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## Corporate Information

**Board of Directors****Mr. Bua Singh**

Chairman

**Mr. Ashok Kumar Gupta**

Managing Director

**Mr. Waryam Singh**

Director

**Mr. Gautam Adhikari**

Director

**Mr. Markand Adhikari**

Director

**Mr. Deepak Sharma**

Director

**Mr. M. S. Kapur**

Director

**Board Committees****Audit Committee**

Mr. Bua Singh

Mr. Deepak Sharma

Mr. M. S. Kapur

**Shareholder's/ Investors grievances – cum- share transfer Committee**

Mr. M. S. kapur

Mr. Ashok Kumar Gupta

Mr. Bua Singh

**Remuneration Committee**

Mr. Waryam Singh

Mr. M. S. Kapur

**Company Secretary**

Ms. Vidhee Shroff

**Auditors**

M/s.A.R.Sodha &amp; Co.

Chartered Accountants

**Editor & CEO**

Mr. Sudhir Chaudhary

**Bankers**

Punjab &amp; Maharashtra Co-Operative Bank.

Axis Bank

**Registered Office:**

5th Floor, HDIL Towers,

Anant Kanekar Marg,

Bandra East,

Mumbai – 400 051

Tel No.:022-267888250

Fax No.:022-26583636

Web site:www.liveindia.tv

**Registrar and Share Transfer Agent**

Link Intime India Private Limited

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

## Chairman's Statement

Dear Shareholders,

Just concluded financial year was full of challenges for the television industry, more so in news channels because of growing competition in the news genre. '**Live India**' has emerged stronger with set of new records in terms of market capitalization, Gross Rating Point (GRP), Television Rating Point (TRP) and also retained its flamboyant and hard core news channel image amongst the viewers.

The entertainment industry is witnessing a subtle transformation led by the technological advancements, new delivery platforms and growing diversity of content. Consumer expectations are also changing rapidly. While consumers are spending more on media and entertainment, they also want more control, choice and pricing flexibility. While these changes are posing new challenges for media companies, they also open up new opportunities.

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.

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, and by expanding presence in other key markets, technological up-gradation, adoption of best practices in the following manner:

1. We have added 2 (two) more OB vans equipped with the latest technologies. Now the channel has total 5 (five) OB vans available for live broadcasts from any part of the country.
2. Live India has 9 regional news bureaus equipped with latest communication system (viz. lease lines) which enabled us to receive live news feeds from these news bureaus and also already have super bureaus in New Delhi and Mumbai with the latest studio facilities equipped for live telecast for 24 hours.
3. We have upgraded our Vizrt software for the enhanced packaging of mega news events like elections, sports and budget.
4. Live India is also in the process of tying up with major DTH players to increase our reach.
5. In IP TV spectrum we have tied-up with Reliance IP TV.
6. To enhance the reach of Live India we have indentured with Apalaya TV and Hello TV (2G / 3G Mobile TV service provider). We have also dealt with TATA Photon for our channel visibility through internet.

Sound principles of corporate governance are vital in the long term success of any Company. Our endeavor continues to maintain transparency and secure trust of our investors, employees, customers and public at large. Your company is in full compliance of the Corporate Governance Code laid down by SEBI and stock exchanges.

Before I conclude, I would like to thank all the employees for the support and continued commitment which is helping us to navigate through this difficult times. I would also like to express my gratitude to my colleagues, our customers, business associates, shareholders and members of the Board for their valuable assistance. We will continue to work for enhancement of stakeholder value, and remain committed to justifying the faith and trust you have reposed in us.

Yours Sincerely,

**Bua Singh**  
**Chairman**

## BROADCAST INITIATIVES LIMITED

Registered Office: 5<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra East, Mumbai – 400 051.

### NOTICE

Notice is hereby given that Sixth Annual General Meeting of the members of Broadcast Initiatives Limited will be held on Monday, 27th September, 2010 at 11.30 a.m. at I.M.A ( Indian Medical Association) Building, Near Chandan Cinema, 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 2010 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. Markand Adhikari, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint M/s. Ashok Jayesh & Associates, Chartered Accountants, as Auditors of the Company in place of the retiring auditors M/s. A. R. Sodha & Co., Chartered Accountants, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and that their remuneration be determined by the Board of Directors.

#### SPECIAL BUSINESS

4. To consider and if thought fit to pass with or without modification(s), the following resolution as an, Ordinary Resolution:

**“RESOLVED THAT** Mr. Ashok Kumar Gupta who was appointed as an additional Director by the Board of Directors pursuant to provisions of Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company.

**RESOLVED FURTHER THAT** the Board of Directors and /or Company Secretary of the Company 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 if thought fit to pass with or without modification(s), the following resolution as an, Ordinary Resolution:

**“RESOLVED THAT** Mr. Waryam Singh who was appointed as an additional Director by the Board of Directors pursuant to provisions of Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and / or Company Secretary of the Company 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 if thought fit to pass with or without modification(s), the following resolution as an, Ordinary Resolution:

**“RESOLVED THAT** Mr. Bua Singh who was appointed as an additional Director by the Board of Directors pursuant to provisions of Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and /or Company Secretary of the Company 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.”

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

**“RESOLVED THAT** Mr. Deepak Sharma who was appointed as an additional Director by the Board of Directors pursuant to provisions of Section 260 of the Companies Act, 1956 and holds office up to the date of this Annual General Meeting of the Company and in respect of whom the Company has received notice under Section 257 of the Companies Act, 1956 be and is hereby appointed as a Director of the Company whose period of office shall be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors and / or Company Secretary of the Company 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.”

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

**“RESOLVED THAT** pursuant to the applicable provisions of the Companies Act, 1956, the provisions of the Memorandum and Articles of Association of the Company and subject to the provisions of the applicable laws, the issue and allotment of 60,00,000 (Sixty lac) Equity Shares of ₹10/- each at a premium of ₹26.50 per Equity Share to ‘HDIL Infra Projects Private Limited’ made and effected as a Preferential Allotment by the Board of Directors of the Company at their meeting held on May 13, 2010, in terms of the Special Resolution passed by the members of the Company at the Extraordinary General Meeting held on July 23, 2008, be and is hereby ratified and confirmed to have been made in pursuance to the provisions of Section

81(1 A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications, amendments thereto or re-enactment thereof) (hereinafter referred to as "the Act"), the Listing Agreement entered into by the Company with Stock Exchanges and in accordance with the rules, guidelines and regulations prescribed by the Securities and Exchange Board of India ("SEBI"), as may be applicable in this regard.

**RESOLVED FURTHER THAT** the Board of Directors (including its Committee) and/or the Company Secretary of the Company, be and are hereby severally authorized on behalf of the Company to take such steps and to do all such acts, deeds, matters and things as the Board may, in its absolute discretion, consider necessary, expedient, usual, proper or incidental to this Resolution and to settle any question, remove any difficulty or doubt that may arise and to make on its own accord or to accept such amendments, modifications, variations and alterations as the concerned regulatory authorities may stipulate in that behalf, for the purpose of giving effect to this Resolution and listing of the said shares of the Company with the Stock Exchanges and such other incidental compliances in this connection."

9. To consider and if thought fit to pass with or without modification(s), the following resolution as an, Ordinary Resolution:

**"RESOLVED FURTHER THAT** in accordance with the provisions of Sections 198, 269, 309 and 310 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof, for the time being in force), provisions of Articles of Association of the Company, Mr. Ashok Kumar Gupta be and is hereby appointed as Managing Director of the Company, for a period of 5 (five) years with effect from May 13, 2010 on the terms and conditions as recommended by the Board of Directors and as set out in the Agreement entered between the Company and Mr. Ashok Kumar Gupta, be and is hereby approved and sanctioned with discretion to the Board of Directors to alter and vary the terms and conditions of the Agreement.

**RESOLVED FURTHER THAT** the Board of Directors and /or Company Secretary of the Company 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."

**By the Order of the Board**

**Place: Mumbai**  
**Date: August 26, 2010**

**Vidhee Shroff**  
**Company Secretary**

**Registered Office:**  
**5<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg,**  
**Bandra East, Mumbai – 400 051**

#### **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 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 Monday, 20<sup>th</sup> September, 2010 to Monday, 27<sup>th</sup> September, 2010. (Both days inclusive).
5. Members desirous of asking any question/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 Secretary 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(s))



9. 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.

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

##### **Item No. 3:**

In terms of the provision of Section 224(6)(a) of the Companies Act, 1956 the casual vacancy caused due to unwillingness by the retiring Auditors M/s. A. R. Sodha & Co., Chartered Accountants for the reappointment as auditors of the company. The Board of Directors upon recommendation of the audit committee at its meeting held on August 26, 2010 appointed M/s. Ashok Jayesh & Associates, Chartered Accountants as auditors of the company. Accordingly the Company has received the consent and eligibility certificate from M/s. Ashok Jayesh & Associates, Chartered Accountants, with regard to their appointment as Auditors of the Company.

##### **Item No.4 & 9:**

The Board of Directors in their meeting held on May 13, 2010 had appointed Mr. Ashok Kumar Gupta as an Additional Director. As per the provisions of Section 260 of the Companies Act, 1956 Mr. Ashok Kumar Gupta can hold office only upto the date of this Annual General Meeting. Mr. Ashok Kumar Gupta is a law graduate and also a non-practicing member of the Institute of Chartered Accountants of India. He is Director of various private and public limited companies. He has over 35 years of experience in financial, corporate affairs, real estate industry and acquisitions.

Consequent upon resignation of Mr. Markand Adhikari as Managing Director, the Board of Directors at their meeting held on May 13, 2010 appointed Mr. Ashok Kumar Gupta as Managing Director for a period of five years commencing from May 13, 2010. The appointment of Mr. Ashok Kumar Gupta is subject to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and all other applicable provisions, if any of the Companies Act, 1956.

The terms and conditions are as follows:

1. The Managing Director shall work under the superintendence, control and direction of the Company's Board, shall have powers of general conduct and management of business and affairs of the Company except in the matters which may be specifically required to be done by the Board either by the act or by the articles.
2. Subject to the provisions of the act, the Managing Director will not be liable to retire by rotation while he continues to hold office of the Managing Director, but his office of Managing Director will come to an end, if he ceases to hold office of Director for any reason.
3. It is mutually agreed that the Managing Director will not be paid any remuneration and any remuneration to be paid in future as and when decided by the Board shall be in compliance of Schedule XIII other applicable provisions of the Companies Act, 1956 for the services rendered to the Company.
4. To manage, conduct and transact all the business affairs and operations of the Company including power to enter into contracts and to vary and rescind them.

The draft agreement proposed to be entered into between the Company and Shri. Ashok Kumar Gupta shall be available for inspection at the registered office of the Company between 11.00 a.m. and 2.00 p.m. during working days of the Company.

The abstract of the draft Agreement shall be treated as disclosure under Section 302 of the Companies Act, 1956.

The Board of Directors is of the opinion that the appointment of Mr. Ashok Kumar Gupta is in the interest of the Company and accordingly recommends the resolution set out at item No. 4 & 9 of the accompanying Notice for the approval of the Members.

None of the Directors of the Company other than Mr. Ashok Kumar Gupta is concerned or interested in the said resolution.

##### **Item No.5:**

The Board of Directors in their meeting held on May 13, 2010 had appointed Mr. Waryam Singh as an Additional Director. As per the provisions of Section 260 of the Companies Act, 1956 Mr. Waryam Singh can hold office only upto the date of this Annual General Meeting.

Mr. Waryam Singh is that he has over 27 years of experience in banking, finance, civil construction and land development sectors. He was the chairman of Punjab and Maharashtra Co-operative Bank Limited from 2002 to 2006 and was instrumental in achieving the "Scheduled Status" for the bank. Mr. Waryam Singh is commerce Graduate from the Mumbai University.

The Board accordingly recommends the Ordinary

Resolution at item no. 5 of the accompanying notice for approval by the members.

None of the Directors of the Company is concerned or interested in the said resolution.

**Item No.6:**

Mr. Bua Singh was the president of the Company since October, 27, 2008 and was looking after day to day affairs of the Company. The Board of Directors in their meeting held on May 13, 2010 had appointed Mr. Bua Singh as an Additional Director. As per the provisions of Section 260 of the Companies Act, 1956 Mr. Bua Singh can hold office only upto the date of this Annual General Meeting.

Mr. Bua Singh is a retired IPS officer from 1973 batch. He retired as DGP from the State of Uttar Pradesh. Mr. Bua Singh has got vast experience in Uttar Pradesh, Punjab Home Ministry of Government of India and Ministry of External Affairs, Government of India. He got retired from the services in March 2007. He has been awarded Distinguished Service Medal and Meritous Medal.

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 resolution.

**Item No.7:**

The Board of Directors in their meeting held on May 13, 2010 had appointed Mr. Deepak Sharma as an Additional Director. As per the provisions of Section 260 of the Companies Act, 1956 Mr. Deepak Sharma can hold office only upto the date of this Annual General Meeting.

Mr. Deepak Sharma is an advocate by profession since 1991 and has been associated with Bar Council of Maharashtra and Goa. He is B.S.L., D.B.M., L.L.B. by qualification.

The Board accordingly recommends the Ordinary Resolution at item no. 7 of the accompanying notice for approval by the members.

None of the Directors of the Company is concerned or interested in the said resolution.

**Item No.8:**

The Company had obtained the approval of the members of the Company at the Extraordinary General Meeting held on July 23, 2008, for the issue and allotment of 60,00,000 Equity Shares of ₹10/- each of the Company, (being the part of the then proposed 51.02% acquisition by the in-coming Promoters) on preferential basis to HDIL Infra Projects Private Limited (HIPPL) subject to the receipt of statutory approvals of the concerned regulatory authorities.

The following are the details of the acquisition of the shares of the Company by the new promoters viz.

| Sr. No | Name of the incoming Promoters      | No. of Shares | % to the Paid-up share Capital | Remark   |
|--------|-------------------------------------|---------------|--------------------------------|--|
| 1      | HDIL Infra Projects Private Limited | 11,644,440    | 46.00                          | Including 60,00,000 Equity Shares allotted on 13th May, 2010 |
| 2      | Mr. Rakesh Kumar Wadhawan           | 632,850       | 2.50                           |  |
| 3      | Mr. Sarang Wadhawan                 | 379,710       | 1.50                           |  |
| 4      | Mr. Waryam Singh                    | 126,570       | 0.50                           |  |
| 5      | Mr. Ashok Kumar Gupta               | 130,670       | 0.52                           |  |
|        | TOTAL                               | 12,914,240    | 51.02                          |  |

Subsequent to the above-said approval from the members of the Company, the Company was required to obtain the approval from the Ministry of Information and Broadcasting, Government of India ('MIB') for the change in the management of the Company as per the guidelines issued by MIB. MIB conveyed that it had noted the change in shareholding pattern of the Company by its letter dated October 29, 2009.

In view of the receipt of the approval for the change in the shareholding pattern by the Ministry of Information and Broadcasting, Government of India, and completion of the related issues in connection with acquisition of 51.02% of the share capital of the Company, the Board of Directors of the Company at the meeting held on May 13, 2010 allotted 60,00,000 (Sixty Lacs) Equity Shares, at the price of ₹ 36.50 per Equity Share to HDIL Infra Projects Private Limited and the applications were made to the Stock Exchanges for the listing of the said shares. The Stock Exchanges have advised the Company to obtain the ratification by the members of the aforesaid Preferential allotment of 60,00,000 Equity Shares made on 13th May, 2010, considering the lapse of the time due to delay in receiving the approvals from the concerned authorities.

The Company also received the final clearance for the appointment of new Directors vide MIB letter dated July 27, 2010, on the appointment of the new Directors on the Board of Directors of the Company.

On account of the time lapsed in receiving the various approvals from MIB and other authorities towards acquisition of the 51.02% of the Share Capital of the Company and incidental matters as above mentioned, subsequent to the obtaining of the consent of the members of the Company on 23rd July, 2008, to the aforesaid preferential allotment of the shares, the Board of Directors of the Company seeks the ratification from members of the Company of the said preferential allotment as a measure of abundant precaution for listing the said shares with the Stock Exchanges and incidental compliances in this connection.

