies (Auditor's Report) order, 2003 has not been reported.
3. a. According to the information and explanation given to us and on the basis of records furnished before us, the company has granted unsecured loan to two companies covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year is Rs.675.59Lacs and the year end outstanding is Rs.504.19Lacs.
b. According to information and explanation given to us, terms and conditions in respect of loan granted to Parties covered in (a) above, subsidiaries of the Company, are not prejudicial to the interest of the Company.
c. As the above loan is repayable on demand, we cannot comment about regularity of receipts of Principal and Interest.



BROADCAST INITIATIVES LIMITED

- d. As the above loan is repayable on demand, the question of overdue amount does not arise.
- e. According to the information and explanation given to us and on the basis of records furnished before us, Company has taken interest free unsecured loan taken from two parties Covered in the register maintained under section 301 of the Companies Act, 1956 amounting to Rs.162 Lacs. Year-end balance of these loans is 19 Lacs.
- f. According to information and explanations given to us, the terms and conditions of these loans are prima facie not prejudicial to the interest of the Company.
- g. Above interest free loan is repayable on demand and the same has been paid as and when demanded.
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. 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 to 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. The company has not accepted any deposits from the public. Hence Clause 4(vi) of Companies (Auditor's Report) order, 2003 is not applicable.
7. In our opinion, the Company needs to improvise its Internal Audit system to make it commensurate with the size and nature its 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 services dealt with by the company.
9. a. The Company is generally regular in depositing statutory dues including Service Tax, Cess, Custom Duty, Income Tax, Provident Fund, Employee State Insurance, and Professional Tax except certain delay in payment of TDS, PF, ESIC and PT.
- b. According to Information and Explanation given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employee State Insurance, Income Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other undisputed statutory dues were outstanding, at year end, for a period of more than six months from the date they become payable.
- c. According to the information and explanation given to us there are no disputes pending before the authorities in respect of service tax, sales tax, Income tax, custom duty and other statutory dues.
10. As the Company is in existence for less than 5 years, clause 4(x) of Companies (Auditor's Report) order, 2003 is not applicable.
11. In our opinion and according to the information and explanations given to us and records furnished to us for our verification, *the Company has delayed payment of Interest and Principle to Bank aggregating to Rs.20.30 Lacs by 1-30 days, Rs.62.63 Lacs by 31-60 days and 21.46 Lacs by 61 to 90 days.*
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, societies and therefore clause 4(xiii) of Companies (Auditor's Report) order, 2003 is not applicable.
14. In our opinion, the Company is not dealing or trading in Shares and Securities and accordingly Clause 4 (xiv) of Companies (Auditor's Report) order, 2003 is not applicable.
15. According to the information and explanations given to us, and the representations made by the management, the Company has given guarantee amounting to Rs.1,360 Lacs for loans taken by others from bank or financial institution. According to the information and explanations given to us, and the representations made by the management the terms and conditions on which the Company has given the guarantee is not prima facie prejudicial to the interest of the Company.
16. During the year under consideration company has not taken any term loans.
17. The Short term funds raised during the year has been used *for funding the losses of the company.* However according to information and explanation given to us, *the enterprise has alternate of raising the funds from proposed promoter group to meet working capital requirement/ repayment of short term loans when due for payment.*
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. Accordingly Clause 4(xix) of Companies (Auditor's Report) Order, 2003 is not applicable.
20. According to information and explanations given to us, the Company has not raised any money from public issues during the year.
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 period nor we have been informed of such instances by the management.

**For A. R. SODHA and Co.
Chartered Accountant**

**Date : 30th July, 2009
Place : Mumbai**

**(A. R. Sodha)
Partner
M No 31878**

BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	193,140,000	193,140,000
Reserves & Surplus	2	953,573,086	953,573,086
Share Application Money		219,000,000	40,000,000
		<u>1,365,713,086</u>	<u>1,186,713,086</u>
Loan Funds			
Secured Loan	3	167,609,148	43,584,390
Unsecured Loan	4	11,607,163	15,000,000
		<u>179,216,311</u>	<u>58,584,390</u>
TOTAL		<u>1,544,929,397</u>	<u>1,245,297,476</u>
APPLICATION OF FUNDS			
Fixed Assets	5		
Gross Block		840,018,671	829,802,955
Less: Depreciation		<u>148,189,758</u>	<u>75,504,373</u>
Net Block		691,828,913	754,298,582
Capital Wip & Capital Advance		<u>11,362,618</u>	-
		<u>703,191,531</u>	<u>754,298,582</u>
Investment	6	92,300,000	91,800,000
Current Assets ,Loans & Advances	7		
Sundry Debtors		39,754,952	43,244,445
Cash & Bank Balances		14,165,590	48,802,664
Deposit & Advances		<u>121,549,765</u>	<u>81,313,206</u>
		<u>175,470,307</u>	<u>173,360,315</u>
Less : Current Liabilites & Provisions	8		
Current Liabilities		219,874,479	212,921,307
Provisions		<u>38,125,291</u>	<u>11,609,313</u>
		<u>257,999,770</u>	<u>224,530,620</u>
Net Current Assets		<u>(82,529,463)</u>	<u>(51,170,305)</u>
Profit & Loss A/c		802,155,543	408,762,983
Deferred Tax		29,456,407	41,073,148
Miscellaneous Expenditure	9	355,379	533,068
(To the Extent not Written off or adjusted)			
TOTAL		<u>1,544,929,397</u>	<u>1,245,297,476</u>

Notes To Accounts

18

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 A.R.Sodha & Co .
Chartered Accountants

A. R. Sodha
Partner
M.No. 31878
Mumbai ,30th July 2009

Vidhee Shroff
Company Secretary

For and On behalf of the Board of Directors
Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2009

	Schedule	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
INCOME			
Sales		94,747,258	137,168,610
Other Income	10	3,151,973	11,428,381
		97,899,231	148,596,991
EXPENDITURE			
Production Expenses	11	30,019,240	47,726,380
Telecast Expenses	12	35,861,603	27,118,059
News Syndication	13	9,050,953	8,028,875
Administration Expenses	14	49,745,969	60,390,478
Human Resource Cost	15	100,646,594	85,712,115
Distribution & Marketing	16	174,661,520	139,843,275
Miscellaneous Expenditure W/off	9	177,689	177,689
		400,163,568	368,996,871
PROFIT /(LOSS) BEFORE FINANCE CHARGES, DEPRECIATION & TAX		(302,264,337)	(220,399,880)
Finance Charges	17	5,669,051	8,613,007
PROFIT /(LOSS) AFTER FINANCE CHARGES,		(307,933,388)	(229,012,887)
Depreciation	5	72,685,385	45,160,951
PROFIT /(LOSS) BEFORE TAX		(380,618,773)	
(274,173,838)			
Provision for Taxation			-
Deferred tax		11,616,741	12,194,654
Fringe Benefit Tax		1,157,046	1,091,269
PROFIT /(LOSS) AFTER TAX		(393,392,560)	(287,459,761)
Extra Ordinary Items			-
PROFIT/(LOSS) AFTER EXTRA ORDINARY ITEMS		(393,392,560)	(287,459,761)
Profit /(Loss) brought from Previous Year		(408,762,983)	(121,303,222)
Balance Carried to Balance Sheet		(802,155,543)	(408,762,983)
Basic & Diluted Earning per Share		(20.37)	(14.88)
(Face Value Rs.10 Per Share)			
(See Note 9 of Schedule 18)			
Notes To Accounts	18		
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 A.R.Sodha & Co .
Chartered Accountants

A. R. Sodha
Partner
M.No. 31878
Mumbai ,30th July 2009

Vidhee Shroff
Company Secretary

For and On behalf of the Board of Directors
Gautam Adhikari
Chairman

Markand Adhikari
Vice Chairman & Managing Director

CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL STATEMENT AS AT 31ST MARCH 2009

(Rupees in lacs)

