

Broadcast Initiatives Limited

# annual report 2010-2011



ख़बर हमारी, फैसला आपका

## 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)

### AUDITORS

**M/S. ASHOK JAYESH & ASSOCIATES,**  
Chartered Accountants

### EDITOR AND CHIEF EXECUTIVE OFFICER

**MR. SUDHIR CHAUDHARY**

### CHIEF FINANCIAL OFFICER

**MR. HARISH KUMAR VASANDANI**

### COMPANY SECRETARY

**MS. AKSHADA KASLAY**

### BANKERS

**PUNJAB & MAHARASHTRA CO-OPERATIVE BANK LIMITED**

### REGISTRAR & 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](http://www.linktime.co.in)

### 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](http://www.liveindia.tv)

## CHAIRMAN'S MESSAGE

### Dear Shareholders,

It gives me immense pleasure to thank all of you for the support and trust reposed in the company. I would take this opportunity to present before you the annual results of your Company for the financial year 2010-2011.

I would like to inform that, the performance of the Company has been incredible during the year. Indian Media and Entertainment Industry is going through a churn through out the year, facing challenges as consumers are spending more on media and entertainment, demanding more and better choice, and quality. While these changes are posing new challenges along with new opportunities.

It goes without saying that we had an eventful 2010-2011 as we have emerged from the deep recession and faced challenges and was also able to grab the opportunities. Having already built a nationwide network, your Company has evolved as a leading news channel 'Live India', because of the constant efforts, strategies and plans made by the Company to cope with such situation.

Keeping in mind innovative and competitive media, your Company is geared up to face new challenges and planned to start with at least three new bureaus which will help us to broadcast anything live from our centers. Not only this, we have also tied up with major MSOs and cable operators in all major regions for expanding our reach throughout the country especially HSM (Hindi Speaking Market). Our channel is currently available on DTH platform of Dish TV, Reliance Digital TV, Airtel Digital TV and Videocon D2H. We are also in talks with DD Direct, Tata Sky and Sun TV.

The year 2010-2011 was a remarkable year for "Live India", we have produced many top stories/ breaking news and we remained on top five Hindi news channels.

Your Company has proposed to issue 2,02,51,200 Equity shares of face value ₹ 10 each in the ratio 8:10 to the existing shareholders of the Company by way of rights issue. In this regard, Company has already filed Draft Letter of Offer with Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Securities Exchange Board of India (SEBI) and has also received in-principle approval from BSE and NSE.

I would like to assure that the Company has complied with all the rules and regulations laid down by the governing authorities like BSE, NSE, SEBI including Ministry of Information and Broadcasting (MIB) and has fully complied with the Corporate Governance Code.

Not only this, Company is also striving to fulfill the responsibility towards viewers, employees, government in order to become socially responsible, which is the integral part of our philosophy of business.

I am very delightful to report spirit, energy, efforts that has been put by everyone at work which has pushed our company at the position where it is standing now. This makes all of us proud.

At the end, I would once again like to thank all our viewers, stakeholders, shareholders, bankers, advertisers for the incredible support and trust that they have reposed and has helped us to move forward. I would also like to thank all our employees, colleagues for the continued commitment which has helped us to face the difficult time.

Looking forward for a bright future with a vision to become one of the largest company in the media and entertainment industry and needless to say that our journey in the past and the road ahead is not possible without your continued faith and support in us. We promise to live up to your expectation in future.

Yours Sincerely,

**Bua Singh  
Chairman**

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## NOTICE

**NOTICE** is hereby given that 7<sup>th</sup> Annual General Meeting of the members of Broadcast Initiatives Limited will be held on Monday, 12<sup>th</sup> September, 2011 at 11.00 a.m. at Hotel Shubhangan, Scarlet Hall, 21st Road, Off Carter Road, Khar (West), Mumbai - 400 052 to transact the following businesses :-

**Ordinary Business:**

1. To receive, consider and adopt the Profit and Loss Account for the year ended 31<sup>st</sup> March, 2011 and the Audited Balance Sheet as at that date together with the reports of the Board of Directors and Auditors thereon.
2. To re-appoint Mr. M. S. Kapur, Director of the Company, who retires by rotation and being eligible offers himself for re-appointment.

**“RESOLVED THAT** pursuant to section 255 and 256 of the Companies Act 1956 and as per the provisions of the Articles of Association of the Company applicable, if any Board of Directors of the Company be and are hereby authorized to re- appoint Mr. M.S.Kapur as Director of the Company liable to retire by rotation.”

3. To re-appoint M/s Ashok Jayesh & Associates, Chartered Accountants, Mumbai, having Firm Registration No.100655W, as the Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting, at a remuneration to be determined by the Board of Directors of the Company.

**By Order of the Board of Directors  
For Broadcast Initiatives Limited**  
sd/-

**Place: Mumbai**

**Date: 4<sup>th</sup> August, 2011**

**Registered Office:**

5th 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 AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
2. The Register of Members and the Share Transfer Books of the Company will be closed from 9th September, 2011 to 12th September, 2011 (both days Inclusive).

3. The members are requested to:
  - (a) Intimate to the Company's Registrars and Share Transfer Agents, M/s. Link Intime India Private Limited (for shares held in physical form) and to their Depository Participants (DP) (for shares held in dematerialized form) the changes, if any, in their registered address, Bank account number / details etc. at an early date, quote ledger folio numbers /DP Identity and Client Identity Numbers, e-mail addresses, if any, in all their correspondences;
  - (b) Bring the copy of the Annual Report and the Attendance Slip duly filled in for attending the Annual General Meeting;
4. Members desirous of obtaining any information concerning the accounts and operations of the Company are requested to address their questions to the Company at the registered office address so as to reach at least seven days before the date of the Meeting, to enable the information required to be made available at the Meeting, to the best extent possible.
5. Members / beneficial Owners are requested to quote their full name as per Company's record, Folio No. / DP and Client ID Nos. as the case may be, in all correspondence with the Company.
6. In case of Joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
7. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
8. **As per the circular issued by Ministry of Corporate Affairs allowing paperless compliances by the Companies, the members are requested to register their e-mail addresses, in respect of their shareholding in demat mode and in respect of physical shareholdings to the Company's Registrar and Share Transfer Agent, M/s. Link Intime India Private Limited**

**By Order of the Board of Directors  
For Broadcast Initiatives Limited**  
sd/-

**Place: Mumbai**

**Date: 4<sup>th</sup> August, 2011**

**Akshada Kaslay  
Company Secretary**

**Information pursuant to Clause 49 of the Listing Agreement:-**

Brief details in respect of the Directors seeking re-appointment at the Annual General Meeting:

Sr.No	Name of Director	Mr. M.S.Kapur
1.	Date of Birth	10.03.1946
2.	Date of Appointment	27.09.2009 (re-appointment)
3.	Qualification	B.Sc., M.A
4.	Expertise in functional area	Banking Industry
5.	Other Directorships	ISID Private Limited
		Emco Energy Limited
		Shakti Bhog Foods Limited
		Corporate Ispat Alloys Limited
		Precision Pipes and Profiles Limited
		Sri Adhikari Brothers Television Network Limited
6.	Other Committee Memberships	Member of Audit Committee of Sri Adhikari Brothers Television Network Limited
		Member of Audit Committee of Shakti Bhog Foods Limited
		Member of Audit Committee of Corporate Ispat Alloys Limited
		Member of Grievance Committee of Precision Pipes and Profiles Limited
7.	Shareholding	NIL

# DIRECTORS' REPORT

**To,  
The Members of  
Broadcast Initiatives Limited**

The Directors of your Company present the Seventh Annual Report together with the statement of audited accounts for the financial year ended 31st March, 2011.