The shares were issued at the price of ₹36.50 in accordance with the SEBI guidelines. The said price is much higher than the prevailing market rate of the securities of the Company viz. the high and low of the closing price in the last 52 weeks are between ₹16/- to ₹29.40, Since this is the ratification of the allotment made pursuant to the resolution approved by the shareholders at the extra ordinary general meeting held on July 23, 2008 there is no adverse impact on the pricing. As there is no financial loss to the Company, in the business interest of the Company your Directors recommends the resolution to be passed as a Special Resolution.

None of the directors of the Company is concerned or interested in the resolution except to the extent of their shareholding in the Company and/or their Directorship / shareholding in HIPPL

**By the Order of the Board  
For Broadcast Initiatives Limited**

**Date: August 26, 2010  
Place: Mumbai**

**Vidhee Shroff  
Company Secretary**

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

| Sr. No. | Particulars                                 | Mr. Ashok Kumar Gupta  | Mr. Waryam Singh  | Mr. Bua Singh  | Mr. Deepak Sharma  | Mr. Markand Adhikari   |
|---------|---|--|---|--|--|--|
| 1.      | <b>Brief Resume and Nature of Expertise</b> | He is a law graduate and also a non-practicing member of the Institute of Chartered Accountants of India. He is Director of various private and public limited companies. He has over 35 years of experience in financial, corporate affairs, real estate industry and acquisitions. | He has over 27 years of experience in banking, finance, civil construction and land development sectors. He was the chairman of Punjab and Maharashtra Co-operative Bank Limited from 2002 to 2006 and was instrumental in achieving the "Scheduled Status" for the bank. Mr. Waryam Singh is a commerce Graduate from the Mumbai University. | He is a retired IPS officer from 1973 batch. He retired as DGP from the State of Uttar Pradesh. He has vast experience in Uttar Pradesh, Punjab- Home Ministry of Government of India and Ministry of External Affairs, Government of India. He got retired from the services in March 2007. He has been awarded Distinguished Service Medal And Meritous Medal. | He is an advocate by profession since 1991 and has been associated with Bar Council of Maharashtra and Goa. He is B.S.L., D.B.M., L.L.B. by qualification. | He is an intermediate in Arts from University of Bombay. He is also credited with having developed the concept of sponsored slot production in the national network & having introduced many innovative formats to Indian television for the first time. |



| Sr. No. | Particulars             | Mr. Ashok Kumar Gupta   | Mr. Waryam Singh  | Mr. Bua Singh                             | Mr. Deepak Sharma                             | Mr. Markand Adhikari                           |
|---------|-------------------------|---|---|---|---|--|
| 2.      | Details of Directorship | Housing Development And Infrastructure Limited  | Housing Development And Infrastructure Limited  | Dinshaw Trapinex Builders Private Limited | Group Housing Development Private Limited     | Sri Adhikari Brothers Television Network Ltd.  |
|         |                         | Sri Adhikari Brothers Media Limited   | GFM (India) Infrastructure Limited  | Emerald Realtors Private Limited          | Maximus LPO Services Private Limited          | Technocraft Media Private Limited              |
|         |                         | Blue Star Realtors Private Limited  | Sri Adhikari Brothers Media Limited   |   | Gold Finger Reality Investors Private Limited | Sri Adhikari Brothers Media Limited            |
|         |                         | Prithvi Realtors & Hotels Private Limited   | Heritage Housing Development India Private Limited  |   | Sunsuvi Cables Limited                        | Westwind Realtors Private Ltd.                 |
|         |                         | Midcity Bhoomi Developers Private Limited   | Guruashish Construction Private Limited   |   | Blue Nile Credit Assets Private Limited       | Cinema Today Private Limited                   |
|         |                         | Privilege Power And Infrastructure Private Limited  | Punjab & Maharashtra Co-operative Bank Limited  |   |   | T.V. Vision Pvt. Ltd.                          |
|         |                         | Wadhawan Livestock Private Limited  | Wadhawan Livestock Private Limited  |   |   | Sri Adhikari Brothers Assets Holding Pvt. Ltd. |
|         |                         | Smita Infrastructure Limited  | Ravijyot Finance and Leasing Private Limited  |   |   | Regional Private Broadcasters Pvt. Ltd.        |
|         |                         | Blue Nile Credit Assets Private Limited   | HDIL Commercial Properties Private Limited (Formerly known as HDIL Leisure Private Limited) |   |   | Dream Merchant Cinema Pvt. Ltd.                |
|         |                         | Derby Developers Private Limited  | Mack Star Marketing Private Limited   |   |   | UBJ Broadcasting Private Limited               |
|         |                         | HDIL Trustee Company Private Limited  | Mazda Estate Private Limited  |   |   | MPCR Broadcasting Service Private Limited      |
|         |                         | Somerset Construction Private Limited   | Kreative Hosts Atria Private Limited  |   |   | HHP Broadcasting Limited                       |
|         |                         | HDIL Commercial Properties Private Limited (Formerly known as HDIL Leisure Private Limited) | Technocraft Media Private Limited   |   |   | Indian Broadcasting Foundation.                |
|         |                         | HDIL Entertainment Private Limited  |   |   |   |  |
|         |                         | Live India Television Networks Private Limited  |   |   |   |  |
|         |                         | Kreative Hosts Atria Private Limited  |   |   |   |  |
|         |                         | Technocraft Media Private Limited   |   |   |   |  |

| Sr. No. | Particulars                                       | Mr. Ashok Kumar Gupta  | Mr. Waryam Singh  | Mr. Bua Singh  | Mr. Deepak Sharma  | Mr. Markand Adhikari  |
|---------|---|--|---|--|--|---|
| 3.      | Details of Membership of Committee                | Member of Audit & Remuneration Committee of Housing Development And Infrastructure Limited                     | Chairman of Investor Grievances & Share Transfer Committee of Housing Development And Infrastructure Limited. | Chairman of the Audit Committee of Broadcast Initiatives Limited | Member of the Audit Committee of Broadcast Initiatives Limited | Member of Share Transfer Committee, of Sri Adhikari Brothers Television Network Limited             |
|         |   | Member of Shareholder's/ Investors grievances – cum- share transfer Committee of Broadcast Initiatives Limited | Member of Project Committee, Finance Committee of Housing Development And Infrastructure Limited.             |  |  | Member of Audit Committee of Shri Adhikari Brothers Media Limited (up to Financial Year 31-03-2010) |
|         |   | Member of the Audit Committee of Sri Adhikari Brothers Media Limited   | Member of Executive Committee of Punjab & Maharashtra Co-operative Bank Limited                               |  |  |   |
|         |   |  | Member of Remuneration Committee of Broadcast Initiatives Limited   |  |  |   |
|         |   |  | Chairman of the Audit Committee of Sri Adhikari Brothers Media Limited  |  |  |   |
| 4.      | Shareholding                                      | 130670   | 126570  | Nil  | Nil  | 3319964   |
| 5.      | Relationship of Directors inter-se of the Company | He is not related to any existing director of the Company except as Person acting in concert                   | He is not related to any existing director of the Company except as Person acting in concert                  | He is not related to any existing director of the Company.       | He is not related to any existing director of the Company.     | He is Brother of Mr. Gautam Adhikari and are not related to promoters                               |
| 6.      | Date of Birth                                     | 20.05.1950   | 15.12.1951  | 15.06.1957   | 13.01.1966   | 27.08.1957  |
| 7.      | Nationality                                       | Indian   | Indian  | Indian   | Indian   | Indian  |
| 8.      | Date of Appointment                               | May 13, 2010   | May 13, 2010  | May 13, 2010   | May 13, 2010   | February 4, 2004  |

## Directors' Report

To,

The Members

The Directors of your Company are pleased to present the Sixth Annual Report together with the statement of audited accounts for the financial year ended March 31, 2010.

### 1. FINANCIAL HIGHLIGHTS

( ₹ in '000 )

| Particulars   | Financial<br>Year ended<br>March 31, 2010 | Financial<br>Year ended<br>March 31, 2009 |
|---|---|---|
| Net Sales/<br>income from operations                              | 73,802                                    | 94,747                                    |
| Other Income  | 32,125                                    | 3,152                                     |
| <b>Total Income</b>   | <b>1,05,927</b>                           | <b>97,899</b>                             |
| <b>Total expenditure</b>  | <b>3,64,181</b>                           | <b>4,00,164</b>                           |
| <b>Gross Profit / (Loss)<br/>before interest and depreciation</b> | <b>(2,58,254)</b>                         | <b>(3,02,265)</b>                         |
| Less: Interest and finance charges                                | 42,465                                    | 5,669                                     |
| <b>Gross Profit / (Loss) before<br/>depreciation and taxation</b> | <b>(3,00,719)</b>                         | <b>(3,07,934)</b>                         |
| Less: Depreciation  | 76,515                                    | 72,685                                    |
| <b>Profit / (Loss) before Tax</b>                                 | <b>(3,77,233)</b>                         | <b>(3,80,619)</b>                         |
| Less: Provision for taxation                                      |   |   |
| Fringe Benefit Tax  | --  | 1,157                                     |
| Deferred Tax  | 5,422                                     | 11,617                                    |
| <b>Net Profit / (Loss) after tax</b>                              | <b>(3,82,655)</b>                         | <b>(3,93,393)</b>                         |
| Profit / (Loss) brought forward<br>from previous year             | (8,02,156)                                | (4,08,763)                                |
| <b>Balance carried forward to<br/>the Balance Sheet</b>           | <b>(11,84,811)</b>                        | <b>(8,02,156)</b>                         |

### 2. OPERATIONS

For the year ended March 31, 2010, the Company earned total revenue of ₹105927 thousand an increase of 8.2% as against previous years ₹97899 thousand.

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

### 3. DIVIDEND

In view of losses, your Board has not recommended any dividend.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the requirements of the listing agreement, the Management Discussion and Analysis Report are presented in a separate section forming part of the Annual Report.

### 5. SUBSIDIARY COMPANIES

During the year under review Sri Adhikari Brothers Media Limited, Technocraft Media Private Limited and Live India Television Networks Private Limited ceased to be subsidiary of the Company .

### 6. 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.

### 7. CHANGES IN SHARE CAPITAL

During the year, fund requirements of the Company has been met with mix of Equity and debt.

#### Share Capital

During the year under review, the Authorized Share Capital of the Company has been increased from ₹30,00,00,000 to ₹50,00,00,000 comprising of 5,00,00,000 Equity shares of ₹10 each/-.

The Company has issued and allotted 60,00,000 (sixty lacs) Equity shares at the rate of ₹36.50 per share on preferential basis to M/s. HDIL Infra Projects Private Limited and the approval for the listing of the said shares is awaited.

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

### 8. DIRECTORS

In accordance with the provision of the Companies Act, 1956 and the Articles of Association of the Company, Mr. Markand Adhikari 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.

Mr. G.D. Sharma has ceased to be Director of the Company with effect from May 12, 2010 and the Board places its appreciation for his performance and valuable contribution towards the affairs of the Company.

Consequent upon resignation of Director and in pursuance of Shareholders' agreement entered between existing promoters, Company and HDIL Infra Projects Private Limited, following Directors are appointed:

| Name                       | Category                             | Date of appointment |
|----------------------------|--------------------------------------|---------------------|
| Mr. Bua Singh              | Independent & Non Executive Director | May 13, 2010        |
| Mr. Ashok Kumar Gupta      | Managing Director                    | May 13, 2010        |
| Mr. Waryam Singh           | Non Independent & Non Executive      | May 13, 2010        |
| Mr. Sarang Wadhawan*       | Non Independent & Non Executive      | May 13, 2010        |
| Mr. Deepak Sharma Director | Independent & Non Executive          | May 13, 2010        |

\* Mr. Sarang Wadhawan was appointed as an additional Director of the Company at the Board meeting held on May 13, 2010 and has

subsequently resigned from the Board of the Company with effect from June 4, 2010 in compliance of confirmation received by the Company from Ministry of Information and Broadcasting.

A brief profile of the Directors who are appointed/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.

Consequent upon the aforementioned changes in the Board of Directors, the revised Management Structure of the Company in compliance of clause 49 of the listing agreement is as follows:

| Sr. no. | Name                  | Designation       | Category  |
|---------|-----------------------|-------------------|---|
| 1.      | Mr. Bua Singh         | Chairman          | Non promoter, Independent and Non Executive         |
| 2.      | Mr. Ashok Kumar Gupta | Managing Director | Promoter, Non Independent and Non Executive         |
| 3.      | Mr. Waryam Singh      | Director          | Promoter and Non Independent and Non Executive      |
| 4.      | Mr. Deepak Sharma     | Director          | Non promoter, Independent and Non Executive         |
| 5.      | Mr. Gautam Adhikari   | Director          | Non Promoter and Non Independent and Non Executive  |
| 6.      | Mr. Markand Adhikari  | Vice Chairman     | Non Promoter and Non Independent, and Non Executive |
| 7.      | Mr. M.S. Kapur        | Director          | Non promoter, Independent and Non Executive         |

#### RECONSTITUTION OF AUDIT COMMITTEE

Consequent upon resignation of Mr. G. D. Sharma and in pursuance of Shareholders' agreement entered between existing promoters, Company and HDIL Infra Projects Private Limited, new Directors were appointed, hence the audit committee was reconstituted on May 13, 2010 as follows:

| Name of the member | Designation |
|--------------------|-------------|
| Mr. Bua Singh      | Chairman    |
| Mr. Deepak Sharma  | Member      |
| Mr. M.S.Kapur      | Member      |

#### RECONSTITUTION OF SHAREHOLDERS/ INVESTORS' GRIEVANCE-CUM-SHARE TRANSFER COMMITTEE

Consequent upon resignation of Mr. G.D. Sharma and in pursuance of Shareholders' agreement entered between existing promoters, Company and HDIL Infra Projects Private Limited, new Directors were appointed, hence the Shareholders'/Investors' Grievances cum Share Transfer

Committee was reconstituted on May 13, 2010 as follows:

| Name                  | Designation |
|-----------------------|-------------|
| Mr. M. S. Kapur       | Chairman    |
| Mr. Ashok Kumar Gupta | Member      |
| Mr. Bua Singh         | Member      |

#### REMUNERATION COMMITTEE

Consequent upon resignation of Mr. G.D. Sharma the remuneration committee was reconstituted on May 13, 2010 as follows:

| Name             | Designation |
|------------------|-------------|
| Mr. M. S. Kapur  | Member      |
| Mr. Waryam Singh | Member      |

#### 9. AUDITORS

M/s. A. R. Sodha & Co., Chartered Accountants, the Statutory Auditors of the Company retire at the ensuing Annual General Meeting and have expressed their unwillingness for re-appointment. The Board of Directors have upon the recommendation of the Audit Committee appointed, M/s. Ashok Jayesh & Associates, Chartered Accountants at their meeting held on August 26, 2010. M/s. Ashok Jayesh & Associates have confirmed their availability and eligibility under Section 224(1)(B) of the Companies Act, 1956 for appointment as Auditors of the company.

#### 10. EXPLANATION TO THE QUALIFICATION IN THE AUDITORS' REPORT.

- With respect to Auditors' remarks/notes regarding reversal of deferred tax assets, point no. (d) (i) of the Auditors' Report, we have to state that 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 ₹664.62 lacs recognized in the earlier years have not been reversed.
- With respect to Auditors' remarks/notes regarding non-provision for diminution in value of investments, point no. (d) (ii) of the Auditors' Report we have to state that there has been further investments made by HDIL Infra Projects Private Limited in the Company including other Companies and shares acquired from existing promoters and preferential issue has been completed which shows that the value of investments in shares of other companies need not be reduced and hence no provision made for diminution in value of investments in subsidiaries amounting to ₹510.00 lacs in accordance with Accounting Standard 13" Accounting for Investments" issued by the Institute of Chartered Accountants of India.
- With respect to Auditors' remarks/notes regarding point no. 11 of Annexure to the Auditors' Report we have to state that there had been delay in the payments of interest and principal amount to the bank due to liquidity

constraints. However at present the company is regular in the payments of interest and principal amount.