Particulars	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) Before tax and Extraordinary items	(3,806.19)	(2,741.74)
Adjustments for		
Depreciation	726.85	451.61
Interest Income	(28.20)	(73.04)
Profit on Sale of Mutual fund units	(0.15)	(41.24)
Loss on sale of fixed assets	-	1.28
Interest on Loan funds	53.99	79.86
Preliminary /Share Issue Expenses Written off	1.78	1.78
Operating profit Before Working Capital changes	(3,051.92)	(2,321.49)
Adjustments for		
(Increase)/Decrease in Trade & other receivable	(367.47)	460.45
Increase/(Decrease) in Trade payable and provisions	323.12	1,390.77
Cash generated from operations	(3,096.27)	(470.29)
Direct taxes paid	-	(8.76)
Cash flow before prior period items	(3,096.27)	(479.05)
prior period items	-	-
Net Cash from operating activities	(3,096.27)	(479.05)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(215.78)	(3,420.83)
Sale of Fixed Assets	-	5.50
Purchase of Investments	(5.00)	(218.00)
Interest Income Received	28.20	73.04
Profit on Sale of Mutual fund units	0.15	41.24
Net Cash from investing activities	(192.43)	(3,519.04)
C CASH FLOW FROM FINANCING ACTIVITIES		
Shares Application /Equity Shares	1,790.00	400.00
Repayment of term Loan from Bank	(172.85)	(78.70)
Loan Taken -Vehicle Loan	-	22.69
Repayment of Loan -Vehicle Loan	(15.69)	(16.48)
Bank Over Draft Facility	1,428.79	-
Loan from Others -Unsecured Loan	1,592.88	2,125.10
Repayment of Loan from Others	(1,645.81)	(1,975.10)
Loan from Directors	162.00	66.50
Repayment of loan to Directors	(143.00)	(66.50)
Interest Paid	(53.99)	(79.86)
Net Cash used in financing activities	2,942.32	397.65
Net Decrease in cash and cash equivalents (A+B+C)	(346.38)	(3,600.44)
Opening Balance of cash and cash equivalents	488.03	4,088.47
Closing Balance of cash and cash equivalents	141.65	488.03

Notes:

- 1 The cash flow statement has been prepared as per Indirect Method .
- 2 Cash & cash equivalents represent Cash & Bank Balance (Including FD with Bank)

As per our report of even date
for A.R.Sodha & Co .
Chartered Accountants

For and On behalf of the Board of Directors
Gautam Adhikari
Chairman

A. R. Sodha
Partner
M.No. 31878
Mumbai ,30th July 2009

Vidhee Shroff
Company Secretary

Markand Adhikari
Vice Chairman & Managing Director



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
30,000,000(P.Y.25,000,000) Equity shares of Rs.10/- each .	<u>300,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Paid-up		
19,314,000 (P.Y.19,314,000),Equity Shares of Rs.10/- each, fully paid up	<u>193,140,000</u>	<u>193,140,000</u>
	<u>193,140,000</u>	<u>19,140,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Securities Premium Account	<u>953,573,086</u>	<u>953,573,086</u>
	<u>953,573,086</u>	<u>953,573,086</u>
SCHEDULE 3		
SECURED LOANS		
Term Loans	22,494,041	39,779,404
Against Hypothecation by way of first charge over Block of Assets of the Company & Personal Gurantee by two Directors (Installment Due within a Year Rs. 18,868,000 (P.Y. Rs. 18,888,000)		
Vehicle Loans	2,235,711	3,804,986
(Against Hypothecation of Vehicles) (Installment Due within a Year Rs. 1,540,641(P.Y. Rs.1,844,724)		
Overdraft Facility	142,879,396	-
(Secured against IPR, Receivables and Immovable Property of Proposed Promoters)		
	<u>167,609,148</u>	<u>43,584,390</u>
SCHEDULE 4		
UNSECURED LOANS		
From Directors & Promoters	11,607,163	-
From Others	-	15,000,000
	<u>11,607,163</u>	<u>15,000,000</u>



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE 5
FIXED ASSETS

(Amount in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.08	Additions	Deductions	AS AT 31.03.09	AS AT 01.04.08	For the period ended 31.03.09	Adjustment	AS AT 31.03.09	AS AT 31.03.09	AS AT 31.03.08
Channel Development	226,994,385	-	-	226,994,385	43,533,170	22,699,439	-	66,232,609	160,761,776	183,461,215
Land & Building	50,125,000	-	-	50,125,000	837,713	952,375	-	1,790,088	48,334,912	49,287,287
Plants, Machinery & Media Assets	454,068,719	4,248,861	-	458,317,580	21,222,793	39,526,648	-	60,749,441	397,568,139	432,845,926
Construction & Sets	73,043,137	2,577,004	-	75,620,141	5,523,881	4,706,706	-	10,230,587	65,389,554	67,519,256
Vehicles	8,861,172	-	-	8,861,172	1,223,283	841,811	-	2,065,094	6,796,078	7,637,889
Computers	16,710,542	2,187,353	-	18,897,895	3,163,533	2,755,908	-	5,919,441	12,978,454	13,547,009
Softwares	-	1,202,498	-	1,202,498	-	1,202,498	-	1,202,498	-	-
Total	829,802,955	10,215,716	-	840,018,671	75,504,373	72,685,385	-	148,189,758	691,828,913	754,298,582
Capital Wip & Capital Advance	-	11,362,618	-	11,362,618	-	-	-	-	11,362,618	-
Previous Year	326,840,307	503,756,607	793,959	829,802,955	30,459,813	45,160,951	116,391	75,504,373	754,298,582	296,380,494



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SCHEDULE 6		
INVESTMENTS (At Cost)		
In Subsidiary Companies		
Unquoted		
Shares of Sri Adhikari Brothers Media Ltd.		
7,000,000 (P.Y. 7,000,000) Equity Shares of Rs.10 Each	70,000,000	70,000,000
Technocraft Media Pvt Ltd .		
2,170,000 Equity shares (P.Y. 2,170,000) of Rs 10 Each	21,700,000	21,700,000
Live India Television Networks Pvt.Ltd		
10,000 Equity shares (P.Y. 10,000)of Rs.10 Each.	100,000	100,000
Share Application Money for Shares in Punjab & Maharashtra Co-op. Bank Ltd.	500,000	-
	92,300,000	91,800,000
SCHEDULE 7		
CURRENT ASSETS ,LOANS & ADVANCES		
Loan ,Advances & Deposits		
(Unsecured ,considered good)		
Transponder Deposit	4,110,000	4,110,000
Premises Deposit	874,390	643,000
Prepaid Expenses	8,470,875	23,663,041
Loan to Subsidiary	50,419,689	16,003,074
Interest Receivable	1,106,888	676,091
Other Receivables / Advance*	56,567,923	36,218,000
(Recoverable in cash or kind for value to be received)		
[* Including Rs. 21,718,628 (P.Y. Nil) due from a subsidiary]		
	121,549,765	81,313,206
Sundry Debtors		
(Unsecured ,considered good)		
Outstanding for More than six months	23,734,659	7,553,983
Other debts (including Rs. 1,38,85,704 due from proposed promoter group)	17,456,053	38,024,578
	41,190,712	45,578,561
Less :Provision for Doubtful Debts	1,435,760	2,334,116
	39,754,952	43,244,445
Cash & Bank Balances		
Cash on Hand	29,564	786,171
Balance with Scheduled Banks in		
Current Accounts	1,161,191	933,258
Cheques-in-Hand	6,741,600	-
Fixed Deposit	6,233,235	47,083,235
	14,165,590	48,802,664
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors & Other Liabilities *	219,829,479	212,877,037
[Including deposit of Rs.122,400,000 (P.Y. Rs.122,400,000) received from a subsidiary and an amount of Rs. 28,28,289 due to Company under same management]		
* for dues to Micro Small and Medium enterprise refer Note 15 of Schedule 18 Notes to Accounts		
Unclaimed Public Issue Refund*	45,000	44,270
(*kept in a Separate bank A/c)		
	219,874,479	212,921,307
Provisions		
For Expenses	36,989,562	11,394,462
For Taxation	1,135,729	214,851
	38,125,291	11,609,313
SCHEDULE 9		
MISCELLANEOUS EXPENDITURE		
(To the extent not written off or adjusted)		
Preliminary Expenses & Share Issue Expenses		
Opening Balance	533,068	710,757
Less: Written off During the year	177,689	177,689
	355,379	533,068