## 1. FINANCIAL HIGHLIGHTS (₹ in '000s)

Particulars	Financial Year ended 31st March, 2011	Financial Year ended 31st March, 2010
Net Sales/ income from operations	96,121	73,802
Other Income	46,996	32,125
<b>Total Income</b>	<b>1,43,117</b>	<b>1,05,927</b>
<b>Total expenditure</b>	<b>5,51,139</b>	<b>3,64,181</b>
<b>Gross Profit / (Loss) before interest and depreciation</b>	<b>(4,08,023)</b>	<b>(2,58,254)</b>
Less: Interest and finance charges	44,139	42,465
<b>Gross Profit / (Loss) before depreciation and taxation</b>	<b>(4,52,162)</b>	<b>(3,00,719)</b>
Less: Depreciation	75,646	76,515
<b>Profit / (Loss) before Tax</b>	<b>(5,27,808)</b>	<b>(3,77,233)</b>
Less: Provision for taxation Deferred Tax	1,045	5,422
<b>Net Profit / (Loss) after tax</b>	<b>(5,28,654)</b>	<b>(3,82,655)</b>
Profit / (Loss) brought forward from previous year	<b>(11,84,810)</b>	<b>(8,02,156)</b>
<b>Balance carried forward to the Balance Sheet</b>	<b>(17,13,665)</b>	<b>(11,84,810)</b>

## 2. TURNOVER

For the year ended 31st March, 2011 the Company earned total revenue of ₹1,43,117 thousand an increase of 35% as against previous years ₹1,05,927 thousand. A detailed discussion on the business performance is presented in the Management Discussion and Analysis section of the Annual Report.

## 3. DIVIDEND

In view of the accumulated losses, Directors do not recommend payment of any dividend during the year.

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

In accordance with the requirements of the listing agreement, the detailed review of the operations, performance and future outlook of the Company and its business is given in the Management Discussion and Analysis Report, forming part of the Annual Report.

## 5. SUBSIDIARY COMPANIES

During the year under review, Our Company did not have any subsidiary companies.

## 6. DEPOSITS

Your Company has not accepted any Fixed Deposits from the public and therefore it 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.a) CHANGE IN REGISTERED OFFICE OF THE COMPANY

Your Company has for more operational convenience of business transactions, shifted its Registered office from Adhikari Chambers, Oberoi Complex, New Link Road, Andheri (West) Mumbai- 400053 to 5<sup>th</sup> floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mumbai-400051 with effect from 15<sup>th</sup> May, 2010.

## b) SHARE CAPITAL

During the year, there is no change in Share Capital of the Company.

## 8. RIGHTS ISSUE

During the year under review, your Company proposed to issue 2,02,51,200 Equity Shares of the face value of ₹10 each in the ratio of 8 Equity shares for every 10 Equity shares by way of rights issue to the existing shareholders of the Company.

Accordingly your Company has filed Draft Letter of Offer with Bombay Stock Exchange Limited (BSE), National Stock Exchange of India Limited (NSE) and Securities Exchange Board of India (SEBI) and have received in-principle approvals of BSE and NSE.

The approval of SEBI on our draft letter of offer is awaited.

## 9. DIRECTORS

At the 7th Annual General Meeting, Shri. M.S.Kapur retire by rotation and being eligible, offers himself for re-appointment.

The above re-appointment form part of the Notice of the forthcoming 7th Annual General Meeting and the respective resolutions are recommended for your approval.

Profile of the Director, as required under Clause 49 of the Listing Agreement, is annexed to the Notice of the 7th Annual General Meeting.

## 10. DIRECTOR'S RESPONSIBILITY STATEMENT

As stipulated in Section 217(2AA) of the Companies Act,

1956, your Directors' subscribe to Directors' Responsibility Statement and confirm :

1. That in the preparation of the annual accounts for the year ended 31st March, 2011 the applicable accounting standards had been followed along with proper explanation relating to material departures;
2. That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 2010-11 and of the profit of the Company for that period;
3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities; and
4. That the Directors have prepared the annual accounts on a going concern basis.

#### **11. APPOINTMENT OF COMPANY SECRETARY**

During the year, Ms. Akshada Kaslay was appointed as Company Secretary and Compliance Officer of the Company with effect from 14<sup>th</sup> March, 2011 in place of Ms. Vidhee Shroff.

#### **12. HUMAN RESOURCE**

Your Directors would like to place on record their deep appreciation of all employees for rendering quality services to every constituent of the Company be its viewers, producers, regulatory agencies, creditors or shareholders. The unstinting efforts of the employees have enabled your Company to remain in the forefront of Media and Entertainment Business.

#### **13. 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) (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.

#### **14. AUDITORS**

M/s. Ashok Jayesh & Associates, Chartered Accountants, will retire at the ensuing Annual General meeting of the Company and being eligible and offer themselves for re-appointment.

Your Director recommends their re-appointment as Statutory Auditors of the Company.

#### **15. CORPORATE GOVERNANCE**

In accordance with Clause 49 of the Listing Agreement, your Company has ensured continued compliance of Corporate Governance requirements during the financial year. Your Company lays strong emphasis on transparency, disclosure and independent supervision to increase various stakeholders' value.

The report on Corporate Governance for the financial year 2010-11 is given as separate section titled "Report on Corporate Governance" and the Auditors' Certificate on compliance with Corporate Governance requirements by the Company is attached to the Corporate Governance Report.

#### **16. LISTING AT STOCK EXCHANGE**

The equity shares of the Company continue to be listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE). The Company has paid the applicable listing fees to the above stock exchanges up to date.

#### **17. INTERNAL CONTROL SYSTEM**

The Company has in place appropriate internal control systems, commensurate with its size and nature of operations.

#### **18. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

Your Company is not engaged in any manufacturing or processing activity, as such particulars required to be given in terms of Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, regarding conservation of energy and technology absorption are not applicable.

#### **19. FOREIGN EXCHANGE EARNINGS AND OUTGO**

During the year, your Company has incurred expenditure in foreign currency to the extent of ₹ 8221 ( in '000) as against ₹ 10499 ( in '000) in the previous financial year.

#### **20. ACKNOWLEDGEMENTS**

Your Directors wish to place on record their appreciation and sincere gratitude to the various Departments of the Central and State Governments, Bankers, clients, media and business constituents for their valuable assistance and support. The Directors also acknowledge the continued support received from investors and shareholders and the confidence reposed by them. The Directors place on record their appreciation for the sincere and dedicated services rendered by all the employees of the Company.

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

sd/-

**Place: Mumbai  
Date: 4<sup>th</sup> August, 2011**

**Bua Singh  
Chairman**



# REPORT ON CORPORATE GOVERNANCE (AS ANNEXURE TO DIRECTOR'S REPORT)

## Introduction

Corporate Governance is an insight into the management of affairs of the Company; it is about commitment to values and ethical business conduct. It is a set of laws, regulations, processes and customs affecting the way a Company is directed, administered, controlled or managed. This includes its corporate and other structures, culture, policies and the manner in which it deals with various stakeholders. Some of the important best practices of Corporate Governance framework are timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the Company. It has become an integral part of the business aligning the organizations to the best practices of good governance.

The detailed report on compliance by the Company of the Corporate Governance Code as incorporated in Clause 49 of the Listing Agreement with Stock Exchange is set out below:

### I. Company's philosophy on Code of Governance:

The Company's philosophy streams from its belief that the Company's business strategy, plans and decisions should be consistent with the welfare of all its stakeholders, including shareholders, viewers, etc.