4. With respect to Auditors' remarks / notes regarding point no. 17 of the Annexure to the Auditors' Report we would like to clarify that the funds have been utilized for working capital requirement and for its long term funding, separate arrangement have been made by the Company.

#### 11. 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 hereto forming part of this report.

#### 12. PARTICULARS OF EMPLOYEES

In terms of provisions of Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, the particulars of employees having regard to the provisions of Section 219(1)(b)(iv) of the Companies Act, 1956, the Annual report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

#### 13. CORPORATE GOVERNANCE

Your Company believes in adopting effective Corporate Governance practices. Clause 49 of the listing agreement deals with the Corporate Governance requirements which every listed company is required to comply with. The Company has accordingly taken effective steps to comply with the requirements of Clause 49 of the Listing Agreement with the Stock Exchanges.

A separate section on the Corporate Governance forming part of the Directors' Report and certificate from the Company's Auditors M/s/A.R..Sodha & Co., Chartered Accountants Mumbai, confirming compliance with the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement forming part of this report.

#### 14. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors hereby state and confirm that:

- (i) In the preparation of the annual accounts for the financial year ended March 31, 2010 the applicable accounting standards have been followed alongwith proper explanation relating to material departures if any;
- (ii) 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 March 31, 2010 and of the

profit or loss of the Company for the year under review;

- (iii) They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of your Company and for preventing and detecting fraud and other irregularities;
- (iv) They have prepared the annual accounts for the financial year ended on March 31, 2010 on a "going concern basis".

#### 15. ACKNOWLEDGEMENTS

Your Directors would like to place on record their sincere appreciation to the Company's customers, vendors and bankers for their continued support to the Company during the year. The Directors also wish to place on record their appreciation to the contribution made by employees at all levels for sustaining the organizational growth especially during challenging times. We thank Government of India, Ministry of Information and Broadcasting and other government agencies for their assistance and co-operation and look forward to their continued support in future. Finally, the board expresses its gratitude to the members for their continued trust, co-operation and support.

On behalf of the Board

**For Broadcast Initiatives Limited**

**Date: August 26, 2010**

**Place: Mumbai**

**Bua Singh**

**Chairman**

#### ANNEXURE TO DIRECTORS' REPORT

##### **Conservation Of Energy, Research, Development and Technology Absorption, Adaptation and Innovation:**

Your Company is into the business of Broadcasting of News & Current Affairs and General Entertainment Television Channels. The Company's research and development initiative 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. Since these activities do not involve any manufacturing activity, most of 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. Hence no particulars are furnished in this report as required Section 217(1)(e) of the Companies Act, 1956. However 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.

##### **Foreign Exchange Earnings and Outgo: (₹ in '000)**

| Particulars               | Year ended<br>March 31, 2010 | Year ended<br>March 31, 2009 |
|---------------------------|------------------------------|------------------------------|
| Foreign exchange earnings | -                            | -                            |
| Foreign exchange outgo    | 10499                        | 3487                         |



## Corporate Governance Report 2009-10 (As Annexure to Directors' Report)

### I. COMPANY'S PHILOSOPHY ON THE CODE OF CORPORATE GOVERNANCE

(Pursuant to clause 49 of the listing Agreement entered by the Company with the Stock Exchanges)

Corporate governance encompasses adhering effectively with the governing laws, procedures, practices, and an implicit rule that determines a management's ability to take sound decisions for the benefit of all its stakeholders viz. shareholders, creditors, employees and state.

Broadcast Initiatives Limited has always been in the forefront in adopting the best governance practices to promote ethical values, social responsibility, transparency, accountability, fairness, integrity and compliance with existing legislation. The corporate governance mechanism is being implemented in its true letter and spirit so as to ensure that all the stakeholders of the Company maximize their value legally, ethically and benefit in the long run by way of sustained growth and value addition.

The Company has laid a strong foundation for making Corporate Governance a way of life by constituting a Board with balance mixed of experts of eminence and integrity, forming a core group of top level executives, inducting competent professionals across the organization and putting in place best systems and process.

Your Company confirms the compliance of Corporate Governance as contained in clause 49 of the listing agreement entered by the Company with the Stock Exchanges. While we go beyond the legal provisions of corporate governance, the statutory compliances are set forth below:

#### 1 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. executive Directors and non-executive Directors. Independent Directors are professionals with high credentials, who actively contribute in the deliberation of Board, covering strategic policy matters and strategic decisions.

As the Chairman is Non executive Director and promoter 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, 2010 comprises of four Directors, so at least two of them should be independent directors. Since the Company has two independent Directors. The company has complied with the said clause of the Listing Agreement.

The Composition and category of directors as on March 31, 2010 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. M. S. Kapur      | Independent & Non Executive Director        |

\* Resigned w.e.f. May 12, 2010

#### B) OTHER PROVISIONS RELATED TO THE BOARD AND COMMITTEES:

##### NUMBER OF BOARD MEETINGS:

During the year under review, the Board of Directors met four times viz. April 29, 2009, July 30, 2009, October 31, 2009 and January 30, 2010. 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 the last A.G.M. ( i.e. 29 <sup>th</sup> Sept.,2009) |
|-----------------------|-------------------------------|---|
| Mr. Gautam Adhikari   | 4                             | Yes   |
| Mr. Markand Adhikari  | 4                             | Yes   |
| Mr. G. D. Sharma      | 4                             | No  |
| Mr. M. S. Kapur       | 4                             | 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:

|                      | <b>Particulars of other Directorships and other Committee Chairmanship/ Membership.<sup>1</sup></b> |                               |                    |
|----------------------|---|-------------------------------|--------------------|
|                      |   | <b>Committees<sup>2</sup></b> |                    |
| <b>Name</b>          | <b>Other Directorships</b>  | <b>Chairmanships</b>          | <b>Memberships</b> |
| Mr. Gautam Adhikari  | 2   | 2                             | 1                  |
| Mr. Markand Adhikari | 2   | -                             | 2                  |
| Mr. G. D. Sharma     | -   | -                             | -                  |
| Mr. M. S. Kapur      | 6   | -                             | 2                  |

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 and proprietorships; and membership in governing councils, chambers and other bodies are not included while calculating directorships in above table.

### C) CODE OF CONDUCT

The Company has laid down a Code of Conduct in consonance with the requirements of Clause 49 of the Listing Agreement for all its board members and senior management personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, integrity, fairness and ethical conduct, dedication, due care and professionalism in carrying out their functional responsibilities. The Code highlights Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code has been circulated to all the members of the Board and all senior management personnel and the compliance of the same have been affirmed by them and have 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 as signed by the Managing Director of the Company forms part of this report.

#### Voluntary Guidelines:

The Ministry of Corporate affairs, Government of India has issued Corporate Governance Voluntary Guidelines 2009 for the corporate to voluntarily adopt such guidelines. The Board of Directors has considered the same and is contemplating of adopting such guidelines in an appropriate manner.

### 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 expediently. The details of the committees constituted by the Board are given below:

#### 2 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 and the committee has access to all the required information from the Company.

The purpose of the audit committee is to ensure the objectivity, credibility and correctness of the Company's financial reporting and disclosure processes, internal controls, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

#### CONSTITUTION

During the year 2009-10, 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. Gautam Adhikari

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

#### MEETING AND ATTENDANCE DURING THE YEAR:

The Audit Committee met four times viz on April 29, 2009, July 30, 2009, October 31, 2009 and January 30, 2010. During the year under review and the number of meetings attended by each member during the year ended March 31, 2010 are as follows:

| <b>Name of the member</b> | <b>Designation</b> | <b>No of Meetings attended</b> |
|---------------------------|--------------------|--------------------------------|
| Mr. M. S. Kapur           | Chairman           | 4                              |
| Mr. G. D. Sharma          | Member             | 4                              |
| Mr. Gautam Adhikari       | Member             | 4                              |

The statutory auditors are invitees to the Audit Committee Meetings.

### **Powers of Audit Committee:**

The Board has delegated the following powers to the Audit Committee:-

1. To investigate any activity within its terms of reference.
2. To seek information from any employee.
3. To obtain external legal or other professional advice.
4. To secure the attendance of outsiders with relevant expertise, if considered necessary.

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
- Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.

### **3 SHAREHOLDERS / INVESTORS' GRIEVANCE-CUM-SHARE TRANSFER COMMITTEE**

During the year under review the Shareholders/ Investors' Grievances cum Share Transfer Committee Meetings were held four times during the year ended on April 29, 2009, July 30, 2009, October 31, 2009 and January 30, 2010.

### **CONSTITUTION**

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

Mr. G. D. Sharma

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

### **MEETING AND ATTENDANCE DURING THE YEAR:**

| <b>Name of the Members</b> | <b>Designation</b> | <b>No of Meetings attended</b> |
|----------------------------|--------------------|--------------------------------|
| Mr. M. S. Kapur            | Chairman           | 4                              |
| Mr. G. D. Sharma           | Member             | 4                              |

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

- i. To approve or otherwise deal with applications for transfer, transmission, transposition and mutation of shares and certificates including duplicate, split, subdivision or consolidation of certificates and to deal with all related matters; and also 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.
- ii. To look into and redress shareholders / investors grievances relating to:
  - a. Transfer of shares.
  - b. Non-receipt of annual reports.
  - c. All such complaints directly concerning the shareholders / investors as stakeholders of the Company, and
  - d. Any such matters that may be considered necessary in relation to shareholders and investors of the Company.
- iii. 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**

The total number of complaints and requests received and resolved to the satisfaction of the investors during the year under review is as under:

|                            |   |   |
|----------------------------|---|---|
| No. of complaints received | : | 8 |
| No. of complaints resolved | : | 8 |
| No. of complaints pending  | : | 0 |

### **4 REMUNERATION COMMITTEE**

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 on Managing Director/Whole time Director, reviewing and approving the performance based incentives to be paid to Managing Director/Whole time Director.

**CONSTITUTION**

| Name             | Designation |
|------------------|-------------|
| Mr. G. D. Sharma | Chairman    |
| Mr. M. S. Kapur  | Member      |

The committee did not meet during the financial year 2009-10.

**5. 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   |
|----------------|------------|------------|---|
| 2008-2009      | 29.09.2009 | 11.00 a.m. | I.M.A Indian (Medical Association) Bldg, J.R.Mahatre Marg, J.V.P.D Scheme, Juhu, Mumbai 400049. |
| 2007-2008      | 30.09.2008 | 12.00 p.m. | 1st Floor, Anand Hall, Gandhigram Road, Near Hare Krishna Temple, Juhu, Mumbai-400 049.         |
| 2006-2007      | 27.09.2007 | 4.30 p.m.  | Anand Hall, Gandhigram Road, Near Hare Krishna Temple, Juhu, Mumbai-400 049.                    |

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

| Financial Year | Particulars of Resolutions passed   |
|----------------|---|
| 2008-09        | <ul style="list-style-type: none"> <li>No Special Resolutions were passed in the said General Meeting</li> </ul>  |
| 2007-08        | <ul style="list-style-type: none"> <li>No Special Resolutions were passed in the said General Meeting</li> </ul>  |
| 2006-07        | <ul style="list-style-type: none"> <li>Approval of Employee Stock Option Scheme for Employees/key senior level managerial personnel of the Company.</li> <li>Maintenance of Registers and records at the premises of the Company's Registrar and Share Transfer Agent.</li> </ul> |

**Resolutions Passed through Postal Ballot:**

During the year, no resolutions were passed through postal Ballot.

**6. DISCLOSURES****A. RELATED PARTY TRANSACTIONS**

Related party transactions are defined as transactions of the Company of material nature, with 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 risk assessment and minimization procedures being followed by the Company and steps taken by it to mitigate these risks. The Company has commensurate risk assessment and minimization procedure.

**D. REMUNERATION PAID TO DIRECTORS DURING THE YEAR 2009-10**

No remuneration was paid to either executive or non - executive and Independent Directors except payment of sitting fees to independent directors for each meeting attended by them. The total sitting fees paid during the financial year 2009-10 is as under:

| Name           | (Amount in ₹)<br>Sitting fees paid |
|----------------|------------------------------------|
| Mr. G.D.Sharma | 40,000                             |
| Mr. M. S.Kapur | 40,000                             |

**NUMBER OF EQUITY SHARES HELD BY THE DIRECTORS AS ON 31ST MARCH 2010**

| Name                 | Category                             | No. Of Shares held |
|----------------------|--------------------------------------|--------------------|
| Mr. Gautam Adhikari  | Chairman & Executive Director        | 3,319,964          |
| Mr. Markand Adhikari | Vice Chairman & Managing Director    | 3,319,964          |
| Mr. M. S. Kapur      | Independent & Non Executive Director | 298                |
| Mr. G. D. Sharma     | Independent & Non Executive Director | Nil                |

**E. MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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.**

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

Except, the Managing Director, all other Directors of the Company are liable to retire by rotation.

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



Information of the Directors to be appointed / reappointed has been mentioned in the Annexure of the Notice on Page No. 8, 9 & 10.

#### **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 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."
- d. Voluntary Guidelines:  
The Ministry of Corporate affairs, Government of India has issued Corporate Governance Voluntary Guidelines 2009 for the corporate to voluntarily adopt such guidelines. The Board of Directors has considered the same and is contemplating of adopting such guidelines in an appropriate manner.

#### **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 2010 have been prepared as per applicable accounting standards and policies 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 missus of unpublished price sensitive information, the Company has adopted a policy for prohibition of Insider Trading for Director and specified employees of this Company, relating to dealing in the shares of the Company. This code is applicable to all Directors and designated employees. The Company regularly monitors the transactions, in terms of the said Code, undertaken by the designated employees of the Company. The Company also informs the stock exchange(s) periodically about the transaction(s) undertaken by the directors and designated employees and their share holdings as per the regulations.

#### **7. 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 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 Business Standard, Mumbai Lakshadeep and Mumbai Mitra
- The Company has its own website [www.liveindia.tv](http://www.liveindia.tv).
- The results and the shareholding pattern are also available on the stock exchange websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).
- At present the Company does not make presentation to Institutional Investors and Analysts.



**8. GENERAL SHAREHOLDERS INFORMATION:**

|  |   |  |
|--|---|--|
| <b>Date Time and Venue of Annual General Meeting</b>     | Date : September 27, 2010<br>Day : Monday<br>Time : 11.30 p.m.<br>Venue : I.M.A.. Indian Medical Association Building,<br>Near Chandan Cinema, J.R.Mahatre Marg, JVPD<br>Scheme, Juhu, Mumbai - 400 049.  |  |
| <b>Financial year</b>                                    | April 1, 2009 to March 31, 2010   |  |
| <b>Financial Calendar (2010- 2011 )</b>                  | First Quarter Results for the Quarter Ended June 30,2010:August 15,2010<br>Second Quarter Results for the Quarter Ended September 30,2010:November 15,2010<br>Third Quarter Results for the Quarter Ended December 31,2010: February 15,2011<br>Fourth Quarter Results for the Quarter Ended March 31,2011:May 15,2011<br>(Unaudited)/May 31,2011 (Audited) |  |
| <b>Date of Book Closure</b>                              | Manday, September 20, 2010 to Monday, September 27, 2010.<br>(Both days inclusive)  |  |
| <b>Dividend payment date</b>                             | Not Applicable  |  |
| <b>Listing on Stock Exchanges and Stock Code/ Symbol</b> | The Company's 19,313,992 Equity Shares of the Company are listed on the following Stock Exchanges, where they are subject to compulsory trading in Demat form.  |  |
|  | <b>Name and address of Stock Exchanges.</b><br><b>National Stock Exchange of India Limited.</b><br>Exchange Plaza, plot No.C/1, G Block,<br>Bandra Kurla complex, Bandra (East), Mumbai- 400 051.<br><b>Bombay Stock Exchange Limited.</b><br>Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400 001.  | <b>Stock Code/ Symbol</b><br><b>Symbol</b><br>BROADCAST<br><br><b>Stock Code</b><br>532816 |
| <b>ISIN for dematerialization of Listed Shares</b>       | INE698H01018  |  |
| <b>CIN no.</b>   | L92130MH2004PLC144371   |  |

**Fees:**

- 1. Custodial fees:** The Company has paid custodial fees for the year ended 2010-11 to National Securities Depository Limited {NSDL} and Central Depository Services (India) limited {CDSL} on the basis of the number of Beneficial accounts maintained by them as on March 31,2010.
- 2. Listing fess:** The Company has paid listing fees to Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) for the financial year 2010-11 on the basis of Share listed on the Stock Exchanges as on March 31, 2010.