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SCHEDULE 10		
OTHER INCOME		
Interest Income	2,820,098	7,304,449
Other Income	331,875	4,123,932
	<u>3,151,973</u>	<u>11,428,381</u>
SCHEDULE 11		
PRODUCTION EXPENSES		
Content Production Expenses	16,532,918	22,516,631
Production Hire Charges	13,486,322	25,209,749
	<u>30,019,240</u>	<u>47,726,380</u>
SCHEDULE 12		
TELECAST EXPENSES		
Transponder Charges	15,522,832	7,452,000
Uplinking Charges	8,220,000	8,220,000
Link & Other Charges	10,939,531	11,446,059
Bureau Setup Expenses	1,179,240	-
	<u>35,861,603</u>	<u>27,118,059</u>
SCHEDULE 13		
NEWS SYNDICATION		
News Subscription Charges	9,050,953	8,028,875
	<u>9,050,953</u>	<u>8,028,875</u>
SCHEDULE 14		
ADMINISTRATIVE EXPENSES		
Staff Welfare Expenses	4,476,968	5,194,961
Electricity Charges	7,178,396	7,698,683
Communication Expenses	5,614,558	5,975,140
Insurance Charges	1,316,958	849,659
Rent, Rates & Taxes	3,952,617	5,384,885
Repairs & Manitenance	2,636,330	2,426,819
Traveling & Conveyance	7,657,996	9,095,692
Legal & Professional Charges	3,649,947	9,086,708
Printing & Stationery	984,522	1,655,139
Membership & Subscription	3,131,684	2,790,979
General Expenses	8,645,993	9,731,813
Audit Fees	500,000	500,000
	<u>49,745,969</u>	<u>60,390,478</u>
SCHEDULE 15		
HUMAN RESOURCES COST		
Salaries, Allowances etc.	95,599,980	81,483,162
Contribution to Provident Fund & Other Funds	5,046,614	4,228,953
	<u>100,646,594</u>	<u>85,712,115</u>
SCHEDULE 16		
DISTRIBUTION & MARKETING		
Business Promotion Expenses	1,805,052	616,255
Advertising & Marketing Expenses	19,126,075	14,217,464
Distribution Expenses	153,730,393	125,009,556
	<u>174,661,520</u>	<u>139,843,275</u>
SCHEDULE 17		
FINANCE CHARGES		
Bank Interest	4,207,169	6,347,833
Others	1,461,882	2,265,174
	<u>5,669,051</u>	<u>8,613,007</u>



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

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**i Registration Details**

Registration No .	144,371	State Code	11
Balance Sheet Date	31-Mar-09		

ii Capital raised during the year (Rs.In Thousand)

Public Issue	Nil	Right Issue	Ni
Bonus Issue	Nil	Private Placement	219,000

iii Position of Mobilisation and Deployment of funds (Rs. In Thousand)

Total Liabilities	1,544,929	Total Assets	1,544,929
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Source of Funds

Paid up Capital	193,140	Reserve & Surplus	953,573
Secured Loan	167,609	Unsecured Loans	11,607
Share Application Money	219,000	Deferred tax Liability	-

Application of funds

Net Fixed Assets	703,192	Investment	92,300
Net Current Assets	(82,529)	Misc.Expenditure	355
Net Loss	802,155	Deferred Tax Assets	29,456

iv Performance of Company (Rs .In Thousand)

Turnover	97,899	Total Expenditure	478,518
Profit /(Loss) Before tax	(380,619)	Profit /(Loss) after Tax	(393,393)
Earning per share (Rs.)	(20.37)	Dividend Rate %	Nil

v Generic Names of Three Principal Product /Services of Company (as per Monetary terms)

Product Description :BROADCASTING

Items code No ,(ITC Code)NOT ALLOTTED



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

SCHEDULE: 18

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, purchasing power of money and on accounting principles of "going concern". All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

b. Use of Estimates

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

c. Revenue Recognition

Advertisement revenue (Net of agency commission) is recognised on accrual basis when respective advertisement or commercial appears on the channel or as per the terms with advertising agencies.

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

Facility charges for Channel Management and Distribution Service is recognised as per the terms of agreement with subsidiary on accrual basis.

In case of Barter transaction the income is recognized at fair value of Goods/Services received.

d. Fixed Assets

Tangible fixed Assets are stated at cost of acquisition which includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition for their intended use.

e. 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.

Channel Development cost is amortized over a period of ten years on time proportionate basis.

Depreciation on the Land and Building is provided on straight line method on Pro Rata basis considering remaining useful life of 48 years and 5% residual Value .

Depreciation on Media Assets has been provided @ 10% on Straight Line Method

Depreciation on Decoders is provided @ 100%.

Software Purchase has been amortized @ 100%.

f. Foreign Currency Transaction

i. Initial Recognition

Foreign Currency transactions are recorded in the reporting currency by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

ii. Conversion

Foreign Currency monetary items are reported using exchange rate as on 31st March. Non-monetary items ,which are carried in items of historical cost denominated in a foreign currency are reported using exchange rate at the date of the transaction.

iii. 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 recognized as income or expenses in the year in which they arise.

g. Investments

Long term investments are stated at cost.

Investment in shares of a company, the holding of which is directly related to the right to hold the investment 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.

h. Inventory

Inventory held on account of barter transaction is stated at cost or Net realizable value whichever is less.

i. Employee Benefits

Post Employment Benefits Plan

- Payments to defined contribution of retirement benefit schemes is charged to profit & loss account when contributions to respective funds are due.
- For Defined benefit schemes, such as leave encashment and gratuity, it 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.

j. Borrowing Cost

Borrowing costs directly attributable to development of qualifying asset are capitalised till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. Other borrowing costs are recognised as expenses in the period in which they are incurred.

k. Taxes on Income

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



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

Deferred income taxes reflect the impact of current year timing difference between taxable income and accounting income for the year and reversal of timing difference 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 assets are 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. The carrying amount of deferred tax assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably/virtually certain, as the case may be, to be realised.

(Refer note 10 to Notes to Accounts)

I. Earning Per Share

Basic earning 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 period.

m. Provisions

A provision is recognised 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.

NOTES TO ACCOUNTS

2. Preferential Allotment & Open Offer:

The summarized transaction details for Preferential Allotment of shares and Open Offer:

- a) Transaction: HDIL Infra Projects Pvt Ltd (HIPPL) and Mr. Rakesh Kumar Wadhawan and Mr. Sarang Wadhawan ("Acquirers") and Mr. Waryam Singh and Mr. Ashok Kumar Gupta, person acting in concert ("PAC") proposed to acquire 129,10,140 fully paid equity shares of Rs.10/- each of the Company constituting 51% of fully diluted paid up share capital of the company through Share subscription /acquisition as under :
 - i. Preferential allotment of 6,000,000 Equity shares u/s 81 (1A)
 - ii. Open Offer to the Public share holders in accordance with SEBI take over regulation.
 - iii. Share sale by Promoters

The above transactions are subject to approval of statutory authorities including permission from Ministry of Information and Broadcasting ("MIB").

- b) Preferential Allotment: In accordance with Share Subscription Agreement dated June 24, 2008 and subsequent Share holders' approval in the Extra Ordinary General Meeting convened on July 23, 2008, the Company has received share application money from HDIL Infra Projects Pvt Ltd (HIPPL) for 60,00,000 equity shares of Rs.10/- each at the issue price of Rs. 36.50 per share aggregating to Rs. 2190 lacs.
- c) Open Offer: Subsequent to Open Offer to Public Share holders in June 2008 in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation,1997, ("SEBI (SAST)"), the Acquirers and PAC acquired 27,87,068 shares from Public Share holders at Rs. 36.50 per share.
- d) Share Sale by Promoters: Pursuant to Share Purchase Agreement dated June 24, 2008, the existing Promoters have transferred 41,23,072 shares of the Company to Acquirers and PAC.
- e) Statutory Approvals: As the above transactions are subject to approval of MIB, the shares acquired through Open Offer and Share Sale are not allotted to Acquires and PAC and are kept in Escrow account. In view of this, transaction with acquirers and PAC and group entities are not considered under related party transactions.

3. Investments

SRI ADHIKARI BROTHERS MEDIA LIMITED "SABML": In accordance with Share Subscription Agreement dated June 24, 2008 and subsequent Share holders approval in Extra Ordinary General Meeting convened on June 27, 2008, SABML has received share application money from HDIL Infra Projects Pvt Ltd (HIPPL) for 40,10,000 equity shares of Rs.10/- each aggregating to Rs. 401 lacs.

Pursuant to Share Purchase Agreement dated June 24, 2008, Acquirers and PAC will acquire 21,35,100 shares for Rs. 42.70 lacs i.e. at an average rate of Rs. 2 per share on getting approval from MIB. On completion of shares acquisition, SABML will not remain subsidiary of the company.