Your Company implies governance with the highest standards of professionalism, integrity, accountability, fairness, transparency, social responsiveness and business ethics for efficient and ethical conduct of business. The Company envisions being a globally preferred business associates with responsible concern for society and stakeholders value. The Company is committed to ethical values and self discipline through standards of good governance based on transparency, fairness, purposefulness, trust, responsibility, checks and balances directed at sustaining shareholders interest and overall organizational goals.

The Company makes best endeavors to uphold and nurture these core values in all facets of its operations and aims to increase and sustain its corporate value through growth and innovation.

The Company is fully committed to and continues to follow procedures and practices in conformity with the Code of Corporate Governance enshrined in the Listing Agreement.

### II. Board of Directors :

The Board is responsible for the overall conduct of the Company's business and has the powers, authorities and

duties vested in it by and pursuant to the relevant laws and the articles of association of the Company.

The Board:

- has final responsibility for the management, direction and performance of our businesses;
- is required to exercise objective judgment on all corporate matters independent from executive management;
- is accountable to shareholders for the proper conduct of the business; and
- is responsible for ensuring the effectiveness of and reporting on our system of corporate governance.

In compliance with the requirements of Clause 49 of the Listing Agreement, the Company has optimum combination of Executive and Non – Executive Directors. The number of Non – Executive Director is more than 50% of the total Number of Directors. The Company is headed by 7 (seven) Directors amongst which there are 3 (three) Independent Directors, which is more than one third of total number of Directors.

Independent Directors do not have any pecuniary relationship or transactions with the Company, its promoters, its management or its subsidiaries, which in judgment of the Board, may affect independence of the judgment of the Director.

#### (a) Category of Directors

Category of Directorships	No. of Directors	% to total no. of Directors
Executive Directors	1	14.30
Non-Executive Independent Directors	3	42.85
Other Non-Executive Directors	3	42.85
<b>TOTAL</b>	7	<b>100.00</b>

#### (b) Composition of Directors\*

Name of Directors	Category
Mr. Bua Singh	Chairman, Independent Director
Mr. Ashok Kumar Gupta	Promoter and Managing Director
Mr. Waryam Singh	Promoter, Non- Executive & Non- Independent Director
Mr. M.S. Kapur	Independent Director
Mr. Deepak Sharma	Independent Director
Mr. Gautam Adhikari	Non-Executive and Non-Independent Director
Mr. Markand Adhikari	Non-Executive and Non-Independent Director

**(c) Board meetings and attendance of Directors at the Board meetings and last Annual General Meeting were as under:**

During the year under review, the Board has met Seven (7) times on 13<sup>th</sup> May,2010, 15<sup>th</sup> May,2010, 4<sup>th</sup> June,2010, 14<sup>th</sup> August,2010 ,26<sup>th</sup> August,2010, 2<sup>nd</sup> November,2010 and 12<sup>th</sup> February,2011.

The Company has held one meeting in every three (3) months and the maximum time gap between any two meetings was not more than four (4) months.

The attendance of each director at the Board meetings and the Last Annual General Meeting (AGM) as under:

Name of Directors	No. of Board meetings attended	Attendance at last AGM held on September 27, 2010
Mr. Bua Singh	6	No
Mr. Ashok Kumar Gupta	6	Yes
Mr. Waryam Singh	6	No
Mr. M.S. Kapur	4	Yes
Mr. Deepak Sharma	6	Yes
Mr. Gautam Adhikari	1	No
Mr. Markand Adhikari	4	Yes

**(d)The Details of directorships of the Companies and Chairmanship/membership held in other Public Companies are stated below:**

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees across all companies in which they are Directors.

Name	Particulars of other Directorships and other Committee Chairmanship / membership		
	Committees		
	Other Directorships	Chairmanships	Memberships
Mr. Bua Singh	1	-	-
Mr. Ashok Kumar Gupta	2	-	1
Mr. Gautam Adhikari	2	1	1
Mr. Markand Adhikari	2	-	1
Mr. Waryam Singh	3	1	-
Mr. M.S Kapur	5	1	3
Mr. Deepak Sharma	1	-	-

**Notes:**

(1) Doesn't include Alternate Directorships and Directorships of Foreign Companies, Section 25 Companies and Private Limited Companies.

(2) Includes only Audit Committee and Investor Grievance and Share Transfer Committee of Public Limited Companies.

**(e) Board Procedure :**

The procedures with respect to Board Meetings and the Meetings of the Committees thereof are in compliance with the requirements of the Companies Act, 1956, the Secretarial Standards (SS-1) prescribed for Board Meetings by the Institute of Company Secretaries of India, Listing agreement with the stock exchange (s) and other applicable laws and regulations.

The Board meets at least once a quarter to review quarterly performance and financial results. Notices of Board Meeting along with agenda papers are circulated in advance to the Directors. All material information is incorporated in the agenda papers for facilitating focused discussions at the meeting and the same are circulated in advance to the Directors.

The Board is also free to recommend inclusion of any matter for discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled before the meeting. The Board is also free to recommend inclusion of any matter for discussion in consultation with the Chairman.

To enable the Board to discharge its responsibilities effectively, the members of the Board are briefed at every board meeting, on the overall performance of the Company by functional heads.

The information as required under clause 49 is made available to the Board. The Board reviews compliance report of all laws applicable to the Company.

**III. Board Committees:**

In compliance with the Listing Agreement (both mandatory and non mandatory) and SEBI Regulations, the Board has five committees viz. Audit Committee, Share holders'/Investors' Grievance Committee, Remuneration Committee, Finance Committee and Rights Issue Committee (for the purpose of rights issue) as on 31<sup>st</sup> March,2011.

The Committees have optimum combination of Executive, Non executive and /or Independent Directors. The Chairman of all committees is an Independent Director. The Committees are constituted with specific terms of reference

and scope to deal with specific matters expediently. The details of the committees constituted by the Board are given below:

### **A. Mandatory Committees :**

#### **i. Audit Committee :**

##### **(a) Broad Terms of Reference :**

The Company had constituted an Audit Committee to comply with provisions of Section 292A of the Companies Act, 1956 and Clause 49 of the Listing agreement. The scopes of activities of the Audit Committee are in accordance with paragraphs C and D of Clause 49(II) of the Listing Agreement.

The broad terms of reference include:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. 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.
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgment by management.
  - d. Significant adjustments made in the financial statements arising out of audit findings.
  - e. Compliance with listing and other legal requirements relating to financial statements.
  - f. Disclosure of any related party transactions.
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
6. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors of any significant findings and follow up there on.
9. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
10. To review the functioning of the Whistle Blower mechanism, in case the same is existing.
11. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee of the Board of Directors of the Company, inter-alia, provides an assurance to the Board on the adequacy of internal control systems and financial disclosures.

In fulfilling the above role, the Audit Committee has the powers:

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

##### **(b) Composition :**

The audit committee comprises of three (3) directors, all of whom are Non-Executive, Independent Directors. All these directors possess knowledge of corporate finance, accounts and company law. The Chief Financial Officer and the statutory auditors are invited for the committee meetings. Our Company Secretary acts as secretary to the committee. The minutes of the audit committee meetings are placed at the subsequent board meeting and are noted by the board.