- Unclaimed Shares**

As per the provisions of Clause 5A(a) of Listing Agreement, the unclaimed shares lying in the escrow account shall be transferred to demat suspense account if there is no response even after sending three reminder notices to the persons concerned. As on March 31, 2010, there are 12 allottees pertaining to 1182 unclaimed equity shares of the Company and the same are lying in the escrow Account.

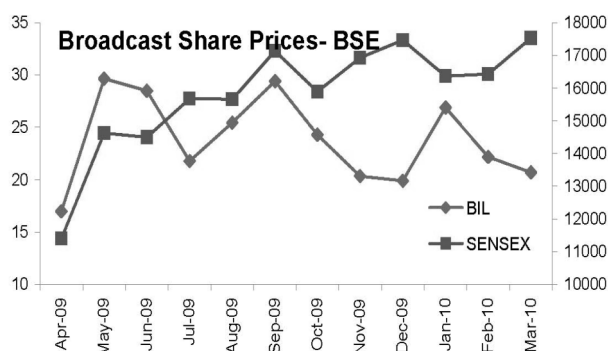
- MARKET PRICE DATA**

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.<br>Price (₹)* |       | Bombay Stock Exchange Ltd.<br>Price (₹)* |       |
|----------|---|-------|--|-------|
|          | High  | Low   | High                                     | Low   |
| April'09 | 17.00   | 10.40 | 17.00                                    | 11.10 |
| May'09   | 28.75   | 13.00 | 29.63                                    | 12.34 |
| June'09  | 28.00   | 18.75 | 28.50                                    | 18.90 |
| July'09  | 20.60   | 15.10 | 21.80                                    | 15.30 |
| Aug'09   | 25.45   | 18.00 | 25.45                                    | 18.30 |
| Sep'09   | 29.55   | 23.00 | 29.40                                    | 23.00 |
| Oct'09   | 24.45   | 18.80 | 24.30                                    | 18.65 |
| Nov'09   | 20.65   | 17.00 | 20.35                                    | 16.75 |
| Dec'09   | 19.60   | 17.15 | 19.90                                    | 17.65 |
| Jan'10   | 27.00   | 18.15 | 26.90                                    | 19.05 |
| Feb'10   | 22.20   | 18.05 | 22.20                                    | 18.00 |
| March'10 | 22.00   | 17.50 | 20.70                                    | 17.50 |

Source : [www.nseindia.com](http://www.nseindia.com) \*\*Source: [www.bseindia.com](http://www.bseindia.com)

**Performance of Share Price in comparison to BSE Sensex**  
is given in the chart below:



Registrar and Share Transfer Agents  
Link Intime India Private 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](http://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 from the Depository the beneficiary holdings 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 share transfers and other share related issues are attended by the Share transfer Committee 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 MARCH 31, 2010

| Category                              | Number of Holders | Number of shares held | % of Shareholding |
|---------------------------------------|-------------------|-----------------------|-------------------|
| Promoter and Promoter Group           | 4                 | 10,763,200            | 55.73             |
| Mutual Funds / UTI                    | -                 | -                     | -                 |
| Financial Institutions/ Banks         | 2                 | 308530                | 1.60              |
| Venture Capital Funds                 | -                 | -                     | -                 |
| Insurance Companies                   | -                 | -                     | -                 |
| Foreign Institutional Investors       | 2                 | 356947                | 1.85              |
| Bodies Corporate                      | 277               | 3614459               | 18.71             |
| Individuals                           | 14764             | 4113730               | 21.3              |
| Clearing Members                      | 63                | 125712                | 0.65              |
| Trusts                                | 3                 | 1002                  | 0.01              |
| Non Resident Indians                  | 34                | 30072                 | 0.15              |
| Directors & Their Relatives & Friends | 1                 | 298                   | -                 |
| Employees                             | 1                 | 50                    | 0.00              |
| <b>GRAND TOTAL</b>                    | <b>15151</b>      | <b>19,314,000</b>     | <b>100.00</b>     |

| Distribution of Shareholding as on March 31,2010 |                    |                        |                                   |                           |                             |
|--|--------------------|------------------------|-----------------------------------|---------------------------|-----------------------------|
| Number of  | Equity shares held | Number of shareholders | % of total number of shareholders | Number of Shares allotted | % of Total Number of Shares |
| 1  | 5000               | 13803                  | 91.10                             | 20622850                  | 10.67                       |
| 5001   | 10000              | 758                    | 5.00                              | 6173910                   | 3.20                        |
| 10001  | 20000              | 320                    | 2.11                              | 4761200                   | 2.47                        |
| 20001  | 30000              | 99                     | 0.65                              | 2481520                   | 1.28                        |
| 30001  | 40000              | 48                     | 0.32                              | 1687180                   | 0.87                        |
| 40001  | 50000              | 30                     | 0.20                              | 1385170                   | 0.72                        |
| 50001  | 100000             | 48                     | 0.32                              | 3543940                   | 1.83                        |
| 100001   | *****              | 45                     | 0.30                              | 152484230                 | 78.95                       |
| <b>Total</b>                                     |                    | <b>15151</b>           | <b>100.00</b>                     | <b>19,314,000</b>         | <b>100.00</b>               |

● **DEMATERIALIZATION OF SHARES AND LIQUIDITY**

The Company has 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 2010.

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

The Shares held by NSDL and CDSL as on March 31, 2010 is as follows:

| Particulars                                  | No. Of Shares      | % Of Total Capital |
|--|--------------------|--------------------|
| Shares held in Dematerialized form with NSDL | 12929057           | 66.94              |
| Shares held in Dematerialized form with CDSL | 6384935            | 33.06              |
| Shares held in Physical form                 | 8                  | 0.00               |
| <b>Total</b>                                 | <b>1,93,14,000</b> | <b>100.00</b>      |

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

There are no outstanding GDRs/ ADRs/ Warrants or any convertible instruments, as on March 31, 2010, likely to have an impact on the Equity Share Capital of the Company.

● **REGISTERED OFFICE**

5<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra East, Mumbai - 400051  
Tel: 91-22-67888250/67888000  
Fax: 91-22-67888383  
Website: [www.liveindia.tv](http://www.liveindia.tv)

● **STUDIO**

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

● **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  
Address: C-13, Pannalal Silk Mills Compound  
L.B.S.Marg, Bhandup (W), Mumbai-400078  
Tel.: 91-22-25946970-78 Fax: 91-22-25946969.  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linktime.co.in](http://www.linktime.co.in)

● **FOR GENERAL CORRESPONDENCE**

Ms. Vidhee Shroff, Company Secretary  
5<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra East, Mumbai - 400051  
Tel: 91-22-67888250/67888000  
Fax: 91-22-67888383  
Website: [www.liveindia.tv](http://www.liveindia.tv)

● **DEDICATED EMAIL 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](mailto: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 as pursuant to clause 49(VII) (1) of the listing agreement which is annexed herewith.

On behalf of the Board

**For Broadcast Initiatives Limited**

**Date: August 26, 2010.**

**Place: Mumbai**

**Bua Singh**

**Chairman**

**CEO/CFO CERTIFICATE UNDER CLAUSE 49 OF THE LISTING AGREEMENT:**

I hereby confirm that:

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, all Board Members and Senior Management Personnel have affirmed compliance with the code of conduct of Broadcast Initiatives Limited for the year ended March 31, 2010 and a copy of the Code of Conduct is put on the website of the Company i.e. [www.liveindia.tv](http://www.liveindia.tv).

On behalf of the Board  
**For Broadcast Initiatives Limited**

**Date: August 14, 2010.**

**Place: Mumbai**

**Ashok Kumar Gupta**  
**Managing Director**

**AUDITORS' CERTIFICATE**

To,  
The Members  
**Broadcast Initiatives Limited**

We have examined the compliance of conditions of Corporate Governance by **Broadcast Initiatives Limited** (the Company) for the year ended 31<sup>st</sup> March, 2010 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 & the information and explanation given to us by the company's management, 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**  
**Firm Registration No. 110324W**

**Date : August 14, 2010**  
**Place : Mumbai**

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

## Management Discussion and Analysis Report

### Cautionary Statement

The Management of Broadcast Initiatives Limited has prepared the financial statements that appear in this report and are responsible for the same. It is in conformity with the accounting principles generally accepted in India and therefore may include amounts based on judgments and estimates. The Management also accepts responsibility for the preparation of other financial information that is included in this report.

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 because of new information, future events or otherwise.

### MARKET & INDUSTRY OVERVIEW

#### MEDIA AND ENTERTAINMENT INDUSTRY (M & E Industry)

Year 2009 was a difficult year for the media and entertainment industry, as the overall economy passed through a slowdown. Advertising, which constitutes 38% of the industry's revenue, declined significantly on account of shrinking ad budgets in the corporate world. Sectors like films, radio and out-of-home media (OOH) recorded negative growth during the year. However, the television industry witnessed decent growth, along with the internet, gaming and animation industries touching double digit growth, albeit on a smaller base. Hence, the industry as a whole grew marginally by 1.4% to Rs. 58,700 Crores, against a 12% growth in 2008. With improvement in liquidity and global economies, showing a sign of recovery, India's GDP is expected to touch 9% annually by 2011-12, according to the Economic Advisory Council. The media and entertainment industry is, therefore, estimated to register 13% CAGR for the next five years, till 2014 (Source - FICCI - KPMG Indian Media and Entertainment Industry Report 2010)

### TELEVISION INDUSTRY

Television is the largest segment of the Indian M&E industry, representing over 40% share of the total market. Today, 50 crore Indians depend on television as a source of mass entertainment, and this figure is rising, thanks to consistent fall in prices of TV sets and aggressive cable and satellite distribution in untapped areas. Of the total 12.9 crore TV households, 9.5 crore households possess a cable connection. As per reliable research, on an average, an individual daily spends two and a half hours watching TV. Despite the economic challenges of 2009, the television industry grew modestly (6.6%) becoming a Rs. 25,700-crore market. With growing demand for different genres and niches (news, kids, infotainment and lifestyle) the absolute number of channels increased from 120 in 2003 to over 460 in 2009. There has been a greater acceptability for niche channels in 2009, such as lifestyle based channels (IMAGINE Good Times, Discovery Travel & Living), youth-based channels (UTV Bindaas, MTV) and channels focusing on male audiences (UTV Action). Moreover, 'Regionalization' has become the industry's new buzzword with rapid rise in literacy, consumption and disposable incomes in Tier 2 and Tier 3 cities. Advertisers have also enhanced their rural focus, following urban market fascination. Besides, demand for regional content is also growing. No wonder, broadcasters and content creators are equally keen to capitalise on this opportunity. There is a growing amount of industry fragmentation due to the introduction of newer genres and expansion of the channel universe. The viewers are exposed to attractive options and hence have become more demanding. Gone are the days, when the highest rated shows could get TRPs (Television Rating points) as high as 20 points. On the back of rapid change in audience preferences, the lifespan of a show reduced to one to two years.

Going forward, considering the fast recovery in Indian economy, the television industry is estimated to grow at a CAGR of 15% to attain a size of Rs. 52,100 crores by 2014. The two contributors, subscription and advertisement are expected to grow more or less at 15% and maintain a 65:35 mix. The growth in subscription revenue will be mainly due to digitization, which brings about more transparency in the declaration process apart from rising penetration. The (Direct-To-Home) DTH television connections are expected to increase at a CAGR of 22% to 4.3 crore connections by 2014. On the other hand, the digital cable connection is projected to rise to 4 crores by 2014 recording a CAGR of 60%.



Hence, the share of analogue cable connection, which stands at a whopping 80% is anticipated to decline to 40% by 2014. Besides, Internet Protocol television (IPTV) holds a huge potential, but may take time to grow due to very low internet penetration in India. Hence, differentiation is key to survival in the competitive television industry, good concepts, differentiated genres, interactive game shows, experimentation with newer formats and shows, exploring new talent, will help to manage and compete with the growing number of shows, channels and genres on Indian Television.

## NEW MEDIA BUSINESS

Traditionally, the media and entertainment space was ruled by only two screens - big screen (cinema) and small screen (television). However, in the last few years computer screens and mobile screens have rapidly grown as a destination of entertainment, referred to as 'new media'. Consumers are now looking upon the personal computer (PC) and cell phone as an alternative source to entertainment. There have been groundbreaking innovations, such as Broadband, Bluetooth, Wi-Fi, Wi-Max and 3G (Third Generation), among others that support disparate forms of content. Similar developments were witnessed in the domain of devices that are designed to support such networks. Mobile handsets are getting more sophisticated, sleeker and more advanced in terms of powerful processors, increased memory space, larger screens, open operating systems and offering features that were unimaginable earlier. Hence, the new media is revolutionizing the consumer market, reconciling the functionalities of customer end terminal devices like TV, PCs and mobile phones. Such devices are witnessing exponential demand growth among teenagers and professionals with high disposable income. Mobile Value Added Service (VAS) has become a significant business driver for service providers, with potential to grow attractively in future. As per Internet and Mobile Association of India, almost 75% of urban PC users claim to be accessing internet for information and entertainment. In fact, internet as a medium for socializing and leisure activities like downloading music and videos are gaining incredible popularity, compared with other services. Even the advertisers are making higher allocation towards internet advertising, leveraging this growing trend.

Speaking facts:

**Live India:** In respect to the Channel share Live India has significantly increased by 120% in terms of relative share and GRPs by 78% respectively as compared to the previous year.

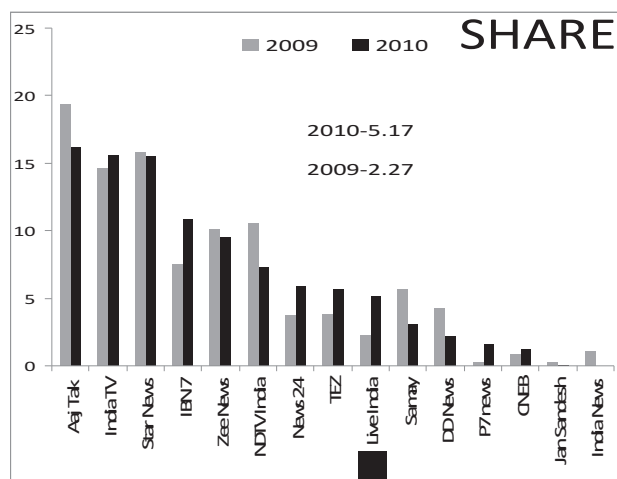
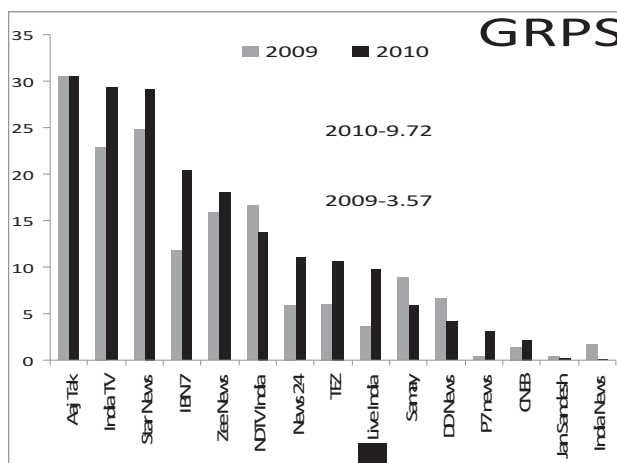
| Period     | Relative Share | GRPs | Channel Position Hindi Speaking Market (HSM) |
|------------|----------------|------|--|
| April 2009 | 2.5%           | 3.4  | 12 <sup>th</sup>                             |
| At present | 5.5%           | 9.7  | 8 <sup>th</sup>                              |

| Period     | GRPs (Delhi) | Channel Position (Delhi) | GRPs (Mumbai) | Channel Position (Mumbai) |
|------------|--------------|--------------------------|---------------|---------------------------|
| April 2009 | 4.3          | 12 <sup>th</sup>         | 8.6           | 9 <sup>th</sup>           |
| At present | 18.7         | 8 <sup>th</sup>          | 16.2          | 4 <sup>th</sup>           |

Live India at a glance: (Week 29/30)

- Top position in HSM market at 7.30 pm news bulletin.
- In Mumbai Live India was the viewer's first preference for 9 am news bulletin.
- Secured highest viewer ship in Delhi for 12 pm news bulletin.