TECHNOCRAFT MEDIA PRIVATE LIMITED "TMPL": In accordance with Share Subscription Agreement dated June 24, 2008 and subsequent Share holders approval in Extra Ordinary General Meeting convened on June 27, 2008 TMPL has received share application money from HDIL Infra Projects Pvt Ltd (HIPPL) for 9,88,274 equity shares of Rs.10/- each aggregating to Rs.98.83 lacs.

Pursuant to Share Purchase Agreement dated June 24, 2008, Acquirers and PAC will acquire 6,58,500 shares for Rs. 13.17 lacs i.e. at an average rate of Rs. 2 per share on getting approval from MIB. On completion of shares acquisition, TMPL will not remain subsidiary of the company.

4. Fixed Assets

Management has considered Media Assets representing equipment combined with software /Licenses /Rights as Plant and classified with Plants, Machinery and Media Assets considering the nature of industry and assets acquired.

5. Capital Commitment and capital Work in Process

Estimated amount of contracts outstanding on account of capital commitment (net of advances) is Rs. 223.03 Lacs (P.Y. Nil).

Capital work in process represents advances of Rs. 86.02 Lacs (P.Y. Nil).

6. Segment Reporting

The company is operating in Single Primary Business Segment Broadcasting and accordingly, there is no separate reportable Segment.



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

7. Related Party Disclosure

a. List of Related Parties & Relationship where control exists

Name of Related Party	Relations
Sri Adhikari Brothers Media Ltd.	Subsidiary company
Technocraft Media Pvt. Ltd.	Subsidiary company
Live India Television Network Pvt. Ltd	Subsidiary company
Key Management Personnel	
Gautam Adhikari	Chairman
Markand Adhikari	Vice Chairman & Managing Director
Mr. Bua Singh	President
Others:	
Sri Adhikari Brothers Television Network Ltd.	Directors having Substantial Interest
Westwind Realtors Pvt .Ltd.	Directors having Substantial Interest
Cinema Today Pvt .Ltd	Directors having Substantial Interest
T. V. Vision Pvt .Ltd	Directors having Substantial Interest
Regional Broadcasters Pvt .Ltd	Directors having Substantial Interest
TV Workshop Pvt .Ltd	Directors having Substantial Interest
Sri Adhikari Brothers Assets Holding Pvt . Ltd .	Directors having Substantial Interest

b. Transactions With Related Parties

(Rs.In Lacs)

Nature of Transaction	Subsidiary Company	Key Management Personnel	Others	Total
Revenue Received	230.89 (198.80)	-- (--)	-- (--)	230.89 (198.80)
Reimbursement of cost of shared services	-- (--)	-- (--)	56.99 (131.33)	56.99 (131.33)
Loan/Advances Given	745.02 (913.57)	3.00 (--)	-- (--)	748.02 (913.57)
Outstanding balance at year end included in current assets	721.38 (160.35)	3.00 (--)	-- (--)	724.38 (160.35)
Deposit Taken Outstanding balance at year end	1224.00 (1224.00)	-- (--)	-- (--)	1224.00 (1224.00)
Loan Taken	-- (--)	162.00 (66.50)	-- (--)	162.00 (66.50)
Loan Taken-Outstanding balance at year end	-- (--)	19.00 (--)	-- (--)	19.00 (--)
Guarantee Given	1360.00 (1360.00)	-- (--)	-- (--)	1360.00 (1360.00)

Note : Figures in parenthesis relates to previous year.

8. Transactions with proposed Promoter Group

During the year under consideration, the Company has entered into following transactions with the proposed promoter group, other than application money received towards preferential allotment of shares:

(Rs.In Lacs)

Nature of Transaction	Total
Revenue Received	124.34
Loan Taken	1592.88



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

9. Earning Per Share**(Rs.In Lacs)**

Particulars	31st March 2009	31st March 2008
Profit / (Loss) after Tax	(3933.93)	(2874.60)
Weighted average Number of Shares outstanding during the year (Face Value Rs.10 Per Share)	19314000	19314000
Basic Earning per Share (Rupees)	(20.37)	(14.88)

10. Deferred Tax Asset

The components of deferred tax assets /liability as at 31st March 2009 in accordance with Accounting Standard 22 "Accounting for Taxes on Income " are as under:

(Rs.In Lacs)

Deferred Tax Liability	31st March 2009	31st March 2008
Depreciation & Other Expenditure	388.24	268.28
Less : Leave Encashment & Provision for Doubtful debts	(18.18)	(14.39)
Net Deferred Tax Liability	370.06	253.89
Deferred Tax Asset :		
Carried forward Losses & Unabsorbed Depreciation (Refer Note Below)	664.62	664.62
Total Deferred tax Asset	664.62	664.62
Net Deferred tax Liability /(Assets)	(294.56)	(410.73)

Considering principle of prudence as enunciated in Accounting Standard 22 "Accounting for taxes on Income " deferred tax Assets for the current year have not been recognized on unabsorbed depreciation and carry forward business loss.

11. Miscellaneous Expenditure

Miscellaneous Expenditures are written off over a period of 5 years.

12. The disclosure required under accounting standard 15 "Employee Benefits" are given below Defined Contribution Plan.

Contributions to Defined contribution Plan are as under

(Rs.In Lacs)

Particulars	31st March 2009	31st March 2008
Employers Contribution to Provident Fund	37.19	30.70

Defined Benefits Plan

Employees gratuity fund scheme managed by Life Insurance corporation of India is defined benefit plan. The present value of obligations is determined based on actuarial valuation using projected unit credit method which recognised each period of service as giving rise to additional need of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment recognized in the same manner.



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

(Rs.In Lacs)

Particulars	Gratuity (Funded)		Leave Encashment (Unfunded)	
	2009	2008	2009	2008
A) Reconciliation of opening and closing balance of Defined Benefits Obligation				
Defined benefit obligation at beginning of the year	12.30	3.63	23.24	16.08
Current Service Cost	9.76	2.97	17.85	13.23
Interest Cost	0.98	0.27	1.86	1.29
Actuarial (gain)/Loss	(4.22)	5.43	3.97	5.01
Benefits Paid	Nil	Nil	2.74	12.38
Defend Benefit Obligation at Year end	18.82	12.30	44.18	23.23
B) Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the year	6.12	Nil		
Expected return on plan assets	0.49	Nil		
Actuarial Gain /(loss)	0.07	3.15		
Employer Contribution	Nil	2.97		
Benefits Paid	Nil	Nil		
Fair value of Plan assets at the year end	6.68	6.12		
Actual return on plan asset				
C) Reconciliation of fair value of asset and obligation				
Fair value of plan assets as at 31 st March 2009	6.68	6.12		
Present value of obligation as 31 st March 2009	18.82	12.30		
Amount recognized in balance Sheet	12.14	6.18		
D) Expenses recognized during the year (under head " Employment cost)				
Current Service cost	9.76	2.97	17.85	13.23
Interest Cost	0.98	0.27	1.86	1.29
Actuarial (gain)/Loss	(4.29)	2.94	3.97	5.01
Expected return on plan assets	(0.49)	--	--	--
Net Cost	5.96	6.18	23.68	19.53
E) Investment Details				
LIC Group Gratuity (Cash Accumulation)Policy (%)	35.49	49.75		
F) Actuarial Assumption				
Mortality Table (LIC)	LIC (1994-96) Ultimate		LIC (1994-96) Ultimate	
Discount rate (Per annum)	8%	8%	8%	8%
Rate of Escalation in Salary (per annum)	5%	5%	6%	6%



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

13. Contingent Liabilities & Event occurring after the Balance Sheet Date

Custom Duty of Rs.61 Lacs may be levied if company could not achieve export obligation in accordance with EPCG Scheme By 2012-13 and Bank Guarantee for Subsidiary Rs.1360 Lacs.

The Management of the company does not anticipate any contingent liability having material effect on the position stated in the balance sheet at the year end except as stated above.

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 required adjustment to the assets or liabilities of the company.

14. Additional information pursuant to the provision of paragraphs 3,4C & 4D of part II of Schedule VI to the Companies Act, 1956 to the extent applicable.