The composition of the audit committee is as follows:  
Audit committee (Prior to reconstitution)\*

Name of Member	Position	Category
Mr. M.S.Kapur	Chairman	Independent Director
Mr. G.D. Sharma	Member	Independent Director
Mr. Gautam Adhikari	Member	Non-Executive and Non-Independent Director

\*Reconstituted Audit Committee (After Reconstitution)

Name of Member	Position	Category
Mr. Bua Singh	Chairman	Independent Director
Mr. M.S. Kapur	Member	Independent Director
Mr. Deepak Sharma	Member	Independent Director

\* Due to Resignation of Mr. G.D. Sharma and appointment of Mr. Bua Singh and Mr. Deepak Sharma, the Audit committee was reconstituted on 13<sup>th</sup> May, 2010.

#### (c) Meetings and Attendance :

During the Financial year ended 31<sup>st</sup> March 2011, 5 (Five) Audit Committee Meetings were held on 15<sup>th</sup> May, 2010, 14<sup>th</sup> August, 2010, 26<sup>th</sup> August, 2010, 2<sup>nd</sup> November, 2010 and 12<sup>th</sup> February, 2011.

The attendance of Audit Committee meeting is as under:

Names of Members	No. of meetings attended
Mr. Bua Singh	5
Mr. M.S. Kapur	4
Mr. Deepak Sharma	5

#### d) Review of information by the Audit Committee :

The Audit Committee reviews the report of the Internal Auditors, meets Statutory and Internal Auditors as and when required & discusses their findings, observations, suggestions, internal control system, scope of audit and other related matters. The appointment, removal and terms of remuneration of Internal Auditors is subject to review of the Audit Committee. The Committee also reviews Management Discussion & Analysis of financial conditions and results of operations. It also reviews significant related party transactions, submitted by management.

#### ii. Shareholders' / Investors' Grievance Cum – Share

#### Transfer Committee:

##### a) Terms of reference :

The Committee has been constituted to specifically look into issues relating to redressal of the Investors/ Shareholders complaints including complaints relating to transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends and/or any other matter relating to Shareholders/Investors. The Committee meets as and when required.

The minutes of the Shareholders' / Investors' Grievance Cum – Share Transfer Committee meetings are placed at the subsequent Board meeting and are noted by the Board.

##### b) Composition:

The committee comprises of three (3) directors, having combination of Independent and Non-Executive Directors and Executive Directors. Our Company Secretary acts as secretary to the committee. The composition of the remuneration committee is as follows:

Shareholders' / Investors' Grievance Cum – Share Transfer Committee (Prior to reconstitution)\*

Name of Member	Position	Category
Mr. M.S Kapur	Chairman	Independent Director
Mr. G.D Sharma	Member	Independent Director

\*Reconstituted Shareholders' / Investors' Grievance Cum – Share Transfer Committee (After Reconstitution)

Name of Member	Position	Category
Mr. M.S.Kapur	Chairman	Independent Director
Mr. Bua Singh	Member	Independent Director
Mr. Ashok Kumar Gupta	Member	Managing Director

\* Due to Resignation of Mr. G.D. Sharma and appointment of Mr. Ashok Kumar Gupta and Bua Singh, the committee was reconstituted on 13<sup>th</sup> May, 2010.

##### c) Meetings and Attendance:

During the year under reviews the committee met four (4) times viz 15<sup>th</sup> May, 2010, 14<sup>th</sup> August, 2010, 2<sup>nd</sup> November, 2010 and 12<sup>th</sup> February, 2011.

The attendance of Shareholders' / Investors' Grievance Cum – Share Transfer Committee meeting is as under:

Names of Members	No. of meetings attended
Mr. M.S.Kapur	3
Mr. Bua Singh	4
Mr. Ashok Kumar Gupta	4

#### Details of Shareholders Complaints:

There were no shareholders complaints received and replied to the satisfaction of the shareholders during the year ended 31<sup>st</sup> March 2011, thus there were no outstanding complaints as on 31<sup>st</sup> March 2011. Shareholders complaints and other correspondence are normally attended within seven working days except where constrained by disputes or legal impediments.

#### Compliance Officer:-

NAME OF THE COMPLIANCE OFFICER	<b>Ms. Akshada Kaslay*</b>
Contact Details	5th Floor, HDIL Towers, Anant Kanekar Marg, Bandra (East), Mūmbai 400051.
Email id.	akshada.kaslay@liveindia.tv

\*Appointed w.e.f 14<sup>th</sup> March, 2011 as Company Secretary and Compliance Officer.

### B. Non-mandatory Committees :

#### i. Remuneration Committee:

##### (a) Terms of reference :

The brief terms of References of remuneration committee are as under:

1. Review the performance of Managing Director and / or Whole-time Director, after considering Company's performance.
2. Review and recommend to the board overall remuneration package, service agreements and other employment conditions including salary, perquisites and commission to be paid to Managing Director and / or Whole-time Director.

##### b) Composition:

The remuneration committee comprises of three (3) directors, all of whom are Independent and Non-Executive Directors. Our Company Secretary acts as secretary to the committee. The composition of the remuneration committee is as follows:

Remuneration Committee (Prior to reconstitution)\*

Name of Member	Position	Category
Mr. G.D Sharma	Chairman	Independent Director
Mr. M.S Kapur	Member	Independent Director

Reconstituted Remuneration Committee.

(After Reconstitution)\*

Name of Member	Position	Category
Mr. Waryam Singh	Chairman	Promoter and Non-Executive Director
Mr. M.S.Kapur	Member	Independent Director
Mr. Deepak Sharma	Member	Independent Director

\* Due to Resignation of Mr. G.D. Sharma and appointment of Mr. Waryam Singh, the committee was reconstituted on 13<sup>th</sup> May, 2010. Further to increase the strength of Committee Mr. Deepak Sharma was added to the Committee on 4<sup>th</sup> May, 2011.

#### c) Meetings and Attendance :

The Committee did not meet during the financial year 2010-2011.

#### d) Remuneration policy :

The remuneration package of the Company is based on following aspects:

1. Employment scenario.
2. Remuneration package of the industry.
3. Responsibility on individual personnel.
4. Performance of the Company and individual performance

#### Remuneration to Non –Executive Directors

The Non-Executive Directors are not paid any remuneration by way of commission, except for sitting fees.

The Non-Executive Directors are paid sitting fees of ₹ 10,000/- each for attending Board Meeting, Audit Committee Meeting, Remuneration Committee and Investor Grievance and Share Transfer Committee Meeting.

#### ii. Finance Committee:

The Finance Committee was constituted on 13<sup>th</sup> May,2010

in terms of regulation 77 of table 'A' of the Companies Act, 1956 and it is responsible for the making financial decisions of the Company such as investments, loans and borrowings etc.

**a) Terms of reference :**

The terms of reference of the Committee are as follows:

1. To borrow money otherwise than on debenture not exceeding more than the amount as decided by the shareholders u/s 293(1)(d) of the Companies Act, 1956 and to modify /restructure terms of any security of existing loans, debentures or such other securities and issue guarantees/ securities on behalf of the Company and to allot shares, warrants, debentures etc;
2. To invest the funds of the Company, including fixed deposit not more than the limit as decided by shareholders u/s 372A of the Companies Act, 1956;
3. To sell the investments of the Company;
4. To open banking account, avail various banking services and to give/modify instructions for operation of banking accounts;
5. To authorize and/or appoint lawyers, advocates, persons, firm (s), to make representations and to sign, execute, swear, affirm, file affidavits, declaration, vakalatnama, written statement, rejoinder(s), replies, submit necessary documents,. Enter into various agreements on behalf of the Company before any authority, government / statutory bodies, courts or Company.
6. To appoint attorneys in any matter for and on behalf of the Company.
7. To develop, submit and apply for bid/tender for any projects whether related to the Company's object or not.
8. To make application(s) for registration under any act, statute, regulators, authority in the name of the Company and/or to authorize to do so on behalf of the Company.