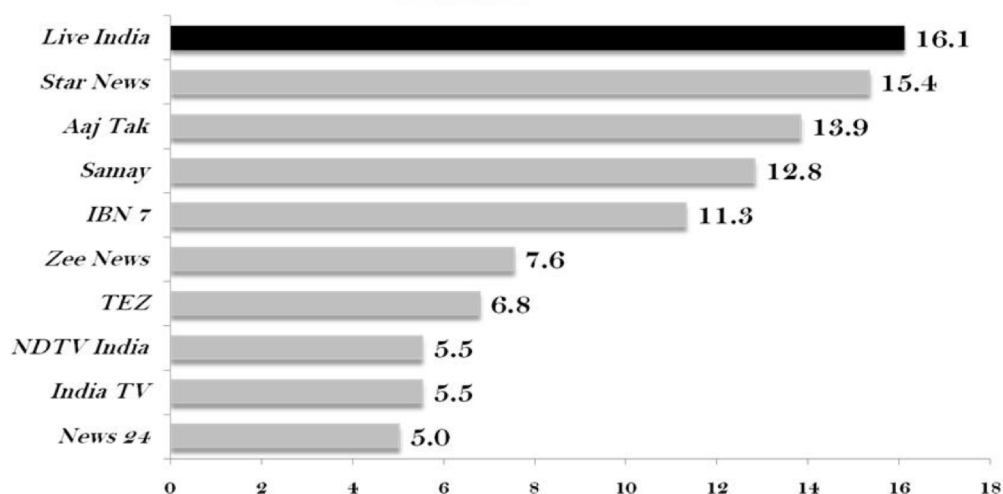
**Note:** In HSM the reach of Live India grown significantly by 88% as compare to previous year (i.e. last year it was 8.5% and at present 16%)



## " LIVE INDIA " - Speaking Facts

### *Live India: Viewers Credibility – On the Union Budget Declaration Day*

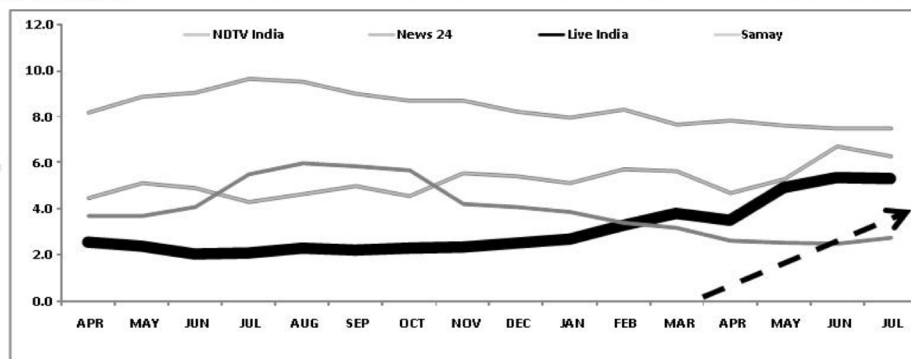
CHANNELS R.SHARE - LIVE INDIA VS. COMPETITORS



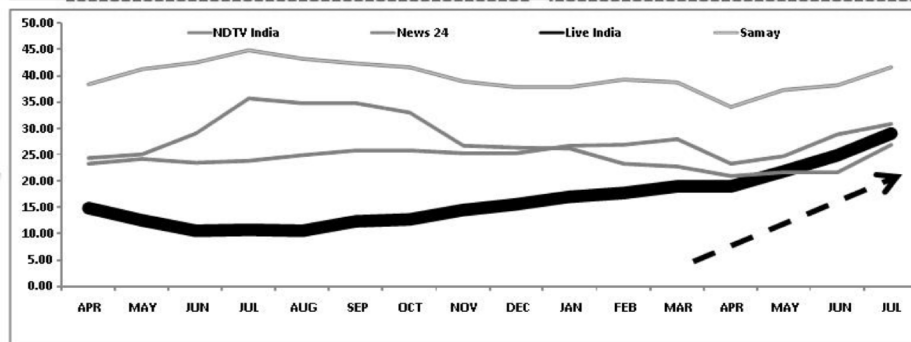
Source: TAM Prog. – LIVE INDIA NEWS, Mkt.: Mumbai, TG: CS 15+ yrs, Date: 26<sup>th</sup> Feb '10, TB: 20:00 Till 20:29 pm

### Escalation - The Trend of Live India

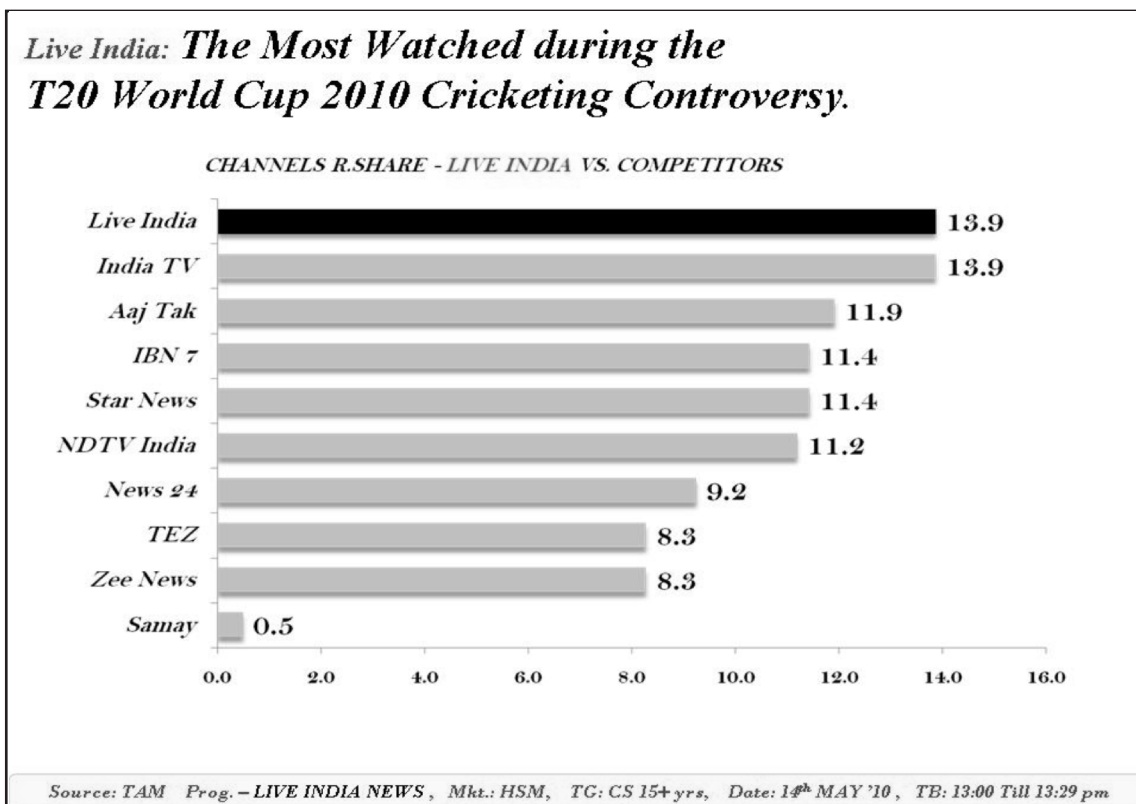
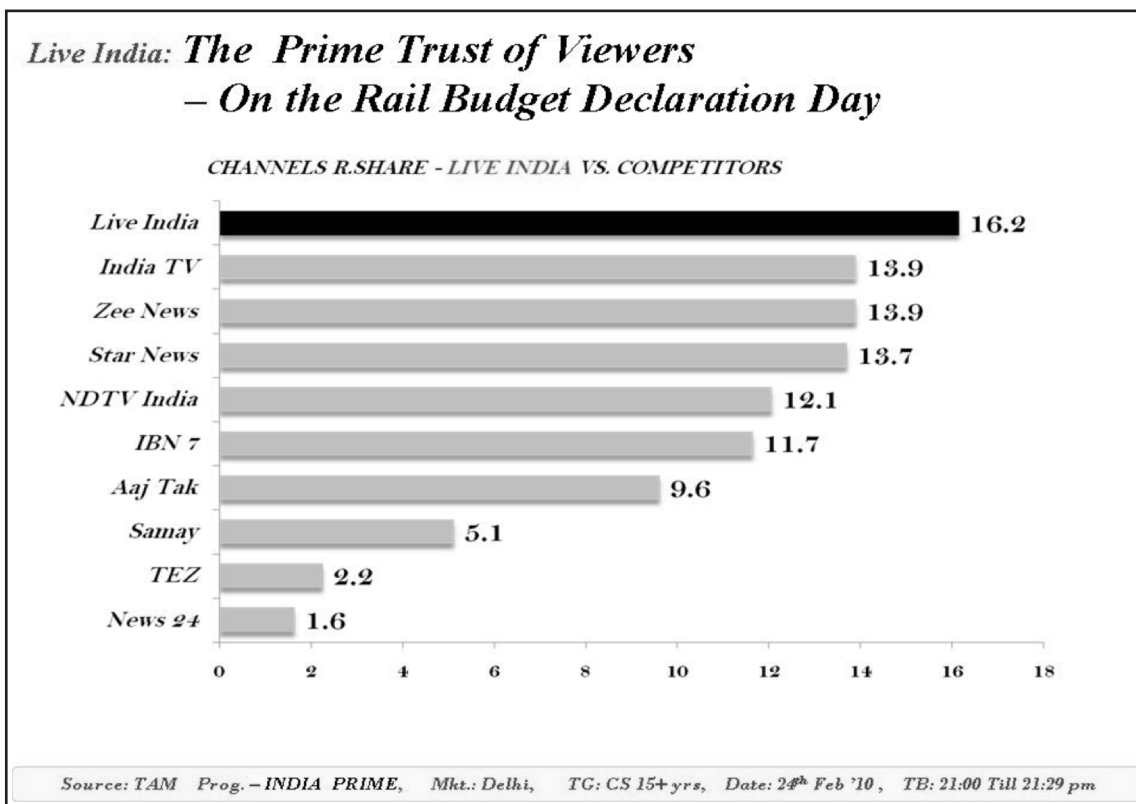
SHARE

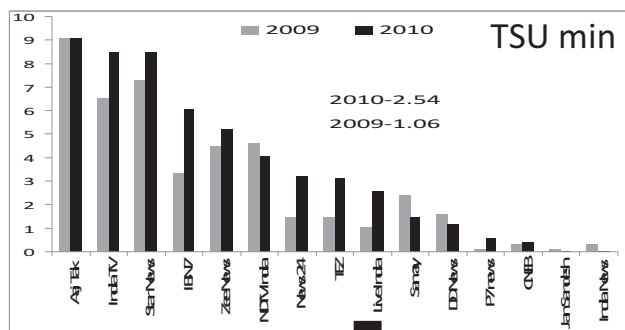
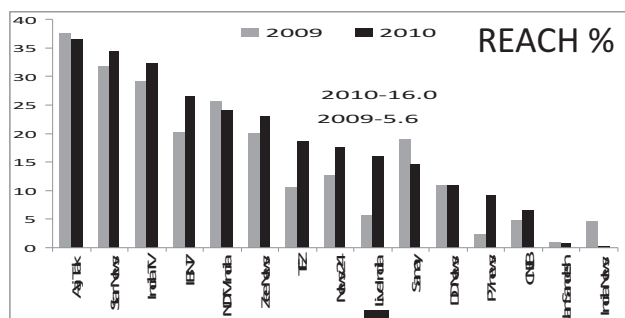


REACH in %



## "LIVE INDIA" - Speaking Facts





## Risk Management

### Risk type Risk implication Risk mitigation

| Risk Type                               | Risk implication  | Risk Mitigation   |
|---|---|---|
| Competition risk                        | Rising competition may reduce Bargaining power with channels.   | Live India News Channel is ranking 8th in Hindi with Speaking Market.   |
| Risk of unfavorable government policies | Any unprecedented change in government policy may increase the overall cost.  | The Company is in the process to absorb, recover or pass on the rise in taxes to channels, distributors or exhibitors.                          |
| Single-channel dependence risk          | Dependence on a single channel may be detrimental to business   | It now enjoys a strong presence and has grown significantly by 88% as compare to previous year ( i.e. last year it was 8.5% and at present 16%) |
| Risk of changing audience preferences   | Rapid change in viewer tastes and preferences can impact business adversely.  | The Company's dedicated team conducts research to understand evolving audience preferences  |
| Talent retention and management risk    | The business depends on key talent (story writers, creative heads, lead artists, directors, technicians, among others). Non-availability of such resources could impact business. | It has always attracted the best of talent in the industry.   |

## PROJECTS AND EXPANSION PLANS

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.

1. We have added 2 (two) more OB vans equipped with the latest technologies. Now the channel has total 5 (five) OB vans available for live broadcasts from any part of the country.
2. Live India has 9 regional news bureaus equipped with latest communication system (viz. lease lines) which enabled us to receive live news feeds from these news bureaus. These bureaus are Delhi, Chandigarh, Srinagar, Bhopal, Ahmedabad, Patna, Jaipur, Kolkata, Lucknow. This year we plan to expand our news gathering base to at least three new bureaus which will enable us to broadcast anything live from these centers and also our news anchors will able to hold live discussions with our guests sitting anywhere in 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 super bureaus in New Delhi and Mumbai with all the latest studio facilities equipped for live telecast 24 hours.
3. For better graphical presentations we have upgraded our Vizrt software for the enhanced packaging of mega news events like elections, sports and budget.
4. 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 have tied-up with major MSOs and cable operators in all major regions. This will enable us to increase our reach and simultaneously increase our ratings.
5. Live India is also in the process of tying up with major DTH players to increase our reach. Live India is already available on Dish TV & BIG TV. Apart from this we are also in talks with DD Direct, Tata Sky, Airtel and Sun TV.
6. To enhance the reach of Live India we have indentured with Apalaya TV & Hello TV (2G / 3G Mobile TV service provider). We have also dealt with TATA Photon for our channel visibility through internet.
7. In IP TV spectrum we have tied-up with Reliance IP TV.
8. In terms of content Live India is constantly innovating in its programming. Our coverage of the sports events, special programs on Rail and Union budget, exclusive stories with human angle are one of the best in the industry. As compared to other channels Live India was on top preference of viewers on Union Budget

day in Mumbai, Rail Budget day in Delhi.

Live India got highest channel share all over India among HSM for the exclusive breaking news on Indian cricket team controversy during ICC, T-20 World Cup West Indies (source TAM).

9. Live India has pact signed with AIDEM Ventures to boost up the Sales & Marketing functions of the channel.

## SWOT Analysis

### Strength

- High Production Capabilities and Huge infrastructure
- Talent Hunting / Artist Management
- Strong presence in Hindi Speaking Market.

### Weakness

- High Cost of Production against industry average
- Concentrated Clients
- Dependence on few key people for concept & creativity
- Genre specific presence - mainly in fiction

### Opportunities

- Create content for other regional languages / international market
- Monetization of content through other delivery platforms
- Expand presence in digital space

### Threats

- Rising Competition and Piracy
- Gaining popularity of other entertainment options like sports, gaming, internet, malls, traveling etc
- Change in Government Policies
- Rising Labour Cost & Energy Cost

## INTERNAL AUDIT, CONTROL SYSTEMS AND THEIR ADEQUACY

The Company had adopted the best practices in respect of internal audit systems and control. It has voluntarily adopted its accounting procedures i.e. declaration of quarterly un-audited results. 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 to ensure timely decision making and to take corrective action.