	Particulars	Year Ended 31st March 2009	Year Ended 31st March 2008
(a)	Value of imports calculated on C.I.F basis		
	i) Raw Material	-	-
	ii) Capital Goods	3.80	527.64
(b)	Expenditure in foreign currency		--
	i) Traveling	--	0.85
	ii) Others	31.07	-
(c)	Payment to Auditors (Including Service Tax)		
	i) Audit Fees	4.49	4.49
	ii) Tax Audit Fees	1.12	1.12
	iii) Others Services	0.64	1.00
(d)	Information required under Para 4 (C) of part ii of schedule VI of the Companies Act, 1956 to the extent application.		
	i) The Licensed Capacity	N.A	N.A
	ii) The Installed Capacity	N.A	N.A
	Iii) The Actual Production	N.A	N.A

15. Details about the Micro, Small and Medium Enterprises

In absence of information regarding vendors covered under the Micro, Small and Medium Enterprises Development Act, 2006, disclosure relating to amounts unpaid as at the year end together with interest paid / payable under this Act has not been given.

16. Debtors /Creditors /Advances

Balances of Sundry Debtors, Sundry Creditors and Loans & Advances receivable or payable are taken as per books and are subject to confirmation and reconciliation, if any.

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

As per our report of even date

For and On behalf of the Board of Directors

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

Gautam Adhikari
Chairman

A. R. Sodha
Partner
M.No.31878
Mumbai, 30th July 2009

Vidhee Shroff
Company Secretary

Markand Adhikari
Vice Chairman & Managing Director

**AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS**

To,
The Members,
BROADCAST INITIATIVES LIMITED
Mumbai

We have audited the attached Consolidated Balance Sheet of **BROADCAST INITIATIVES LIMITED** and its subsidiaries (referred to as 'Group') as at March 31, 2009 and the Consolidated Profit and Loss Account and the Consolidated 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. Those 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.

The financial statements of subsidiary with total assets of Rs.1,364 Lacs (P.Y. Rs.1,355 Lacs) as at 31st March, 2009 and total revenues of Rs. NIL (P.Y. Rs.1,302 Lacs) for the year ended on that date have not been audited by us. These financial statements have been audited by other auditors whose report has been furnished to us and our opinion, in so far it relates to the amounts included in respect of those subsidiaries, is based solely on the report of the other auditors.

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of the Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India.

We report that in our opinion and to the best of our information and according to the explanations given to us, the attached consolidated financial statements gives a true and fair view in conformity with the accounting principles generally accepted in India:

- i) In the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009 and
- ii) In the case of Consolidated Profit & Loss Account, of the Loss for the year ended on that date.
- iii) In the case of Consolidated Cash Flow Statement, of the Cash flows for the year ended on that date.

M/s.A. R. SODHA & CO.
Chartered Accountants,

Date : 30th July, 2009
Place : Mumbai

(A. R. SODHA)
Partner
M. No. 31878

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2009

	Schedule	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	1	193,140,000	193,140,000
Reserves & Surplus	2	953,573,086	953,573,086
Share Application Money		268,982,738	50,000,000
		1,415,695,824	1,196,713,086
Loan Funds			
Secured Loan	3	492,123,716	274,732,219
Unsecured Loan	4	60,221,562	103,759,753
		552,345,278	378,491,972
Deferred Tax Liability			
		4,515,820	1,232,079
		1,972,556,922	1,576,437,137
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	5	1,027,153,415	1,016,310,699
Less: Depreciation		189,070,293	97,305,510
Net Block		838,083,122	919,005,189 Capital Wip
& Capital Advance		11,362,618	-
		849,445,740	919,005,189
Investment			
	6	1,000,000	-
Current Assets ,Loans & Advances			
Inventory	7	-	84,000
Sundry Debtors		69,725,453	67,832,935
Cash & Bank Balances		15,754,627	57,548,151
Deposit & Advances		81,784,675	86,682,124
		167,264,755	212,147,210
Less : Current Liabilites & Provisions			
Current Liabilities	8	199,813,374	212,162,816
Provisions		51,971,869	14,071,344
		251,785,243	226,234,160
Net Current Assets			
		(84,520,488)	(14,086,950)
Profit & Loss A/c		1,176,145,784	629,120,067
Deferred Tax		29,456,407	41,073,148
Pre - Operative Expenses		-	26,015
Miscellaneous Expenditure	9	1,029,479	1,299,668
(To the Extent not Written off or adjusted)		1,972,556,922	1,576,437,137

Notes To Accounts

18

The Schedules Referred to above and notes attached thereto form an internal part of the Balance Sheet .

As per our report of even date

For and On behalf of the Board of Directors

For A.R. Sodha & Co

Chartered Accountants

Gautam Adhikari

Chairman

A. R. Sodha

Partner

M.No.31878

Mumbai, 30th July 2009

Vidhee Shroff
Company Secretary**Markand Adhikari**
Vice Chairman & Managing Director



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR 31ST MARCH 2009

	Schedule	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
INCOME			
Sales		163,833,127	330,149,189
Other Income	10	958,819	8,351,461
		164,791,946	338,500,650
EXPENDITURE			
Production Expenses	11	98,978,492	330,336,110
Telecast Expenses	12	42,085,101	33,331,254
News Syndication	13	9,050,953	8,028,875
(Increase) / Decrease in Inventory		84,000	18,760,000
Administration Expenses	14	54,388,781	67,345,757
Human Resource Cost	15	112,407,311	98,502,462
Distribution & Marketing	16	249,721,242	202,451,261
Miscellaneous Expenditure W/off	9	270,189	270,189
		566,986,069	759,025,908
PROFIT /(LOSS) BEFORE FINANCE CHARGES, DEPRECIATION & TAX		(402,194,123)	(420,525,258)
Finance Charges	17	36,976,882	31,299,719
PROFIT /(LOSS) AFTER FINANCE CHARGES, Depreciation	5	(439,171,005)	(451,824,977)
		91,764,783	65,595,047
PROFIT /(LOSS) BEFORE TAX		(530,935,788)	(517,420,024)
Provision for Taxation		-	-
Deferred tax		14,900,482	18,113,775
Fringe Benefit Tax		1,189,447	1,098,665
PROFIT /(LOSS) AFTER TAX		(547,025,717)	(536,632,464)
Add: Share of Minority Interest (Restricted to the Extent of Capital)		-	39,300,000
PROFIT/(LOSS) AFTER MINORITY INTEREST		(547,025,717)	(497,332,464)
Profit /(Loss)brought from Previous Year		(629,120,067)	(131,787,603)
Balance Carried to Balance Sheet		(1,176,145,784)	(629,120,067)
Basic & Diluted Earning per Share (Face Value Rs.10 Per Share) (See Note 9 of Schedule 18)		(28.32)	(25.75)

Notes To Accounts

18

The Schedules Referred to above and notes attached thereto form an internal part of the Balance Sheet .

s per our report of even date

For and On behalf of the Board of Directors

For A.R. Sodha & Co
Chartered Accountants

Gautam Adhikari
Chairman

A. R. Sodha
Partner
M.No.31878
Mumbai, 30th July 2009

Vidhee Shroff
Company Secretary

Markand Adhikari
Vice Chairman & Managing Director

CONSOLIDATED CASH FLOW STATEMENT ANNEXED TO THE FINANCIAL STATEMENT AS AT 31ST MARCH 2009

Particulars	(Rs.In Lacs)	
	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit /(Loss) Before tax and Extraordinary items	(5,309.36)	(5,174.20)
Adjustments for		
Depreciation	917.65	655.95
Interest Income	(5.08)	(42.28)
Profit on Sale of Mutual fund units	(0.27)	(41.24)
Loss on sale of fixed assets	-	1.28
Interest on Loan funds	365.32	269.21
Pre-operative Expenses w/off	0.26	-
Preliminary /Share Issue Expenses Written off	2.70	2.70
Operating profit Before Working capital changes	(4,028.78)	(4,328.58)
Adjustments for		
(Increase)/Decrease in Trade & other receivable	30.89	(162.53)
Increase/(Decrease) in Trade payable and provisions	243.62	1,059.57
Cash generated from operations	(3,754.27)	(3,431.54)
Direct taxes paid	-	(8.82)
Cash flow before prior period items	(3,754.27)	(3,440.36)
prior period items		
Net Cash from operating activities	(3,754.27)	(3,440.36)
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(222.05)	(3,435.28)
Sale of Fixed Assets	-	5.50
Preliminary Expenditure / Pre operative Expenses	-	(5.15)
Purchase of Investments	(10.00)	-
Interest Income Received	5.08	42.28
Profit on Sale of Mutual fund units	0.27	41.24
Net Cash from investing activities	(226.70)	(3,351.41)
C CASH FLOW FROM FINANCING ACTIVITIES		
Increase in Minority Interest	-	93.00
Shares Application /Equity Shares	2,189.83	-
Term Loan from Bank	-	2,360.00
Repayment of term Loan from Bank	(663.44)	(152.70)
Loan Taken -Vehicle Loan	-	22.69
Repayment of Loan -Vehicle Loan	(15.69)	(16.48)
Bank Over Draft Facility	2,839.47	-
Loan from Others -Unsecured Loan	3,564.50	4,052.10
Repayment of Loan from Others	(4,023.82)	(2,552.10)
Loan from Directors	184.00	265.60
Repayment of loan to Directors	(160.06)	(614.60)
Interest Paid	(351.73)	(201.75)
Net Cash used in financing activities	3,563.06	3,255.76
Net Decrease in cash and cash equivalents (A+B+C)	(417.92)	(3,536.01)
Opening Balance of cash and cash equivalents	575.48	4,111.49
Closing Balance of cash and cash equivalents	157.56	575.48