**b) Composition :**

The finance committee comprises of three (3) Directors. Our Company Secretary acts as secretary to the committee.

The Composition of the Finance Committee is as follows:  
Finance Committee (Prior to reconstitution)\*

Name of Member	Position	Category
Mr. Waryam Singh	Chairman	Promoter and Non Executive Director
Mr. Ashok Kumar Gupta	Member	Managing Director
Mr. Sarang Wadhawan	Member	Promoter and Non Executive Director

Finance Committee (After reconstitution)\*

Name of Member	Position	Category
Mr. Waryam Singh	Chairman	Promoter and Non Executive Director
Mr. Ashok Kumar Gupta	Member	Managing Director
Mr. Bua Singh	Member	Independent Director

\*Due to resignation of Mr. Sarang Wadhawan the committee was reconstituted on 4<sup>th</sup> June, 2010.

**iii. Rights Issue Committee:**

The Board constituted Rights Issue Committee on 2<sup>nd</sup> November, 2010 for further issue of shares on rights basis. The Composition of the Rights issue committee is as under:  
Mr. Bua Singh - Chairman  
Mr. Ashok Kumar Gupta – Member  
Mr. Waryam Singh – Member

**IV. General Body Meetings :**

a. Location and time when last three Annual General Meetings are held:

The details of the Annual General Meetings held in last three years are as under:

Financial Year	Date	Time	Venue
2009-2010	27.09.10	11.30 a.m	I.M.A (Indian Medical Association) J.R. Mahtre Marg, J.V.P.D Scheme, Juhu, Mumbai - 400049.
2008-2009	29.09.09	11.00 a.m	I.M.A (Indian Medical Association) J.R. Mahtre Marg, J.V.P.D Scheme, Juhu, Mumbai-400049.
2007-2008	30.09.08	12.00 noon	1 <sup>st</sup> Floor, Anand Hall, Gandhigram Road, Near hare Krishna Temple, Juhu, Mumbai-400049.

b. Special Resolutions passed at last 3 Annual General Meetings:

Annual General Meetings Held On	Special Resolution Passed For
27.09.2010	Ratification and Confirmation of resolution passed earlier for allotment of 60, 00,000 Equity Shares on Preferential Basis.
29.09.2009	No Special Resolution was passed in the said AGM.
30.09.2008	No Special Resolution was passed in the said AGM.

c. Passing of resolution by postal ballot:

During the Financial year 2010-2011, no resolutions were passed through postal ballot. Further, at the forthcoming Annual General Meeting, there is no item in the agenda that needs approval by postal ballot.

## V. Disclosures

a. **Disclosures on materially significant related party transactions that may have Potential conflict with the interest of the Company at large :** The materially significant related party transactions made by the Company with its group companies, promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of the company at large as per requirement of Accounting Standard 18 are disclosed in note no. B-6 in Schedule 18 in the Annual Accounts.

b. **Details of non compliance by the Company, penalties, and strictures imposed on the Company by stock exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years :** The Company has complied with all requirements of Listing Agreement with the Stock Exchange & SEBI Regulations and Guidelines. Further, no penalty was imposed by SEBI, Stock Exchange or any statutory Authority on any matter related to capital markets during the last three years.

c. **Whistle Blower Policy:** The Company has not yet formulated any formal Whistle Blower Policy, the same being a non – mandatory requirement. However, the Company takes cognizance of complaints made and suggestions given by the employees.

d. **Details of compliance with mandatory requirements and adoption of non – mandatory requirements:** The Company has complied with all the mandatory requirements of Listing Agreement. The Company has also

adopted the non mandatory requirement of Remuneration Committee to the extent in point III B above and has not adopted other non mandatory requirements. Adoption of other non mandatory requirements of Clause 49 of the Listing Agreement is being reviewed by the Board.

e. **Disclosure of accounting treatment:** In the preparation of financial statements, the Company has followed the Accounting Standards issued by the Institute of Chartered Accountants of India. The significant accounting policies which are consistently applied are set out in the Annexure to Notes to accounts forming part of this Annual Report.

f. **Disclosure for Risk Management:** The Company has laid down procedures to inform the Board members about the risk assessment and minimization procedures. These procedures are periodically reviewed to ensure that the executive management controls risk through means of properly defined framework.

## VI. Subsidiaries :

During the year under review, your company did not had any subsidiary company.

## VII. Code of Conduct :

The Company has adopted Code of Conduct for its Directors and senior management, employees of the Company. The Code is posted on the Company's website.

The Company has received confirmation from all the Directors and Senior Management personnel regarding compliance of the code for the period ended 31<sup>st</sup> March, 2011. A declaration signed by the Managing Director in this regard is given below:

“ I hereby confirm that:

The Company has obtained from all the members of the Board and senior management personnel of the Company, affirmation that they have complied with the Code of Conduct framed for Directors and Senior Management in respect of the Financial Year 2010-2011.”

## VIII. CEO/CFO Certification :

As required by clause 49V of the listing Agreement the Company had taken certification from Mr. Ashok Kumar Gupta, Managing Director and Mr. Harish Vasandani, Chief Financial Officer of the Company for the financial year 2010-2011. The same was noted in the Board meeting held on 4th August, 2011.

### IX. Means of Communication :

(i) The Board of Directors of the Company approves and takes on record quarterly, yearly and financial results in the proforma prescribed by Clause 41 of the Listing Agreement within the stipulated time.

(ii) The approved Financial results are forthwith sent to the Stock exchanges and are published in the English Newspaper namely, The Free Press Journal/ Business Standards. In addition, the same are published in local language (Marathi) newspaper namely Navshakti/ Mumbai Lakshadweep within forty eight hours of approval thereof.

(iii) The Company's financial results , shareholding pattern and official news releases are displayed on the Company's website [www.liveindia.tv](http://www.liveindia.tv)

(iv) 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) .

v) The Company has formed [investorservices@liveindia.tv](mailto:investorservices@liveindia.tv) exclusively for the purpose of redressal of investor's complaints.

### X. General Shareholder Information:

a. **Annual General Meeting** - Day, Date and Time : Monday 12<sup>th</sup> September, 2011 at 11.00 a.m.Venue: Hotel Shubhangan, Scarlet Hall, 21st Road, Off Carter Road, Khar (West), Mumbai - 400 052

#### b. Financial Calendar 2011- 2012 ( Tentative)

Financial Reporting for the quarter ending 30th June, 2011	4th August,2011
Financial Reporting for the quarter ending 30th September, 2011	14th October,2011
Financial Reporting for the quarter ending 31st December, 2011	14th February,2012
Financial Reporting for the quarter ending 31st March, 2012	14th April,2012

#### Dates of Book Closure :

From 9th September, 2011 To 12th September, 2011(both days inclusive).

#### c. Listing on Stock Exchanges:

The equity shares of the Company are listed on the Bombay Stock Exchange Limited, National Stock Exchange of India

Limited. The annual Listing fees as prescribed have been paid to the stock exchanges for the year 2011-2012.