## FINANCIAL REVIEW

The following discussion is based on the audited financial statements, which have been prepared in compliance with the Companies Act, 1956 and our management accepts responsibility for the integrity and objectivity of these financial statements, as well as for various estimates and judgments used therein.

- The Issued, subscribed and paid up Share Capital

is ₹ 19,31,40,000 consisting of 1,93,14,000 Equity shares of rupees 10 each. During the year under review the Authorized Share Capital of the Company has been increased from ₹ 30 Crores to ₹ 50 Crores. The Company has allotted 60,00,000 Equity Shares on preferential basis to HDIL Infra Projects Private Limited.

- There is increase in secure loans due to overdraft facility availed for against Intellectual Property Rights, Receivables and Immovable Property. There is increase in fixed asset due to capital expenditure incurred for acquisition of Plant & Machinery, Computer & Software and Development of construction sets.
- Other income includes interest income of fixed deposits and unsecured loans. Personnel costs and Operating costs have been reduced. Interest charges have been increased due to increase in interest on loans. Loss after tax has been decreased by 2.72%.

## HUMAN RESOURCES & INDUSTRIAL RELATIONS

Broadcast Initiatives has viewed Human resources in an integrated manner – that of aligning all facets of its human capital with business and organizational transformation.

In fact human resources is being progressively viewed and managed as Human Capital, with the objective of delivering better and more sustainable business performance, while simultaneously enriching the capabilities and careers of the employees of the Company by providing challenging work environment.

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, 2010 was 503. During the year under review, the Company has not faced any industrial relation challenges.

## LOCATION OF OPERATIONAL OFFICE & STUDIO

The Company has made arrangements to acquire new premises sufficiently large enough to accommodate the entire operations, staff and studio. The new premises will be located at Noida (U.P.). Simultaneously on shifting to new premises, the production facilities for development and telecasting of the content on new channel "LIVE INDIA" will be also shifted to the new premises.

On behalf of the Board  
For Broadcast Initiatives Limited

Date : August 26, 2010  
Place : Mumbai

Bua Singh  
Chairman



## Auditors' Report

To,  
The Members,  
**Broadcast Initiative Limited**  
Mumbai.

We have audited the attached Balance Sheet of Broadcast Initiatives Limited as at 31st March, 2010, 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 as there is no longer virtual certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.*
  - ii) *Non provision for diminution in value of investments in shares subsidiaries amounting to Rs.510 Lacs in accordance with Accounting Standard 13 "Accounting for Investments" issued by Institute of Chartered Accountants of India on erosion of Networth.*
- e) On the basis of written representations received from the Directors of the Company as at March 31, 2010 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, 2010 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,**  
**Firm Registration No. 110324W**

**Date: August 14, 2010**  
**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 31<sup>st</sup> March, 2010 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 loans to three parties covered in the register maintained under section 301 of the Companies Act, 1956. The amount granted during the year is ₹ 147.57 Lacs and year end outstanding is ₹524 Lacs.  
b. According to information and explanation given to us, terms and conditions in respect of loan granted to Parties covered in (a) above, 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.  
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 one party Covered in the register maintained under section 301 of the Companies Act, 1956. Year-end balance of these loan is ₹16 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 pursuant 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. According to information and explanation given to us company's Internal Audit system is 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.  
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. The accumulated losses are more than 50% of the Networth of the company. The Company has incurred the cash losses during the preceding financial year and immediately financial year.
  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 ₹76.56 Lacs by 31-60 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 had given guarantee amounting to ₹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 long term business operations.*
  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 & Co.**  
**Chartered Accountants,**  
**Firm Registration No. 110324W**

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

**Date: August 14, 2010**  
**Place: Mumbai.**

**Balance Sheet as at 31<sup>st</sup> March, 2010**

|  | Schedule | AS AT<br>31.03.2010<br>( ₹in '000 ) | AS AT<br>31.03.2009<br>( ₹in '000 ) |
|--|----------|-------------------------------------|-------------------------------------|
| <b>SOURCES OF FUNDS</b>                            |          |                                     |                                     |
| <b>Shareholders' Funds</b>                         |          |                                     |                                     |
| Share Capital                                      | 1        | 193,140                             | 193,140                             |
| Reserves & Surplus                                 | 2        | 953,573                             | 953,573                             |
| Share Application Money                            |          | 219,000                             | 219,000                             |
|  |          | <b>1,365,713</b>                    | <b>1,365,713</b>                    |
| <b>Loan Funds</b>                                  |          |                                     |                                     |
| Secured Loan                                       | 3        | 212,903                             | 167,609                             |
| Unsecured Loan                                     | 4        | 404,667                             | 11,607                              |
|  |          | <b>617,570</b>                      | <b>179,216</b>                      |
| <b>TOTAL</b>                                       |          | <b>1,983,283</b>                    | <b>1,544,929</b>                    |
| <b>APPLICATION OF FUNDS</b>                        |          |                                     |                                     |
| <b>Fixed Assets</b>                                |          |                                     |                                     |
| Gross Block  | 5        | 880,287                             | 840,018                             |
| Less: Depreciation                                 |          | 225,651                             | 148,189                             |
| Net Block  |          | <b>654,636</b>                      | <b>691,829</b>                      |
| Capital Wip & Capital Advance                      |          | 4,430                               | 11,363                              |
|  |          | <b>659,066</b>                      | <b>703,192</b>                      |
| <b>Investment</b>                                  |          |                                     |                                     |
| Investment   | 6        | 66,364                              | 92,300                              |
| <b>Current Assets ,Loans &amp; Advances</b>        |          |                                     |                                     |
| Sundry Debtors                                     | 7        | 28,282                              | 39,755                              |
| Cash & Bank Balances                               |          | 9,039                               | 14,165                              |
| Deposit & Advances                                 |          | 194,677                             | 121,550                             |
|  |          | <b>231,998</b>                      | <b>175,470</b>                      |
| <b>Less : Current Liabilities &amp; Provisions</b> |          |                                     |                                     |
| Current Liabilities                                | 8        | 169,113                             | 219,875                             |
| Provisions   |          | 14,054                              | 38,125                              |
|  |          | <b>183,167</b>                      | <b>258,000</b>                      |
| <b>Net Current Assets</b>                          |          |                                     |                                     |
| Profit & Loss Account                              |          | 48,831                              | (82,530)                            |
| Deferred Tax                                       |          | 1,184,811                           | 802,156                             |
| Miscellaneous Expenditure                          | 9        | 24,034                              | 29,456                              |
| (To the Extent not Written off or adjusted )       |          | 177                                 | 355                                 |
| <b>TOTAL</b>                                       |          | <b>1,983,283</b>                    | <b>1,544,929</b>                    |
| Notes To Accounts                                  | 18       |                                     |                                     |

The Schedules referred to above and notes annexed thereto form an integral part of the Balance Sheet.

As per our report of even date

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

Chartered Accountants

Firm Registration No. 110324 W

**A. R. Sodha**

Partner

M.No. 31878

**Date: August 14, 2010**

**Place: Mumbai.**

**Mr. Bua Singh**  
Chairman

**Mr. Deepak Sharma**  
Director

**Vidhee Shroff**  
Company Secretary

**Mr. Ashok Kumar Gupta**  
Managing Director

**Mr. Markand Adhikari**  
Director

**Mr. Waryam Singh**  
Director

**Mr. M. S. Kapur**  
Director

**Profit & Loss Account for the year ended 31st March, 2010**

|  | Schedule | AS AT<br>31.03.2010<br>( ₹in '000 ) | AS AT<br>31.03.2009<br>( ₹in '000 ) |
|--|----------|-------------------------------------|-------------------------------------|
| <b>INCOME</b>  |          |                                     |                                     |
| Sales  |          | 73,802                              | 94,747                              |
| Other Income   | 10       | 32,126                              | 3,152                               |
|  |          | <b>105,928</b>                      | <b>97,899</b>                       |
| <b>EXPENDITURE</b>   |          |                                     |                                     |
| Production Expenses  | 11       | 26,256                              | 30,019                              |
| Telecast Expenses  | 12       | 33,094                              | 35,862                              |
| News Syndication   | 13       | 9,452                               | 9,051                               |
| Administration Expenses  | 14       | 62,407                              | 49,746                              |
| Human Resource Cost  | 15       | 102,676                             | 100,647                             |
| Distribution & Marketing   | 16       | 106,822                             | 174,661                             |
| Miscellaneous Expenditure W/off  | 9        | 178                                 | 178                                 |
| Loss on Sale of Shares   |          | 22,349                              |                                     |
| Prior Period Adjustments   |          | 947                                 |                                     |
|  |          | <b>364,181</b>                      | <b>400,164</b>                      |
| <b>PROFIT /(LOSS) BEFORE FINANCE CHARGES ,<br/>DEPRECIATION &amp; TAX</b>                                      |          | (258,253)                           | (302,265)                           |
| Finance Charges  | 17       | 42,465                              | 5,669                               |
| <b>PROFIT /(LOSS) AFTER FINANCE CHARGES</b>  |          | (300,718)                           | (307,934)                           |
| Depreciation   | 5        | 76,515                              | 72,685                              |
| <b>PROFIT /(LOSS) BEFORE TAX</b>   |          | (377,233)                           | (380,619)                           |
| Provision for Taxation   |          |                                     | -                                   |
| Deferred Tax   |          | 5,422                               | 11,617                              |
| Fringe Benefit Tax   |          | -                                   | 1,157                               |
| <b>PROFIT /(LOSS) AFTER TAX</b>  |          | (382,655)                           | (393,393)                           |
| Profit / (Loss )brought from Previous Year   |          | (802,156)                           | (408,763)                           |
| Balance Carried to Balance Sheet   |          | <b>(1,184,811)</b>                  | <b>(802,156)</b>                    |
| Basic & Diluted Earning per Share (Amount in ₹)<br>(Face Value ₹10 Per Share )<br>(See Note 9 of Schedule 18 ) |          | (19.81)                             | (20.37)                             |
| Notes To Accounts  | 18       |                                     |                                     |

The Schedules referred to above and notes annexed thereto form an integral part of the Balance Sheet.

As per our report of even date

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

Chartered Accountants

Firm Registration No. 110324 W

**A. R. Sodha**

Partner

M.No. 31878

**Date: August 14, 2010**

**Place: Mumbai.**

**Mr. Bua Singh**  
Chairman

**Mr. Deepak Sharma**  
Director

**Vidhee Shroff**  
Company Secretary

**Mr. Ashok Kumar Gupta**  
Managing Director

**Mr. Markand Adhikari**  
Director

**Mr. Waryam Singh**  
Director

**Mr. M. S. Kapur**  
Director

for & on Behalf of the Board of Directors



**Cash Flow Statement annexed to the financial statement as at 31st March, 2010**

| PARTICULARS  | AS AT<br>31.03.2010<br>( ₹in '000 ) | AS AT<br>31.03.2009<br>( ₹in '000 ) |
|--|-------------------------------------|-------------------------------------|
| <b>A CASH FLOW FROM OPERATING ACTIVITIES</b>           |                                     |                                     |
| Net Profit / (Loss) Before Tax and Extraordinary Items | (377,233)                           | (380,619)                           |
| <b>Adjustments for</b>                                 | -                                   | -                                   |
| Depreciation   | 76,515                              | 72,685                              |
| Interest Income  | (2,481)                             | (2,820)                             |
| Profit on Sale of Mutual fund units                    | -                                   | (15)                                |
| Loss on Sale of Shares                                 | 22,349                              | -                                   |
| Interest on Loan funds                                 | 42,083                              | 5,399                               |
| Preliminary /Share Issue Expenses Written of           | 178                                 | 178                                 |
| <b>Operating profit before working capital changes</b> | <b>(238,589)</b>                    | <b>(305,192)</b>                    |
| <b>Adjustments for</b>                                 |                                     |                                     |
| (Increase)/Decrease Trade & other receivable           | (61,654)                            | (36,747)                            |
| Increase/(Decrease) Trade payable and provisions       | (74,833)                            | 32,312                              |
| <b>Cash generated from operations</b>                  | <b>(375,076)</b>                    | <b>(309,627)</b>                    |
| Direct taxes paid                                      | -                                   | -                                   |
| <b>Cash flow before prior period items</b>             | <b>(375,076)</b>                    | <b>(309,627)</b>                    |
| Prior Period Adjustment                                | (6,690)                             | -                                   |
| <b>Net Cash from operating activities</b>              | <b>(381,766)</b>                    | <b>(309,627)</b>                    |
| <b>B CASH FLOW FROM INVESTING ACTIVITIES</b>           |                                     |                                     |
| Purchase of Fixed Assets (Net )                        | (25,699)                            | (21,578)                            |
| Sale of Fixed Assets                                   | -                                   | -                                   |
| Purchase of Investments                                | (2,000)                             | (500)                               |
| Sale of Investments                                    | 5,587                               | -                                   |
| Interest Income Received                               | 2,481                               | 2,820                               |
| Profit on Sale of Mutual fund units                    | -                                   | 15                                  |
| <b>Net Cash from investing activities</b>              | <b>(19,631)</b>                     | <b>(19,243)</b>                     |
| <b>C CASH FLOW FROM FINANCING ACTIVITIES</b>           |                                     |                                     |
| Shares Application /Equity Shares                      | -                                   | 179,000                             |
| Repayment of Term Loan from Bank                       | (22,494)                            | (17,285)                            |
| Repayment of Loan -Vehicle Loan                        | (1,541)                             | (1,569)                             |
| Bank Over Draft Facility                               | 69,329                              | 142,879                             |
| Loan from Others -Unsecured Loan                       | 448,947                             | 159,288                             |
| Repayment of Loan from Others                          | (55,587)                            | (164,581)                           |
| Loan from Directors                                    | -                                   | 16,200                              |
| Repayment of Loan to Directors                         | (300)                               | (14,300)                            |
| Interest Paid  | (42,083)                            | (5,399)                             |
| <b>Net Cash used in financing activities</b>           | <b>396,271</b>                      | <b>294,233</b>                      |
| Net Decrease In cash and cash equivalents (A+B+C)      | (5,126)                             | (34,637)                            |
| Cash and cash equivalents at the beginning of year     | 14,166                              | 48,803                              |
| <b>Cash and cash equivalents at the of the year</b>    | <b>9,040</b>                        | <b>14,166</b>                       |
| Components of cash and equivalents as at 31st March    | <u>2010</u>                         | <u>2009</u>                         |
| Cash on hand   | 453                                 | 29                                  |
| With Banks - on Current Account                        | 2,028                               | 1,161                               |
| - on Deposit Account                                   | 6,558                               | 6,233                               |
| Cheques in hand  | -                                   | 6,742                               |