Notes:

- The cash flow statement has been prepared as per Indirect Method .
- Cash & cash equivalents represent cash & Bank Balance (Including FD with Bank)

As per our report of even date**For A.R. Sodha & Co**

Chartered Accountants

A. R. Sodha

Partner

M.No.31878

Mumbai, 30th July 2009

Vidhee Shroff
Company Secretary

For and On behalf of the Board of Directors

Gautam Adhikari

Chairman

Markand Adhikari

Vice Chairman & Managing Director



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
30,000,000(P.Y.25,000,000) Equity shares of Rs.10/- each .	<u>300,000,000</u>	<u>250,000,000</u>
Issued, Subscribed & Paid-up		
19,314,000 (P.Y.19,314,000),Equity Shares of Rs.10/- each, fully paid up	<u>193,140,000</u>	<u>193,140,000</u>
	<u>193,140,000</u>	<u>193,140,000</u>
SCHEDULE 2		
RESERVES & SURPLUS		
Securities Premium Account	<u>953,573,086</u>	<u>953,573,086</u>
	<u>953,573,086</u>	<u>953,573,086</u>
SCHEDULE 3		
SECURED LOANS		
Term Loans	205,941,368	270,927,233
Against Hypothecation by way of first charge over Block of Assets of the Company & Personal Gurantee by two Directors (Installment Due within a Year Rs. 103,451,000 (P.Y. Rs. 77,568,000))		
Vehicle Loans	2,235,711	3,804,986
(Against Hypothecation of Vehicles) (Installment Due within a Year Rs. 1,540,641(P.Y. Rs.1,844,724))		
Overdraft Facility	283,946,637	-
(Secured against IPR, Receivables and Immovable Property of Proposed Promoters)		
	<u>492,123,716</u>	<u>274,732,219</u>
SCHEDULE 4		
UNSECURED LOANS		
From Directors & Promoters	12,107,163	-
From Others	48,114,399	103,759,753
	<u>60,221,562</u>	<u>103,759,753</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

**SCHEDULE 5
FIXED ASSETS**

(Amount in Rupees)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.08	Additions	Deductions	AS AT 31.03.09	AS AT 01.04.08	For the period ended 31.03.09	Adjustment	AS AT 31.03.09	AS AT 31.03.09	AS AT 31.03.08
Business & Commercial Right	169,247,000	-	-	169,247,000	18,176,664	16,924,700	-	35,101,364	134,145,636	151,070,336
Channel Development	242,271,362	-	-	242,271,362	45,173,876	24,227,136	-	69,401,012	172,870,350	197,097,486
Land & Building	50,125,000	-	-	50,125,000	837,713	952,375	-	1,790,088	48,334,912	49,287,287
Plants, Machinery & Media Assets	456,052,486	4,275,861	-	460,328,347	23,206,560	39,553,649	-	62,760,209	397,568,138	432,845,926
Construction & Sets	73,043,137	2,577,004	-	75,620,141	5,523,881	4,706,706	-	10,230,587	65,389,554	67,519,256
Vehicles	8,861,172	-	-	8,861,172	1,223,283	841,811	-	2,065,094	6,796,078	7,637,889
Computers	16,710,542	2,787,353	-	19,497,895	3,163,533	3,355,908	-	6,519,441	12,978,454	13,547,009
Softwares	-	1,202,498	-	1,202,498	-	1,202,498	-	1,202,498	-	-
Total	1,016,310,699	10,842,716	-	1,027,153,415	97,305,510	91,764,783	-	189,070,293	838,083,122	919,005,189
Capital Wip & Capital Advance	-	11,362,618	-	11,362,618	-	-	-	-	11,362,618	-
Previous Year	511,902,765	505,201,893	793,959	1,016,310,699	31,826,854	65,595,047	116,391	97,305,510	919,005,189	480,075,911



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SCHEDULE 6		
INVESTMENTS (At Cost)		
Unquoted		
Share Application Money for Shares in Punjab & Maharashtra Co-op. Bank Ltd.	1,000,000 1,000,000	- -
SCHEDULE 7		
CURRENT ASSETS ,LOANS & ADVANCES		
Loan ,Advances & Deposits (Unsecured ,considered good)		
Transponder Deposit	4,910,000	4,910,000
Premises Deposit	874,390	643,000
Prepaid Expenses	8,470,875	22,148,842
Interest Receivable	1,106,888	676,091
Other Receivables / Advance	66,422,522	58,304,191
(Recoverable in cash or kind for value to be received)	81,784,675	86,682,124
Sundry Debtors (Unsecured ,considered good)		
Outstanding for More than six months	26,792,451	8,223,125
Other debts	44,595,709	62,088,443
	71,388,160	70,311,568
Less :Provision for Doubtful Debts	1,662,707	2,478,633
	69,725,453	67,832,935
Cash & Bank Balances		
Cash on Hand	120,459	943,615
Balance with Scheduled Banks In		
Current Accounts	2,659,333	2,021,301
Cheques-in-Hand	6,741,600	-
Fixed Deposit	6,233,235	54,583,235
	15,754,627	57,548,151
SCHEDULE 8		
CURRENT LIABILITIES & PROVISIONS		
Current Liabilities		
Sundry Creditors & Other Liabilities	199,768,374	212,118,546
Unclaimed Public Issue Refund*	45,000	44,270
(*kept in a Separate bank A/c)	199,813,374	212,162,816
Provisions		
For Expenses	50,804,170	13,854,894
For Taxation	1,167,699	216,450
	51,971,869	14,071,344
SCHEDULE 9		
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Preliminary Expenses & Share Issue Expenses		
Opening Balance	1,299,668	1,080,757
Add: Addition during the year	-	489,100
Less: Written off During the year	270,189	270,189
	1,029,479	1,299,668



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

	AS AT 31.03.2009 Rupees	AS AT 31.03.2008 Rupees
SCHEDULE 10		
OTHER INCOME		
Interest Income	507,843	4,227,529
Other Income	450,976	4,123,932
	<u>958,819</u>	<u>8,351,461</u>
SCHEDULE 11		
PRODUCTION EXPENSES		
Programme Purchase /Production Cost	84,095,421	301,502,659
Production Hire Charges	14,883,071	28,833,451
	<u>98,978,492</u>	<u>330,336,110</u>
SCHEDULE 12		
TELECAST EXPENSES		
Transponder Charges	20,522,832	12,452,000
Uplinking Charges	9,443,498	8,220,000
Link & Other Charges	10,939,531	12,659,254
Bureau Setup Expenses	1,179,240	-
	<u>42,085,101</u>	<u>33,331,254</u>
SCHEDULE 13		
NEWS SYNDICATION		
News Subscription Charges	9,050,953	8,028,875
	<u>9,050,953</u>	<u>8,028,875</u>
SCHEDULE 14		
ADMINISTRATIVE EXPENSES		
Staff Welfare Expenses	4,610,500	5,506,228
Electricity Charges	7,178,396	7,698,683
Communication Expenses	5,618,474	6,216,909
Insurance Charges	1,341,602	861,764
Rent, Rates & Taxes	4,552,617	6,584,885
Repairs & Manitenance	2,636,330	2,458,074
Traveling & Conveyance	7,976,548	9,251,404
Legal & Professional Charges	3,675,285	11,183,540
Printing & Stationery	1,025,996	2,150,213
Pre-Operative Expenses W/off	26,015	-
Membership & Subscription	3,172,692	3,423,700
General Expenses	11,920,796	11,362,885
Audit Fees	653,530	647,472
	<u>54,388,781</u>	<u>67,345,757</u>
SCHEDULE 15		
HUMAN RESOURCES COST		
Salaries, Allowances etc.	106,930,655	93,858,136
Contribution to Provident Fund & Other Funds	5,476,656	4,644,326
	<u>112,407,311</u>	<u>98,502,462</u>
SCHEDULE 16		
DISTRIBUTION & MARKETING		
Business Promotion Expenses	1,924,337	1,139,014
Advertising & Marketing Expenses	40,233,731	37,699,923
Distribution Expenses	207,563,174	163,612,324
	<u>249,721,242</u>	<u>202,451,261</u>
SCHEDULE 17		
FINANCE CHARGES		
Bank Interest	32,018,783	18,747,719
Others	4,958,099	12,552,000
	<u>36,976,882</u>	<u>31,299,719</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