#### d. Stock Code :

Bombay Stock Exchange Limited-Scrip Code : 532816  
- Scrip code: BROADCAST

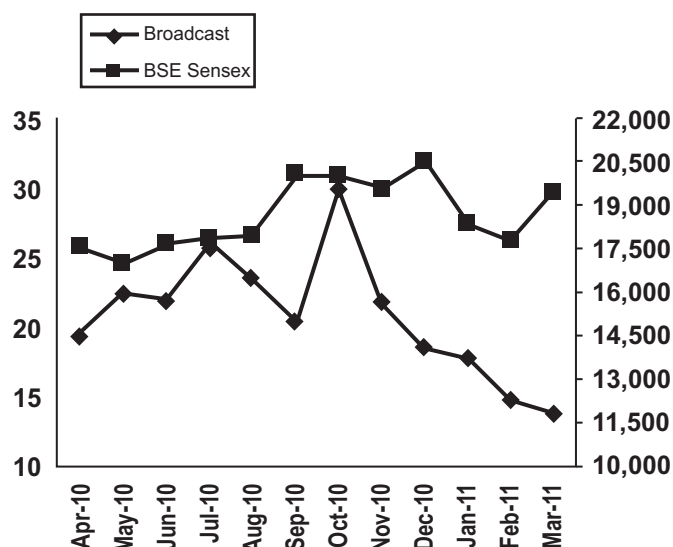
Demat ISIN No. for NSDL & CDSL : [INE698H01018](http://www.nseindia.com).

#### e. Stock Market Data :

The Monthly high and low quotations and volume of shares traded on the Bombay Stock Exchange Limited (BSE) were as follows:

Month	High (In Rs.)	Low (In Rs.)	BSE SENSEX Close
Apr -10	16.7	19.4	17,558.71
May -10	16.2	22.55	16,944.63
Jun -10	17.25	21.9	17,700.90
Jul -10	18.55	26	17,868.29
Aug -10	18.8	23.45	17,971.12
Sep -10	18.4	20.4	20,069.12
Oct -10	18.05	29.85	20,032.34
Nov -10	16.5	21.8	19,521.25
Dec -10	15.15	18.45	20,509.09
Jan -11	13.75	17.75	18,327.76
Feb -11	10.8	14.7	17,823.40
Mar -11	11.2	13.72	19,445.22

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

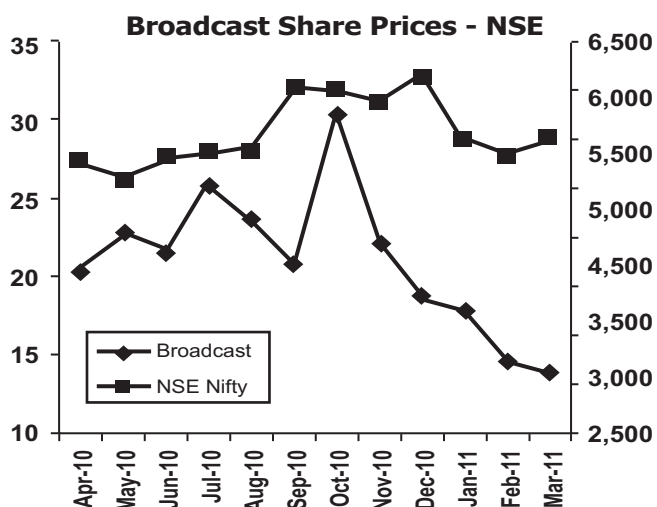




The Monthly high and low quotations and volume of shares traded on the National Stock Exchange of India Limited (NSE) were as follows:

Month	High (In Rs.)	Low (In Rs.)	NSE NIFTY Close
Apr -10	16.8	20.3	5,278.00
May -10	16.1	22.8	5,086.30
Jun -10	16.9	21.6	5,312.50
Jul -10	18.4	26	5,367.60
Aug -10	16.25	23.5	5,402.40
Sep -10	16.1	20.9	6,029.95
Oct -10	18.2	30.35	6,017.70
Nov -10	16.7	22.2	5,862.70
Dec -10	15.25	18.6	6,134.50
Jan -11	13.25	17.85	5,505.90
Feb -11	11	14.55	5,333.25
Mar -11	11.5	13.85	5,522.30

Performance of Share Price in comparison to NSE Nifty is given below in chart:



#### f. Registrar and Share Transfer Agent :

The Company has appointed M/s. Link Intime India Private limited as Registrar and Share Transfer Agent for physical and demat segment. The address for correspondence is as under:

#### M/s. Link Intime India Private limited

C-13, Pannalal Silk Mills Compound,  
L.B.S. Marg, Bhandup (W), Mumbai – 400078.

Tel : (022) 25946970 Fax : (022) 25946969

website : [www.linkintime.co.in](http://www.linkintime.co.in)

#### g. Distribution of Shareholding as on 31<sup>st</sup> March, 2011:

A	Category Promoters holding	No. of Shares	% of Share
1.	Indian	1,32,40,168	52.30
	Foreign	---	---
2.	Persons acting in concert	---	---
	<b>Sub -Total</b>	<b>1,32,40,168</b>	<b>52.30</b>
B	NON PROMOTERS HOLDINGS	---	---
3	Institutional Investors	---	---
a.	Mutual Funds and UTI	---	---
b.	Banks, Financial Institutional	---	---
c.	FIS	3,08,530	1.22
	<b>Sub-Total</b>	<b>3,08,530</b>	<b>1.22</b>
4.	OTHERS		
a.	Bodies Corporate	4,20,505	1.66
b.	Indian Public : (i) Individuals holding nominal share capital upto ₹ 1 lakh	38,50,217	15.21
	ii) Individuals holding nominal share capital in excess of ₹ 1 lakh	4,22,163	1.67
c.	NRIs/OCBs	3,39,666	1.34
d.	Trusts	1,002	0.00
e.	Clearing Members	91,473	0.36
f.	Other Directors	66,40,226	26.23
g.	Office bearers / employees	50	0.00
	<b>Sub-Total</b>	<b>1,17,65,302</b>	<b>46.47</b>
C.	Shares held by Custodians and against which Depository Receipts have been issued	---	---
	<b>GRAND TOTAL</b>	<b>2,53,14,000</b>	<b>100</b>

#### h. Dematerialization of shares and liquidity:

The Company's equity shares are included in the list of companies whose scrips have been mandated by SEBI for settlement only in dematerialised form. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through M/s Linkintime India Private Limited whereby the investors have the option to dematerialize their shares with either of the depositories.

#### i. Status of Dematerialization as on 31<sup>st</sup> March, 2011 :

Particulars	No. of Shares	% of Total Capital
NSDL	2,21,11,589	87.39%
CDSL	32,02,403	12.65%
Physical	8	0.00003%
<b>Grand Total</b>	<b>2,53,14,000</b>	<b>100%</b>

**j. Nomination :**

Individual shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholders(s). nomination facility in respect of shares held in electronic form is also available with the depository participants as per bye laws and business rules applicable to NSDL and CDSL.

**k. Secretarial Audit :**

As stipulated by SEBI, a qualified practicing Company Secretary carries out secretarial audit to reconcile the total

admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the stock exchange.

The audit confirms that the total listed and paid up capital is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL & CDSL) and total number of shares in physical form.

**l) Address for Correspondence :**

**Broadcat Initiatives Limited**

**Regd Office:**

5<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg,  
Bandra( East ),Mumbai -400051.