**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

Firm Registration No. 110324 W

for &amp; on Behalf of the Board of Directors

**A. R. Sodha**  
Partner  
M.No. 31878  
**Date: August 14, 2010**  
**Place: Mumbai.**

**Mr. Bua Singh**  
Chairman  
**Mr. Deepak Sharma**  
Director  
**Vidhee Shroff**  
Company Secretary

**Mr. Ashok Kumar Gupta**  
Managing Director  
**Mr. Markand Adhikari**  
Director

**Mr. Waryam Singh**  
Director  
**Mr. M. S. Kapur**  
Director

**Schedules Forming Part of the Financial Statements**

|  | AS AT<br>31.03.2010<br>( ₹in '000 ) | AS AT<br>31.03.2009<br>( ₹in '000 ) |
|--|-------------------------------------|-------------------------------------|
| <b>SCHEDULE 1</b>  |                                     |                                     |
| <b>SHARE CAPITAL</b>   |                                     |                                     |
| <b>Authorised</b>  |                                     |                                     |
| 50,000,000(P.Y.30,000,000) Equity Shares of ₹10/- each .   | 500,000                             | 300,000                             |
|  | 500,000                             | 300,000                             |
| <b>Issued, Subscribed &amp; Paid-up</b>  |                                     |                                     |
| 19,314,000 (P.Y.19,314,000),Equity Shares of ₹10/- each, fully paid up   | 193,140                             | 193,140                             |
|  | <b>193,140</b>                      | <b>193,140</b>                      |
| <b>SCHEDULE 2</b>  |                                     |                                     |
| <b>RESERVES &amp; SURPLUS</b>  |                                     |                                     |
|  |                                     |                                     |
| Securities Premium Account   | 953,573                             | 953,573                             |
|  | <b>953,573</b>                      | <b>953,573</b>                      |
| <b>SCHEDULE 3</b>  |                                     |                                     |
| <b>SECURED LOANS</b>   |                                     |                                     |
|  |                                     |                                     |
| Term Loans   | -                                   | 22,494                              |
| Against Hypothecation by way of first charge over Block of Assets of<br>the Company & Personal Gurantee by two Directors<br>(Installment Due within a Year ₹ NIL (P.Y ₹18,868,000) |                                     |                                     |
|  |                                     |                                     |
| Vehicle Loans  | 695                                 | 2,236                               |
| (Against Hypothecation of Vehicles )<br>(Installment Due within a Year ₹6,95,052 (P.Y. ₹ 1,540,641)  |                                     |                                     |
|  |                                     |                                     |
| Overdraft Facility   | 212,208                             | 142,879                             |
| (Secured against IPR, Receivables and Immovable Property<br>of Proposed Promoters)   |                                     |                                     |
|  | <b>212,903</b>                      | <b>167,609</b>                      |
| <b>SCHEDULE 4</b>  |                                     |                                     |
| <b>UNSECURED LOANS</b>   |                                     |                                     |
| From Proposed Promoters  | 403,067                             | 9,707                               |
| From Directors   | 1,600                               | 1,900                               |
|  | <b>404,667</b>                      | <b>11,607</b>                       |
|  |                                     |                                     |
|  |                                     |                                     |

## Schedules Forming Part of the Financial Statements

| <b>SCHEDULE 5</b>                            |                   |            |           |            |                   |                   |                                   |                 |                   | <b>Amount</b>       |                   |
|--|-------------------|------------|-----------|------------|-------------------|-------------------|-----------------------------------|-----------------|-------------------|---------------------|-------------------|
| <b>FIXED ASSETS</b>                          |                   |            |           |            |                   |                   |                                   |                 |                   | <b>( ₹in '000 )</b> |                   |
| Particulars                                  | GROSS BLOCK       |            |           |            | AS AT<br>31.03.10 | DEPRECIATION      |                                   |                 | AS AT<br>31.03.10 | NET BLOCK           |                   |
|  | AS AT<br>01.04.09 | Adjustment | Additions | Deductions |                   | AS AT<br>01.04.09 | For the<br>Year Ended<br>31.03.10 | Adjust-<br>ment |                   | AS AT<br>31.03.10   | AS AT<br>31.03.09 |
| Channel Development                          | 226,994           | -          | -         | -          | 226,994           | 66,233            | 22,700                            | -               | 88,933            | 138,061             | 160,761           |
| Land & Building                              | 50,125            | -          | -         | -          | 50,125            | 1,790             | 952                               | -               | 2,742             | 47,383              | 48,335            |
| Plants,Machinery<br>Media Assets             | 458,318           | 7,637      | 26,106    | -          | 492,061           | 60,749            | 40,610                            | 947             | 102,306           | 389,755             | 397,569           |
| Construction & Sets                          | 75,620            | -          | 2,478     | -          | 78,098            | 10,231            | 4,904                             | -               | 15,135            | 62,963              | 65,389            |
| Vehicles                                     | 8,861             | -          | -         | -          | 8,861             | 2,065             | 842                               | -               | 2,907             | 5,954               | 6,796             |
| Computers                                    | 18,898            | -          | 631       | -          | 19,529            | 5,919             | 3,090                             | -               | 9,009             | 10,520              | 12,979            |
| Softwares                                    | 1,202             | -          | 3,417     | -          | 4,619             | 1,202             | 3,417                             | -               | 4,619             | -                   | -                 |
| <b>Total</b>                                 | 840,018           | 7,637      | 32,632    | -          | 880,287           | 148,189           | 76,515                            | 947             | 225,651           | 654,636             | 691,829           |
| <b>Capital Wip &amp;<br/>Capital Advance</b> | 11,363            | -          | -         | 6,933      | 4,430             | -                 | -                                 | -               | -                 | 4,430               | 11,363            |
| Previous Year                                | 829,803           |            | 10,215    |            | 840,018           | 75,504            | 72,685                            |                 | 148,189           | 691,829             | 754,299           |

**Schedules Forming Part of the Financial Statements**

|   | AS AT<br>31.03.2010<br>( ₹in '000 ) | AS AT<br>31.03.2009<br>( ₹in '000 ) |
|---|-------------------------------------|-------------------------------------|
| <b>SCHEDULE 6</b>   |                                     |                                     |
| <b>INVESTMENTS (At Cost )</b>   |                                     |                                     |
| Unquoted  |                                     |                                     |
| Shares of Sri Adhikari Brothers Media Ltd .   |                                     |                                     |
| 4,864,900 Equity Shares (P.Y.7,000,000) of ₹10 Each   | 48,649                              | 70,000                              |
| Technocraft Media Pvt Ltd .   |                                     |                                     |
| 1,511,500 Equity shares (P.Y.2,170,000) of ₹ 10 each  | 15,115                              | 21,700                              |
| Live India Television Networks Pvt.Ltd  |                                     |                                     |
| 10,000 Equity shares (P.Y. 10,000 )of ₹.10 each .   | 100                                 | 100                                 |
| Share Application Money for Shares in<br>Punjab & Maharashtra Co-op. Bank Ltd.                    | 2,500                               | 500                                 |
|   | <b>66,364</b>                       | <b>92,300</b>                       |
| <b>SCHEDULE 7</b>   |                                     |                                     |
| <b>CURRENT ASSETS ,LOANS &amp; ADVANCES</b>   |                                     |                                     |
| <b>Sundry Debtors</b>   |                                     |                                     |
| (Unsecured ,considered good )   |                                     |                                     |
| Outstanding for More than six months  | 8,875                               | 23,735                              |
| Other debts   | 19,873                              | 17,456                              |
| (Including ₹20,889 thousand (P.Y.₹13,886 thousand)<br>due from proposed promoter group)           | <b>28,748</b>                       | 41,191                              |
| Less :Provision for Doubtful Debts  | 466                                 | 1,436                               |
|   | <b>28,282</b>                       | <b>39,755</b>                       |
| <b>Cash &amp; Bank Balances</b>   |                                     |                                     |
| Cash on Hand  | 453                                 | 29                                  |
| <i>Balance with Scheduled Banks In</i>  |                                     |                                     |
| Current Accounts  | 2,028                               | 1,161                               |
| Cheques-in-Hand   | -                                   | 6,742                               |
| Fixed Deposit   | 6,558                               | 6,233                               |
|   | <b>9,039</b>                        | <b>14,165</b>                       |
| <b>Deposit &amp; Advances</b>   |                                     |                                     |
| Loan ,Advances & Deposits   |                                     |                                     |
| (Unsecured, considered good )   |                                     |                                     |
| Transponder Deposit   | 4,110                               | 4,110                               |
| Premises Deposit  | 874                                 | 874                                 |
| Prepaid Expenses  | 31,571                              | 8,471                               |
| Loan to Companies under same Management   | 52,402                              | 50,420                              |
| Interest Receivable   | 1,581                               | 1,107                               |
| Other Receivable / *Advance   | 104,139                             | 56,568                              |
| (Recoverable in cash or kind for value to be received)  |                                     |                                     |
| [*Including ₹53,311 thousand (P.Y. ₹21,719 thousand) due from a<br>Company under same Management] | <b>194,677</b>                      | <b>121,550</b>                      |

**Schedules Forming Part of the Financial Statements**

|   | AS AT<br>31.03.2010<br>( ₹in '000 ) | AS AT<br>31.03.2009<br>( ₹in '000 ) |
|---|-------------------------------------|-------------------------------------|
| <b>SCHEDULE 8</b>   |                                     |                                     |
| <b>CURRENT LIABILITIES &amp; PROVISIONS</b>   |                                     |                                     |
| <b>Current Liabilities</b>  |                                     |                                     |
| Sundry Creditors & Other Liabilities *  | 169,068                             | 219,830                             |
| (Including deposit of ₹ 101,248 thousand (P.Y. ₹ 12,244 thousand)<br>received from a Company under same<br>Management and an amount of ₹ 2,821 thousand<br>due to Company under same Management |                                     |                                     |
| *for dues to Micro Small and Medium enterprises refer Note 15 of<br>Schedule 18 Notes to Accounts   |                                     |                                     |
| Unclaimed Public Issue Refund   | 45                                  | 45                                  |
| (kept in an Escrow Account)   | <b>169,113</b>                      | <b>219,875</b>                      |
| <b>Provisions</b>   |                                     |                                     |
| For Expenses  | 12,918                              | 36,989                              |
| For Taxation  | 1,136                               | 1,136                               |
|   | <b>14,054</b>                       | <b>38,125</b>                       |
| <b>SCHEDULE 9</b>   |                                     |                                     |
| <b>MISCELLANEOUS EXPENDITURE</b>  |                                     |                                     |
| (To the extent not written off or adjusted )  |                                     |                                     |
| <b>Preliminary Expenses &amp; Share Issue Expenses</b>  |                                     |                                     |
| Opening Balance   | 355                                 | 533                                 |
| Less: Written off During the year   | 178                                 | 178                                 |
|   | <b>177</b>                          | <b>355</b>                          |
| <b>SCHEDULE 10</b>  |                                     |                                     |
| <b>OTHER INCOME</b>   |                                     |                                     |
| Interest Income   | 2,481                               | 2,820                               |
| Other Income  | 29,645                              | 332                                 |
|   | <b>32,126</b>                       | <b>3,152</b>                        |
| <b>SCHEDULE 11</b>  |                                     |                                     |
| <b>PRODUCTION EXPENSES</b>  |                                     |                                     |
| Content Production Expenses   | 14,668                              | 16,533                              |
| Production Hire Charges   | 11,588                              | 13,486                              |
|   | <b>26,256</b>                       | <b>30,019</b>                       |
| <b>SCHEDULE 12</b>  |                                     |                                     |
| <b>TELECAST EXPENSES</b>  |                                     |                                     |
| Transponder Charges   | 15,094                              | 15,523                              |
| Uplinking Charges   | 8,220                               | 8,220                               |
| Link & Other Charges  | 9,780                               | 10,940                              |
| Bureau Setup Expenses   | -                                   | 1,179                               |
|   | <b>33,094</b>                       | <b>35,862</b>                       |



**Schedules Forming Part of the Financial Statements**

|  | AS AT<br>31.03.2010<br>( ₹in '000 ) | AS AT<br>31.03.2009<br>( ₹in '000 ) |
|--|-------------------------------------|-------------------------------------|
| <b>SCHEDULE 13</b>                           |                                     |                                     |
| <b>NEWS SYNDICATION</b>                      |                                     |                                     |
| News Subscription Charges                    | 9,452                               | 9,051                               |
|  | <b>9,452</b>                        | <b>9,051</b>                        |
| <b>SCHEDULE 14</b>                           |                                     |                                     |
| <b>ADMINISTRATIVE EXPENSES</b>               |                                     |                                     |
| Staff Welfare Expenses                       | 4,006                               | 4,477                               |
| Electricity Charges                          | 3,972                               | 7,178                               |
| Communication Expenses                       | 5,645                               | 5,615                               |
| Insurance Charges                            | 438                                 | 1,317                               |
| Rent, Rates & Taxes                          | 2,847                               | 3,953                               |
| Repairs & Manitenance                        | 6,079                               | 2,636                               |
| Traveling & Conveyance                       | 6,715                               | 7,658                               |
| Legal & Professional Charges                 | 2,820                               | 3,650                               |
| Printing & Stationery                        | 1,117                               | 984                                 |
| Membership & Subscription                    | 422                                 | 3,132                               |
| Bad Debts                                    | 19,870                              | -                                   |
| General Expenses                             | 7,976                               | 8,646                               |
| Audit Fees                                   | 500                                 | 500                                 |
|  | <b>62,407</b>                       | <b>49,746</b>                       |
| <b>SCHEDULE 15</b>                           |                                     |                                     |
| <b>HUMAN RESOURCES COST</b>                  |                                     |                                     |
| Salaries, Allowances etc.                    | 97,590                              | 95,600                              |
| Contribution to Provident Fund & Other Funds | 5,086                               | 5,047                               |
|  | <b>102,676</b>                      | <b>100,647</b>                      |
| <b>SCHEDULE 16</b>                           |                                     |                                     |
| <b>DISTRIBUTION &amp; MARKETING</b>          |                                     |                                     |
| Business Promotion Expenses                  | 581                                 | 1,805                               |
| Advertising & Marketing Expenses             | 491                                 | 19,126                              |
| Distribution Expenses                        | 105,750                             | 153,730                             |
|  | <b>106,822</b>                      | <b>174,661</b>                      |
| <b>SCHEDULE 17</b>                           |                                     |                                     |
| <b>FINANCE CHARGES</b>                       |                                     |                                     |
| Interest                                     | 41,913                              | 4,207                               |
| Others                                       | 552                                 | 1,462                               |
|  | <b>42,465</b>                       | <b>5,669</b>                        |

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT,1956**
**BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE**
**I Registration Details**

|                    |  |  |   |   |       |   |   |   |   |            |  |  |  |  |  |  |   |   |
|--------------------|--|--|---|---|-------|---|---|---|---|------------|--|--|--|--|--|--|---|---|
| Registration No .  |  |  |   | 1 | 4     | 4 | 3 | 7 | 1 | State Code |  |  |  |  |  |  | 1 | 1 |
| Balance Sheet Date |  |  | 3 | 1 | March |   |   | 1 | 0 |            |  |  |  |  |  |  |   |   |

**ii Capital raised during the year ( ₹in '000 )**

|              |  |  |  |  |  |  |   |   |   |                   |  |  |  |  |  |  |   |   |   |
|--------------|--|--|--|--|--|--|---|---|---|-------------------|--|--|--|--|--|--|---|---|---|
| Public Issue |  |  |  |  |  |  | N | i | 1 | Right Issue       |  |  |  |  |  |  | N | i | 1 |
| Bonus Issue  |  |  |  |  |  |  | N | i | 1 | Private Placement |  |  |  |  |  |  | N | i | 1 |

**iii Position of Mobilisation and Deployment of funds ( ₹in '000 )**

|                          |  |  |   |   |   |   |   |   |   |                     |  |  |   |   |   |   |   |   |   |
|--------------------------|--|--|---|---|---|---|---|---|---|---------------------|--|--|---|---|---|---|---|---|---|
| <b>Total Liabilities</b> |  |  | 1 | 9 | 8 | 3 | 2 | 8 | 3 | <b>Total Assets</b> |  |  | 1 | 9 | 8 | 3 | 2 | 8 | 3 |
|--------------------------|--|--|---|---|---|---|---|---|---|---------------------|--|--|---|---|---|---|---|---|---|

**Source of Funds**

|                         |  |  |  |   |   |   |   |   |   |                        |  |  |  |   |   |   |   |   |   |
|-------------------------|--|--|--|---|---|---|---|---|---|------------------------|--|--|--|---|---|---|---|---|---|
| Paid up Capital         |  |  |  | 1 | 9 | 3 | 1 | 4 | 0 | Reserve & Surplus      |  |  |  | 9 | 5 | 3 | 5 | 7 | 3 |
| Secured Loan            |  |  |  | 2 | 1 | 2 | 9 | 0 | 3 | Unsecured Loans        |  |  |  | 4 | 0 | 4 | 6 | 6 | 7 |
| Share Application Money |  |  |  | 2 | 1 | 9 | 0 | 0 | 0 | Deferred tax Liability |  |  |  |   |   |   |   |   | - |