SCHEDULE: 18

ACCOUNTING POLICIES & NOTES TO ACCOUNTS

1. GENERAL

Significant Accounting policies and notes to this Consolidated Financial Statements (CFS) are intended to serve as means of informative disclosure and a guide to better understand the consolidated position of the Companies. Recognising this purpose, the Company has disclosed only such policies and notes from the individual financial statements, which fairly present the needed disclosures. Lack of homogeneity and other similar considerations made it desirable to exclude some of them, which in the opinion of the management, could be better viewed, when referred from the individual financial statements. Reference in these notes to Company, Companies or Group shall mean to include Broadcast Initiatives Ltd. or its subsidiary consolidated in the financial statements, unless otherwise stated.

2. 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, purchasing power of money and on accounting principles of "going concern". All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

b. Use of Estimates

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

c. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the parent and its subsidiaries made upto 31st March each year. All significant inter-company transactions and balances are eliminated on consolidation.

d. Revenue Recognition

Advertisement revenue (net of commission) is recognised on accrual basis when respective advertisement or commercial appears on the channel or as per the terms with advertising agencies.

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

In case of Barter transaction, the income is recognised at fair value of Goods/Services received.

e. Fixed Assets

Tangible fixed assets are stated at cost of acquisition which includes taxes, duties, freight, insurance and other incidental expenses incurred for bringing the assets to the working condition for their intended use.

f. Depreciation

Depreciation on tangible assets 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.

Channel Development cost and commercial rights are amortised over a period of ten years on time proportionate basis.

Depreciation on the Land and Building is provided on straight line method on Pro Rata basis considering remaining useful life of 48 years and 5% residual Value .

Depreciation on Media Assets has been provided @ 10% on Straight Line Method

Depreciation on Decoders is provided @ 100%.

Software Purchase has been amortised @ 100%.

g. Investments

Investment in shares of a company, the holding of which is directly related to the right to hold the investment 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.

h. Inventory

New television contents acquired and telecasted during the year are charged to revenue as content acquisition cost. The contents, which are acquired but not telecasted, are considered as inventory and valued at cost.

i. Foreign Currency Transaction

i. Initial Recognition

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

ii. Conversion

Foreign Currency monetary items are reported using exchange rate as on 31st March. Non-monetary items, which are carried in items of historical cost denominated in a foreign currency, are reported using exchange rate at the date of the transaction.

iii. 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.

j. Employee Benefits

Post Employment Benefits Plan

Payments to defined contribution of retirement benefit schemes is charged to profit & loss account when contributions to respective funds are due.

For Defined benefit schemes, such as leave encashment and gratuity, it 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.

k. Borrowing Cost

Borrowing costs directly attributable to development of qualifying asset are capitalised till the date qualifying asset is ready for put to use for its intended purpose as part of cost of that asset. Other borrowing costs are recognised as expenses in the period in which they are incurred.

l. 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 difference between taxable income and accounting income for the



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

year and reversal of timing difference of earlier years. Deferred tax is measured on the basis of the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised 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 realised. 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.

The carrying amount of deferred tax assets are reviewed at each balance sheet date and written down or written up, to reflect the amount that is reasonably/virtually certain, as the case may be, to be realised.

m. Earning Per Share

Basic earning 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 period.

n. Provisions

A provision is recognised 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.

NOTES TO ACCOUNTS

3. Preferential Allotment & Open Offer:

The summarized transaction details for Preferential Allotment of shares and Open Offer:

- Transaction:** HDIL Infra Projects Pvt Ltd (HIPPL) and Mr. Rakesh Kumar Wadhawan and Mr. Sarang Wadhawan ("Acquirers") and Mr. Waryam Singh and Mr. Ashok Kumar Gupta, person acting in concert ("PAC") proposed to acquire 129,10,140 fully paid equity shares of Rs.10/- each of the Company constituting 51% of fully diluted paid up share capital of the company through Share subscription /acquisition as under :
 - Preferential allotment of 6,000,000 Equity shares u/s 81 (1A)
 - Open Offer to the Public share holders in accordance with SEBI take over regulation.
 - Share sale by Promoters

The above transactions are subject to approval of statutory authorities including permission from Ministry of Information and Broadcasting ("MIB").
- Preferential Allotment:** In accordance with Share Subscription Agreement dated June 24, 2008 and subsequent Share holders approval in Extra Ordinary General Meeting convened on July 23, 2008, Company has received share application money from HDIL Infra Projects Pvt Ltd (HIPPL) for 60,00,000 equity shares of Rs.10/- each at the issue price of Rs.36.50 per share aggregating to Rs.2190 lacs.
- Open Offer:** Subsequent to Open Offer to Public Share holders in June 2008 in accordance with Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 1997, ("SEBI (SAST)"), the Acquirers and PAC acquired 27,87,068 shares from Public Share holders at Rs.36.50 per share.
- Share Sale by Promoters:** Pursuant to Share Purchase Agreement dated June 24, 2008, the existing Promoters transferred 41,23,072 shares of the Company to Acquirers and PAC.
- Statutory Approvals:** As the above transactions are subject to approval of MIB, the shares acquired through Open Offer and Share Sale are not allotted to Acquires and PAC and are kept in Escrow account. In view of this, transaction with acquirers and PAC and group entities are not considered under related party transactions.

4. Investments

SRI ADHIKARI BROTHERS MEDIA LIMITED "SABML": In accordance with Share Subscription Agreement dated June 24, 2008 and subsequent Share holders approval in Extra Ordinary General Meeting convened on June 27, 2008, SABML received share application money from HDIL Infra Projects Pvt Ltd (HIPPL) for 40,10,000 equity shares of Rs.10/- each aggregating to Rs.401 lacs.

Pursuant to Share Purchase Agreement dated June 24, 2008, Acquirers and PAC will acquire 21,35,100 shares for Rs.42.70 lacs i.e. at an average rate of Rs.2 per share on getting approval from MIB. On completion of shares acquisition, SABML will not remain subsidiary of the company.

TECHNOCRAFT MEDIA PRIVATE LIMITED "TMPL": In accordance with Share Subscription Agreement dated June 24, 2008 and subsequent Share holders approval in Extra Ordinary General Meeting convened on June 27, 2008 TMPL received share application money from HDIL Infra Projects Pvt Ltd (HIPPL) for 9,88,274 equity shares of Rs.10/- each aggregating to Rs.98.83 lacs.

Pursuant to Share Purchase Agreement dated June 24, 2008, Acquirers and PAC will acquire 6,58,500 shares for Rs.13.17 lacs i.e. at an average rate of Rs.2 per share on getting approval from MIB. On completion of shares acquisition, TMPL will not remain subsidiary of the company.

5. The Subsidiaries considered in the consolidated financial statements

Name of Subsidiary	Financial year of Subsidiary Ended on	Extent of Holding	Country of Incorporation
Sri Adhikari Brothers Media Ltd. (SABML)	31 st March, 2009	70%	India
Technocraft Media Pvt. Ltd. (TMPL)	31 st March, 2009	70%	India
Live India Television Network Pvt. Ltd.	31 st March, 2009	100%	India

As before signing of the Balance Sheet necessary approval of MIB has not been received management is of the opinion that the Financials of subsidiary SABML and TMPL needs to be consolidated and hence the same have been taken into consideration for preparing consolidated financial statements

6. Fixed Assets

Management has considered Media Assets representing equipment combined with software /Licenses /Rights as Plant and classified with Plants, Machinery and Media Assets considering the nature of industry and assets acquired.



SCHEDULES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

7. Commission on Sales

Marketing Commission is provided at minimum percentage as estimated by management. Increase/Decrease in percentage based on the annual performance achieved by the marketing agency is provided /adjusted as and when the same is finalized with agency as it is difficult to estimate the same at year end due to various contingencies involved.