Tel : (022) 67888000 Fax: (022) 67888175

Website : [www.liveindia.tv](http://www.liveindia.tv)

**On behalf of the Board**

sd/-

**Place: Mumbai**  
**Date: 4<sup>th</sup> August, 2011**

**Bua Singh**  
**Chairman**

## CEO AND CFO CERTIFICATION

We, **Mr. Ashok Kumar Gupta, Managing Director** of Broadcast Initiatives Limited and **Mr. Harish Kumar Vasandani, Chief Financial Officer** of Broadcast Initiatives Limited, do hereby certify to the Board that:

- a. We have reviewed financial results for the year ended 31st March, 2011 and that to the best of our knowledge and belief:
  - i. These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
  - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year that are fraudulent, illegal or violative of the Company's code of conduct.
- c. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design of operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d. We have indicated to the auditors and the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**For Broadcast Initiatives Limited**

Sd/-

**Ashok Kumar Gupta**  
Managing Director

**For Broadcast Initiatives Limited**

Sd/-

**Harish Kumar Vasandani**  
Chief Financial Officer

Place: Mumbai

Date: 4<sup>th</sup> August, 2011

## AUDITORS' CERTIFICATE

To,  
The Members

### **Broadcast Initiatives Limited**

We have examined the compliance of conditions of Corporate Governance by the **Broadcast Initiatives Limited** for the year ended 31<sup>st</sup> March, 2011, as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchanges of India.

The compliance of conditions of the Corporate Governance is the responsibility of the management. Our examination was limited to review of procedures and implementations 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.

In our opinion and to the best of our information and explanations given to us and the representations made by the Directors and the management, 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 Ashok & Jayesh Associates.**  
Chartered Accountants  
Firm Registration No. 100655W

Place: Mumbai

Date: 4<sup>th</sup> August, 2011

**Jayesh D Sangani**  
Partner ( M. No.36041)

# ANNEXURE TO THE DIRECTORS' REPORT MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT

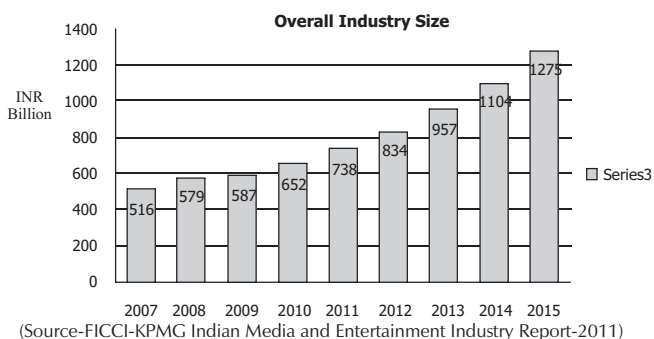
In the previous financial year we saw a lot of positive changes taking place in organization. The year saw the Management road map of creating a state of the art infrastructure required to operate a News channel turns to reality. Creation of innovative stories by our professional team and Live India's unbiased & distinct style of reporting the truth brings us among the top television news channels.

## I. MARKET & INDUSTRY OVERVIEW :

Over all for the Indian Media and Entertainment industry 2010-2011 was a year of great dynamism with growth across all sectors other than film. The advertising spends grew by 17% to ₹266 billion and accounted for 41% of overall industry size. While television and print continued to dominate the Indian Media & Entertainment industry, sectors such as gaming, digital advertising and animation VFX grew at a faster rates so tremendous potential in the coming years.

Overcoming the gloom that had set in during the economic slowdown of 2008-09, the Indian Media & Entertainment (M&E) industry bounced back in 2010-2011 registering a growth rate of 11% compared to a mere 1.4% in 2009\*. This growth was primarily driven by the resurgence of media spends by advertisers across media platforms.

In 2010-2011 the Indian Media and Entertainment industry registered a growth of 11% over 2009 and touched ₹652 billion. Backed by positive industry sentiment and growing media consumption, the industry is estimated to achieve a growth rate of 13% in 2011. Overall the industry is expected to register a CAGR of 14% to touch ₹ 1275 billion by 2015.



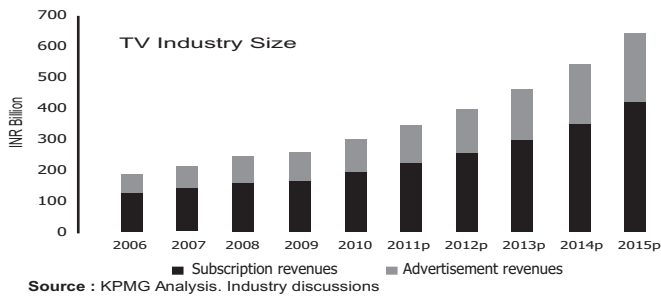
## II. TELEVISION & BROADCASTING INDUSTRY OVERVIEW :

India is the world's third largest TV market with almost 138 million TV Households (HHs) next to China and USA. Cable and Satellite (C&S) penetration has reached close to 80 percent with the soaring growth shown by the DTH platform. New technologies like High Definition (HD), STBs (Set Top Boxes) with inbuilt recorders and delivery platforms like mobiles are rapidly evolving, creating further opportunities for innovation and growth.

The television and broadcasting industry has grown tremendously over the last two decades, with an average growth rate in double digits. The industry added almost 100 million viewers in 2010 to reach 600 million viewers and crossed the 550 channel mark from 460 in 2009. New players are entering the market with niche offerings like food channels and more channels in English Entertainment space. Viewers are able to access niche content easily on DTH platform even in smaller markets.

India is one of the largest media consuming markets in the world; however, the medium has many drivers in place for growth in the years ahead. India is the only country in the world with 88 million non TV HHs indicating the potential for growth in the market. There are still more than 250 channels awaiting approval as there is growing optimism in the industry. There will be great demand for satellite bandwidth with the introduction of HD channels, the HITS platform, existing DTH channel expansion plans, new channel launches, and VSAT services. The consumers in India are less amenable to paying for content, compared to counterparts in other countries representing a gap which can be addressed. In advertising, only 10 percent of advertisers on print advertise on television currently and a portion of the remaining 90 percent still could be tapped for further growth of the medium.

Television saw a tremendous increase in the net DTH subscriber base totaling to 28 million at the end of 2010. Backed by growth in advertising and subscription revenues, the television industry grew by 15.5% in 2010 and is expected to grow at a CAGR of 16% to touch INR 630 billion by 2015. Television is expected to account for almost half of the Indian media and entertainment industry revenues, and more than twice the size of print, the second largest media sector.



### III. KEY TRENDS AND INDUSTRY DRIVERS :

#### • Digitization:

Digitization continues to be a key growth driver for the Indian M&E industry and this trend was even more pronounced in 2010. DTH achieved robust growth of 75 percent in net subscriber base by adding 12 million subscribers in 2010. With the regulatory push on digitization, ongoing 3G rollouts, increasing mobile and broadband penetration, the market for digital distribution platforms is only expected to grow.

#### • Regionalization:

Backed by the increasing purchasing power across tier 2 and tier 3 cities, regional media consumption is expected to continue to rise. Realizing the power of regional media, national and foreign players have ventured into regional markets and several others are likely to follow suit. Meanwhile regional players have achieved scale and are now looking to go national and build a pan India presence. Geographical expansion by existing players in television, print and radio is expected to intensify competition and leading to interesting times for these industries.

#### • Growing importance of New Media:

The past decade marked the convergence of media and technology; of user generated content, social media and new publishing models that have changed the way of media consumption. These changes in the way media is consumed are being driven by factors such as content pull from telecom service providers due to the 3G launch, emerging gaming platforms and innovation in technological devices such as tablets. Convergence of media, m-commerce and emergence of an app economy are the expected trends likely to emerge. Availability of infrastructure and appropriately pricing content across these new media platforms are expected to be critical success factors for the Indian market.