**Application of funds**

|                    |  |  |   |   |   |   |   |   |   |                     |  |  |  |  |   |   |   |   |   |
|--------------------|--|--|---|---|---|---|---|---|---|---------------------|--|--|--|--|---|---|---|---|---|
| Net fixed Assets   |  |  |   | 6 | 5 | 9 | 0 | 6 | 6 | Investment          |  |  |  |  | 6 | 6 | 3 | 6 | 4 |
| Net current Assets |  |  |   |   | 4 | 8 | 8 | 3 | 1 | Misc. Expenditure   |  |  |  |  |   |   | 1 | 7 | 7 |
| Net Loss           |  |  | 1 | 1 | 8 | 4 | 8 | 1 | 1 | Deferred tax Assets |  |  |  |  | 2 | 4 | 0 | 3 | 4 |

**vi Performance of Company ( ₹in '000 )**

|                           |  |  |  |    |   |   |   |    |    |                          |  |  |  |    |   |   |   |   |    |
|---------------------------|--|--|--|----|---|---|---|----|----|--------------------------|--|--|--|----|---|---|---|---|----|
| Turnover                  |  |  |  | 1  | 0 | 5 | 9 | 2  | 8  | Total Expenditure        |  |  |  | 4  | 8 | 3 | 1 | 6 | 1  |
| Profit /(Loss) Before tax |  |  |  | (3 | 7 | 7 | 2 | 3  | 3) | Profit /(Loss) after Tax |  |  |  | (3 | 8 | 2 | 6 | 5 | 5) |
| Earning per share (Rs.)   |  |  |  | (1 | 9 | . | 8 | 1) |    | Dividend Rate %          |  |  |  |    |   |   | N | i | 1  |

**v Generic Names of Three Principal Product /Services of Company**

(as per Monetary terms)

Product Description :BROADCASTING

Items code No ,(ITC Code )NOT ALLOTTED

**For A. R. Sodha & Co .**

Chartered Accountants

Firm Registration No. 110324 W

**A. R. Sodha**

Partner

M.No. 31878

**Date: August 14, 2010**

**Place: Mumbai.**

**Mr. Bua Singh**

Chairman

**Mr. Deepak Sharma**

Director

**Vidhee Shroff**

Company Secretary

**for & on Behalf of the Board of Directors**

**Mr. Ashok Kumar Gupta**

Managing Director

**Mr. Markand Adhikari**

Director

**Mr. Waryam Singh**

Director

**Mr. M. S. Kapur**

Director

## 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.

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 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 50 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. 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 actuarial valuation taken at the end of each year.

Other short-term employee benefits are charged to profit & loss account on accrual basis.

###### i. 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

## Schedules forming part of the financial statements

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.

### j. 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 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)

### k. Earning Per Share

Basic earnings 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.

### l. 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

Subsequent to balance sheet date, upon obtaining

statutory permissions and completing the legal formalities, HDIL Infra Projects Pvt Ltd ("HIPPL"), Mr. Rakesh Kumar Wadhawan and Mr. Sarang Wadhawan ("Acquirers") and Mr. Wayram Singh and Mr. Ashok Kumar Gupta, persons acting in concert ("PAC") acquired 1,29,10,140 fully paid up equity shares of Rs.10/- each of the company constituting 51% of the fully diluted paid up capital of the company through share subscription, preferential allotment, open offers and acquisition from promoters in accordance with agreement dated June 24, 2008.

### 3. Investments

**Sri Adhikari Brothers Media Limited "SABML":** During the previous year Company had made an application to MIB for change in Management and Control of SABML to Acquirer and PAC. During the year under consideration, MIB has considered the application and noted the same in its record. Therefore, in accordance with Agreement dated June 24, 2008, Company has transferred 21,35,100 equity shares of SABML to Acquirers and PAC for total consideration of ₹4270 thousand. Accordingly, SABML ceases to subsidiary of the Company with effect from April 1, 2009 and therefore, the financial statements of SABML are not considered for consolidation.

**Technocraft Media Private Limited "TMPL"** In accordance with Agreement dated June 24, 2008, Company has transferred 6, 58,500 equity shares of TMPL to Acquirers and PAC for total consideration of ₹1317 thousand. Accordingly, TMPL cease to subsidiary of the Company with effect from April 1, 2009 and therefore, the financial statements of TMPL are not considered for consolidation.

### 4. Fixed Assets

Management has considered Media Assets representing equipment combined with software / Licenses / Rights as Plant and is 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 ₹ 6500 thousand (P.Y. ₹22303 thousand).

Capital work in process represents advances of ₹ 4325 thousand (P.Y. ₹8602 thousand).

### 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**

| <b>Name of Related Party</b>                  | <b>Relationship</b>                   |
|---|---------------------------------------|
| Sri Adhikari Brothers Media Ltd.              | Associate Company                     |
| Technocraft Media Pvt. Ltd.                   | Associate Company                     |
| Live India Television Network Pvt. Ltd.       | Associate Company                     |
| Key Management Personnel                      |                                       |
| Gautam Adhikari                               | Chairman                              |
| Markand Adhikari                              | Vice Chairman & Managing Director     |
| Bua Singh                                     | President                             |
| Sudhir Chaudhary                              | Editor & CEO                          |
| 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 |
| Regional Broadcasters Pvt.Ltd.                | Directors having Substantial Interest |
| Dream Merchant Cinema Pvt.Ltd.                | Directors having Substantial Interest |
| Sri Adhikari Brothers Assets Holding Pvt.Ltd. | Directors having Substantial Interest |
| T.V.Vision Pvt .Ltd                           | Director                              |
| UBJ Broadcasting Pvt.Ltd.                     | Director                              |
| HHP Broadcasting Services Pvt.Ltd.            | Director                              |
| MPCR Broadcasting Services Pvt.Ltd.           | Director                              |

**b. Transactions With Related Parties** (₹ in'000)

| <b>Nature of Transaction</b>                               | <b>Associate Company</b> | <b>Key Management Personnel</b> | <b>Others</b>  | <b>Total</b>         |
|--|--------------------------|---------------------------------|----------------|----------------------|
| Revenue Received   | 30,293<br>(23,089)       | —<br>(—)                        | —<br>(—)       | 30,293<br>(23,089)   |
| Interest Expense   | 14,285<br>(—)            | —<br>(—)                        | —<br>(—)       | 14,285<br>(—)        |
| Reimbursement of cost of shared services                   | —<br>(—)                 | —<br>(—)                        | 304<br>(5,699) | 304<br>(5,699)       |
| Loan/ Advances Given                                       | 12,801<br>(74,502)       | —<br>(300)                      | —<br>(—)       | 12,801<br>(74,802)   |
| Outstanding balance at year end included in current assets | 105,713<br>(72,138)      | —<br>(300)                      | —<br>(—)       | 105,713<br>(72,438)  |
| Deposit Taken - Outstanding bal. at year end               | 101,248<br>(122,400)     | —<br>(—)                        | —<br>(—)       | 101,248<br>(122,400) |
| Loan Taken   | —<br>(—)                 | —<br>(16,200)                   | —<br>(—)       | —<br>(16,200)        |
| Loan Taken-Outstanding balance at year end                 | —<br>(—)                 | 1,600<br>(1,900)                | —<br>(—)       | 1,600<br>(1,900)     |
| Guarantee Given  | 136,000<br>(136,000)     | —<br>(—)                        | —<br>(—)       | 136,000<br>(136,000) |

**Note:** Figures in parenthesis relates to previous year.**8. Transaction 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:

| <b>Nature of Transaction</b> | <b>Total</b> |
|------------------------------|--------------|
| Revenue received             | 27,332       |
| Loan Taken                   | 448,947      |



## Schedules forming part of the financial statements

### 9. Earning Per Share

(₹ in'000)

| Particulars  | 31 <sup>st</sup> March 2010 | 31 <sup>st</sup> March 2009 |
|--|-----------------------------|-----------------------------|
| Profit / (Loss) after Tax  | (382,655)                   | (393,393)                   |
| Weighted average Number of Shares outstanding during the year<br>(Face Value Rs.10 Per Share ) | 19,314,000                  | 19,314,000                  |
| Basic Earning per Share (Rupees)   | (19.81)                     | (20.37)                     |

### 10. Deferred Tax Asset

The components of deferred tax assets /liability as at March 31, 2010 in accordance with Accounting Standard-22 "Accounting for Taxes on Income" are as under

(₹ in'000)

| Deferred Tax Liability  | As at 31 <sup>st</sup> March 2010 | As at 31 <sup>st</sup> March 2009 |
|---|-----------------------------------|-----------------------------------|
| Depreciation & Other Expenditure  | 44,994                            | 38,824                            |
| Less : Leave Encashment & Provision for Doubtful debts                  | (2,566)                           | (1,818)                           |
| Net Deferred Tax Liability  | 42,428                            | 37,006                            |
| Deferred Tax Asset :  |                                   |                                   |
| Carried forward Losses & Unabsorbed Depreciation<br>(Refer Note Below ) | 66,462                            | 66,462                            |
| Total Deferred tax Asset  | 66,462                            | 66,462                            |
| Net Deferred tax Liability /( Assets)                                   | (24,034)                          | (29,456)                          |

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 recognized are charged off for the year are as under

(₹ in'000)

| Particulars                              | 31 <sup>st</sup> March 2010 | 31 <sup>st</sup> March 2009 |
|--|-----------------------------|-----------------------------|
| Employers Contribution to Provident Fund | 3,845                       | 3,719                       |
| <b>Defined Benefits Plan</b>             |                             |                             |

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**

(₹ in'000)

| Particulars |  | Gratuity<br>(Funded ) |               | Leave<br>Encashment<br>(Unfunded ) |       |
|-------------|--|-----------------------|---------------|------------------------------------|-------|
| <b>A)</b>   | Reconciliation of opening and closing balance of Defined Benefits Obligation | <b>2010</b>           | 2009          | <b>2010</b>                        | 2009  |
|             | Defined benefit obligation at beginning of the year                          | 1,882                 | 1,230         | 4,418                              | 2,324 |
|             | Current Service Cost   | 1,067                 | 976           | 1,839                              | 1,785 |
|             | Interest Cost  | 151                   | 098           | 353                                | 186   |
|             | Actuarial (gain )/Loss   | (320)                 | (422)         | 645                                | 397   |
|             | Benefits Paid  | Nil                   | Nil           | 1,311                              | 274   |
|             | Defend Benefit Obligation at Year end  | 2,780                 | 1,882         | 5,944                              | 4,418 |
| <b>B)</b>   | Reconciliation of opening and closing balance of fair value of plan assets   |                       |               |                                    |       |
|             | Fair value of plan assets at the beginning of the year                       | 668                   | 612           |                                    |       |
|             | Expected return on plan assets   | 53                    | 049           |                                    |       |
|             | Actuarial (Gain ) / loss   | 70                    | 7             |                                    |       |
|             | Employer Contribution  | Nil                   | Nil           |                                    |       |
|             | Benefits Paid  | Nil                   | Nil           |                                    |       |
|             | Fair value of Plan assets at the year end                                    | 791                   | 668           |                                    |       |
|             | Actual return on plan asset  |                       |               |                                    |       |
| <b>C)</b>   | Reconciliation of fair value of asset and obligation                         |                       |               |                                    |       |
|             | Fair value of plan assets as at 31 <sup>st</sup> March 2010                  | 791                   | 668           |                                    |       |
|             | Present value of obligation as 31 <sup>st</sup> March 2010                   | 2,780                 | 1,882         |                                    |       |
|             | Amount recognized in balance Sheet   | 1,989                 | 1,214         |                                    |       |
| <b>D)</b>   | Expenses recognized during the year (under head “ Employment cost)           |                       |               |                                    |       |
|             | Current Service cost   | 1,067                 | 976           | 1,839                              | 1,785 |
|             | Interest Cost  | 151                   | 098           | 353                                | 186   |
|             | Actuarial (gain)/Loss  | (390)                 | (429)         | 645                                | 397   |
|             | Expected return on plan assets   | (53)                  | (49)          | —                                  | —     |
|             | Net Cost   | 775                   | 596           | 2,837                              | 2,368 |
| <b>E)</b>   | Investment Details   |                       |               |                                    |       |
|             | LIC Group Gratuity (Cash Accumulation ) Policy (%)                           | 2,845                 | 3,549         |                                    |       |
| <b>F)</b>   | Actuarial Assumption   |                       |               |                                    |       |
|             | Mortality Table (LIC)  | LIC (1994-96)         | LIC (1994-96) |                                    |       |
|             |  | Ultimate              | Ultimate      |                                    |       |
|             | Discount rate (Per annum)  | 8%                    | 8%            | 8%                                 | 8%    |
|             | Rate of Escalation in Salary (per annum)                                     | 5%                    | 5%            | 6%                                 | 6%    |

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

Custom Duty of ₹6,100 thousand may be levied if company could not achieve export obligation in accordance with EPCG Scheme By 2012-13 and Bank Guarantee for Associate Company ₹1,36,000 thousand.

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.

## Schedules forming part of the financial statements

### 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.

( ₹in '000 )

| Particulars   | Year Ended<br>31 <sup>st</sup> March 2010 | Year Ended<br>31 <sup>st</sup> March 2009 |
|---|---|---|
| (a) Value of imports calculated on C.I.F basis  |   |   |
| i) Raw Material   | -   | -   |
| ii) Capital Goods   | 4,865                                     | 380                                       |
| (b) Expenditure in foreign currency   |   |   |
| i) Traveling  | 839                                       | -   |
| ii) Others  | 4,795                                     | 3,107                                     |
| (c) Payment to Auditors (Including Service Tax )  |   |   |
| i) Audit Fees   | 449                                       | 449                                       |
| ii) Tax Audit Fees  | 112                                       | 112                                       |
| iii) Others Services  | 64  | 64  |
| (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 recast wherever considered necessary.

As per our report of even date

for & on Behalf of the Board of Directors

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

Chartered Accountants

Firm Registration No. 110324 W

**A. R. Sodha**

Partner

M.No. 31878

**Date: August 14, 2010**

**Place: Mumbai.**

**Mr. Bua Singh**  
Chairman

**Mr. Deepak Sharma**  
Director

**Vidhee Shroff**  
Company Secretary

**Mr. Ashok Kumar Gupta**  
Managing Director

**Mr. Markand Adhikari**  
Director

**Mr. Waryam Singh**  
Director

**Mr. M. S. Kapur**  
Director



# BROADCAST INITIATIVES LIMITED

Regd. Office: 5<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra East, Mumbai - 400 051.

## ATTENDANCE SLIP Sixth Annual General Meeting

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

I/ We hereby certify that I am/we are a Member/Proxy for the Member of the Company. I hereby record my presence at the Sixth Annual General Meeting of the Company being held on Monday, September 27, 2010 at 11.30 A.M. at I.M.A (Indian Medical Association) Building, Near Chandan Cinema, 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)

Folio No: .....

No. of Shares held: .....

DP ID \*: .....

Client ID \*: .....

\*Applicable for investors holding shares in electronic form



# BROADCAST INITIATIVES LIMITED

Regd. Office: 5<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra East, Mumbai - 400 051.

## PROXY FORM Sixth Annual General Meeting

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 Sixth  
Annual General Meeting of the Company to be held on Monday, September 27, 2010 at 11.30 A.M. at I.M.A ( Indian Medical Association) Building,  
Near Chandan Cinema, J.R.Mhatre Marg, J.V.P.D Scheme, Juhu, Mumbai – 400 049 and at any adjournment thereof.

Folio No: .....

No. of Shares held: .....

DP ID \*: .....

Client ID \*: .....

Signed this ..... day of ..... 2010

Place:

.....  
Signature of the Member

**Affix  
₹ 1  
Revenue  
Stamp**

\*Applicable for investors holding shares in electronic form

### 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 5<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra East, Mumbai – 400 051. not less than 48 hours before the commencement of the aforesaid meeting.
- The Proxy need not be a member of the Company.