8. Capital Commitment and capital Work in Process

Estimated amount of contracts outstanding on account of capital commitment (net of advances) is Rs. 223.02 lacs (P.Y. Nil). Capital work in process represents advances of Rs. 86.02Lacs (P.Y. Nil).

9. Segment Reporting

The Group operates in single primary business segment of Broadcasting and accordingly, there is no separate reportable segment.

10. Related Party Disclosure

The Group has entered into the following related party transactions; such parties and transactions are identified as per Accounting Standard 18 issued by The Institute of Chartered Accountants of India:

Name of Related Party	Relations
Key Management Personnel	
Gautam Adhikari	Chairman
Markand Adhikari	Vice Chairman & Managing Director
Mr. Bua Singh	President
Relative of Key Management Personnel	
Heeren Adhikari	Relative
Others:	
Sri Adhikari Brothers Television Network Ltd.	Directors having Substantial Interest
Westwind Realtors Pvt .Ltd.	Directors having Substantial Interest
Cinema Today Pvt .Ltd	Directors having Substantial Interest
T. V. Vision Pvt .Ltd	Directors having Substantial Interest
Regional Broadcasters Pvt .Ltd	Directors having Substantial Interest
TV Workshop Pvt .Ltd	Directors having Substantial Interest
Sri Adhikari Brothers Assets Holding Pvt . Ltd .	Directors having Substantial Interest

a. Transactions With Related Parties

(Rs.In Lacs)

Nature of Transaction	Key Management Personnel	Relatives Key Management Personnel	Others	Total
Programme Purchase cost & Reimbursement of cost of shared services	-- (--)	-- (5.25)	446.02 (1204.20)	56.99 (131.33)
Outstanding balance at year end included in current liabilities	-- (--)	-- (--)	607.98 (961.35)	607.98 (961.35)
Loan/Advances Given	3.00 (--)	-- (--)	-- (--)	3.00 (--)
Outstanding balance at year end included in current assets	3.00 (--)	-- (--)	-- (--)	3.00 (--)
Loan Taken	184.00 (265.66)	-- (--)	-- (--)	184.00 (265.66)
Loan Taken-Outstanding balance at year end	24.00 (--)	-- (--)	-- (--)	24.00 (--)
Purchase of Office Premises	-- (--)	-- (--)	-- (500.00)	-- (500.00)

Note : Figures in parenthesis relates to previous year.



SCHEDULES FORMING PART OF THE FINANCIAL STATEMENTS

11. Transactions with proposed Promoter Group

During the year under consideration, the Company has entered into following transactions with the proposed promoter group, other than application money received towards preferential allotment of shares:

(Rs.In Lacs)

Nature of Transaction	Total
Revenue Received	170.01
Loan Taken	3564.50

12. Earning Per Share**(Rs.In Lacs)**

Particulars	31st March 2009	31st March 2008
Profit /(Loss) after Tax	(5470.26)	(4973.32)
Weighted average Number of Shares outstanding during the year (Face Value Rs.10 Per Share)	19314000	19314000
Basic Earning per Share (Rupees)	(28.32)	(25.75)

13. Deferred Tax Asset

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 2009 are as follows :

(Rs.In Lacs)

Deferred Tax Liability	31st March 2009	31st March 2008
Depreciation & Other Expenditure	562.07	397.78
Less : Leave Encashment & Provision for Doubtful debts	(32.46)	(17.18)
Net Deferred Tax Liability	529.61	380.60
Deferred Tax Asset :		
Carried forward Losses & Unabsorbed Depreciation (Refer Note Below)	779.01	779.01
Total Deferred tax Asset	779.01	779.01
Net Deferred tax Liability /(Assets)	(249.40)	(398.41)

Considering principle of prudence as enunciated in Accounting Standard-22 "Accounting for Taxes on Income" deferred tax assets for the current year have not been recognised on unabsorbed depreciation and carry forward business loss.

14. Contingent Liabilities & Event occurring after the Balance Sheet Date

Custom Duty of Rs.61 Lacs may be levied if company could not achieve export obligation in accordance with EPCG Scheme By 2012-13.

The management of the company does not anticipate any contingent liability having material effect on the position stated in the balance sheet at the year end except as stated above.

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.

15. Figures of previous year have been regrouped, rearranged and recasted wherever considered necessary.**As per our report of even date****For A.R. Sodha & Co**

Chartered Accountants

A. R. Sodha

Partner

M.No.31878

Mumbai, 30th July 2009

Vidhee Shroff
Company Secretary

For and On behalf of the Board of Directors

Gautam Adhikari

Chairman

Markand Adhikari

Vice Chairman & Managing Director



BROADCAST INITIATIVES LIMITED

Regd. Office: 6th Floor, Adhikari Chambers, Oberoi Complex, New link Road, Andheri (West), Mumbai- 400053.

FIFTH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

(Please complete this attendance slip and hand it over at the entrance of the meeting hall)

Folio No: _____

No. of Shares held: _____

DP ID *: _____

Client ID *: _____

I/ We hereby certify that I am/we are a Member/Proxy for the Member of the Company. I here by record my presence at the Fifth Annual General Meeting of the Company being held on Tuesday, September 29, 2009 at 11.00 a.m. at I.M.A. (Indian Medical Association) Bldg., J.R. Mhatre Marg, J.V.P.D. Scheme, Juhu, Mumbai - 400 049

Name and address of the attending Member(s)/Proxy(s) (IN BLOCK LETTERS)

Signature of the Member(s)/Proxy(s)

*Applicable for investors holding shares in electronic form



BROADCAST INITIATIVES LIMITED

Regd. Office: 6th Floor, Adhikari Chambers, Oberoi Complex, New link Road, Andheri (West), Mumbai- 400053.

FIFTH ANNUAL GENERAL MEETING

PROXY FORM

Folio No: _____

No. of Shares held: _____

DP ID*: _____

Client ID *: _____

I/We _____ of _____ in the District of _____ being Member /Members of Broadcast Initiatives Limited hereby appoint _____ of _____ in the District of _____ or failing him/her _____ of _____ in the District of _____ as my / our proxy in my /our absence to attend and vote for me / us and on my / our behalf at the Fifth Annual General Meeting of the Company to be held on Tuesday, September 29, 2009 at 11.00 a.m. at I.M.A. (Indian Medical Association) Bldg., J.R. Mhatre Marg, J.V.P.D. Scheme, Juhu, Mumbai - 400 049 and at any adjournment thereof.

Signed this _____ day of _____ 2009

Signature of the Member

*Applicable for investors holding shares in electronic form

Affix Re.1
Revenue
Stamp

NOTES:

- The proxy in order to be effective, should be duly stamped, completed and signed. The proxy form must be deposited at the Registered Office of the Company at 6th Floor, Adhikari Chambers, Oberoi Complex, New Link Road, Andheri (West), Mumbai 400053 not less than 48 hours before the commencement of the aforesaid meeting.
- The Proxy need not be a member of the Company.



आपली संस्कृती आपला अभिमान



हा स्वेळ सावल्यांचा



हे दैव जाणिले कुणी



धे भार्या



लज्जतदार

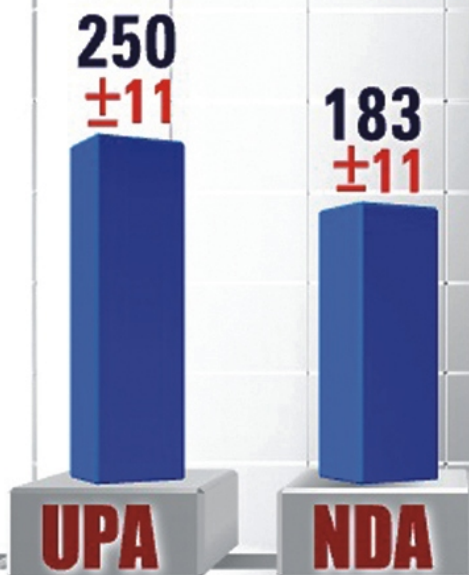
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The only exit poll which gave you the correct picture when it mattered

MAGIC NO. - 272

EXIT POLL 2009



(Source: Live India - Today's Chanakya)



BROADCAST INITIATIVES LIMITED

ADDRESS FOR CORRESPONDENCE :

Dheeraj Arma, 9th Floor, Anant Kanekar Marg,
Bandra (East), Mumbai - 400051.

Tel No:022-26583500, Fax no.:022-26583636

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