#### • Regulation to drive growth:

The Government's thrust on digitization and addressability for cable television, is expected to increase the pace of digitization leading to tremendous growth in DTH and digital cable. TRAI has submitted recommendations to the government to increase the FDI limits across several broadcast and distribution platforms including Radio, TV, DTH and cable. As the government, regulatory bodies and members of the industry actively work together, reforms that aid the development of Indian media companies will act as a catalyst to the growth of the sector.

#### • Innovation:

It is becoming increasingly important for industry players to continuously innovate new formats and strategies in order to enable brand loyalty help expand the market.

#### • Consolidation:

Mature players are increasingly looking to build scale across the media value chain and explore cross media synergies. In addition, existing foreign players are looking to expand their Indian portfolio and several other are expected to make and entry into India. Inorganic growth is likely to be a preferred route for many of these players. With increased digitization and accountability, Indian media companies are also expected to generate greater interest from private equity players.

### IV. 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 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 be 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. 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.

4. Live India is available on DTH platform of Dish TV, Reliance Digital TV, Airtel Digital TV and Videocon D2H. Apart from this we are also in talks with DD Direct, Tata Sky and Sun TV.

**V. FACTS OF GROWTH OF CHANNEL & COMPARISON WITH OTHER CHANNELS IN INDUSTRY**

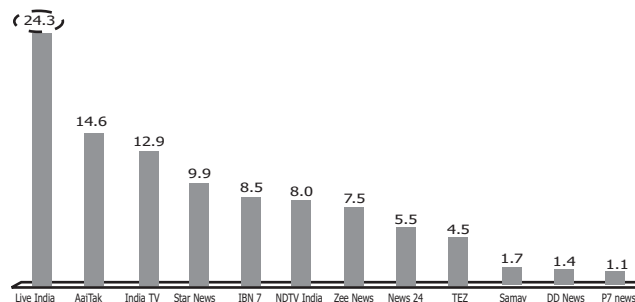
In terms of performance of Live India Channel 2010-11 was a remarkable year, which can be considered as a mile stone for growth and overall progress. We have produced many top stories / breaking news and remains on top five Hindi news channels. For reference some of the top programs/stories are as follows:

- Baba Ram Dev in Ramlila Ground - LIVE, Date: 5<sup>th</sup> June 2011
- Anna Hazare at Live India, Date: 7<sup>th</sup> June 2011
- Param Dham Ko Sai, Date: 24<sup>th</sup> April 2011
- Hitler, Date: 20<sup>th</sup> April 2011
- IPL-Indian Paisa League, Date: 11<sup>th</sup> April 2011
- India Prime, Date: 8<sup>th</sup> April 2011
- Live morning, Date: 27<sup>th</sup> Mar 2011
- India Prime-Anna Hazare movement, Date: 8<sup>th</sup> April 2011
- Patna Live, during Bihar election

The graphical representation of the speaking facts clearly depicts that Live India is commendably ahead than other Hindi news channels:

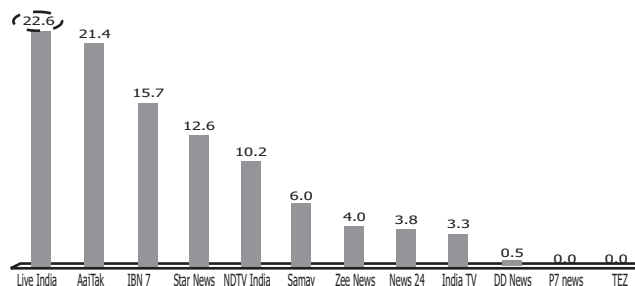
**Viewership Preference During ANNA HAZARE AT LIVE INDIA**

Source: TAM, Data: Relative Share, TG: CS 25+ yrs, Mkt: HSM, Date: 7th June 2011 (WK 24), TB: 21:00 Till 22:59

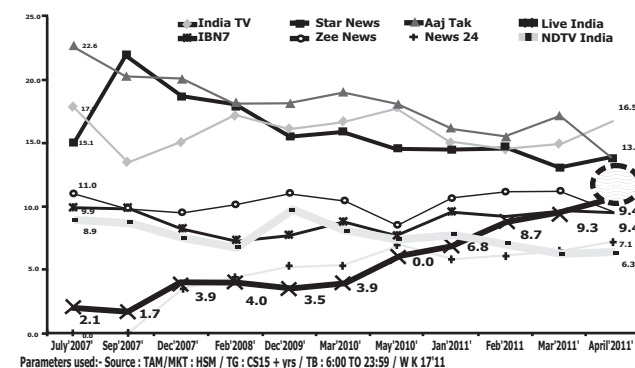


**Viewership Preference Baba Ram Dev on 5th June in Ramlila Ground - LIVE**

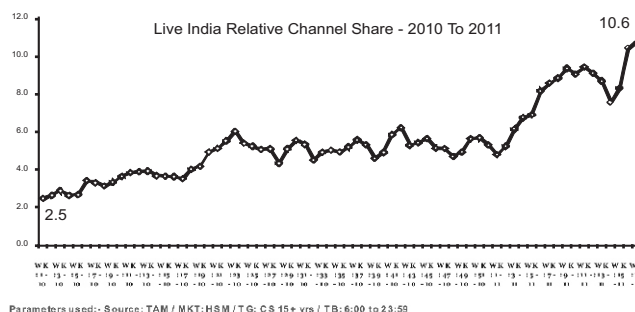
Source: TAM, Data: Relative Share, TG: CS 15+ yrs, Mkt: HSM, Date: 5th June 2011 (WK 24), TB: 2:00 Till 3:59



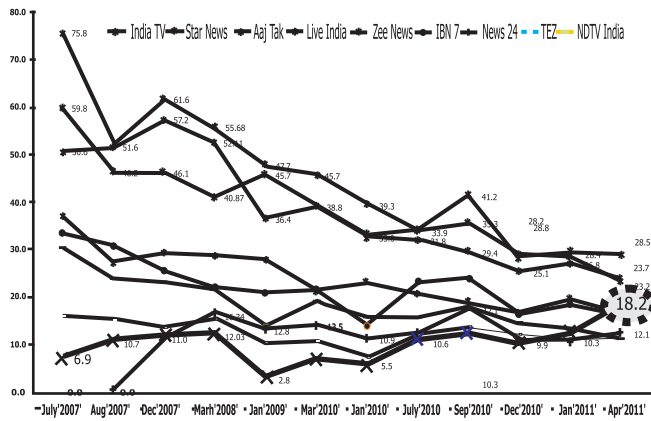
**Live India JOINS TOP 4 CLUB**



**Live India RACING AHEAD!**

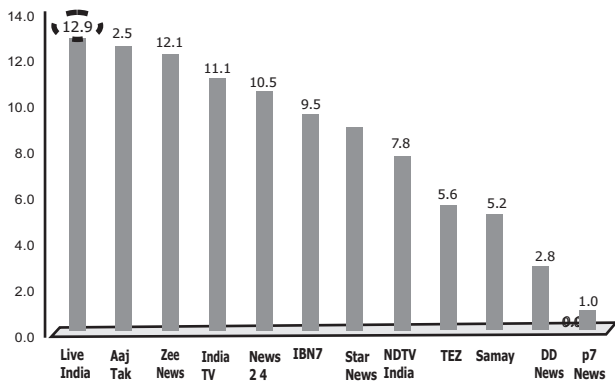


**LIVE INDIA WIDENING CANVAS OF GRPs**



**Viewership Preference PRIME TIME - (INDIA PRIME – Anna Hazare Movement)**

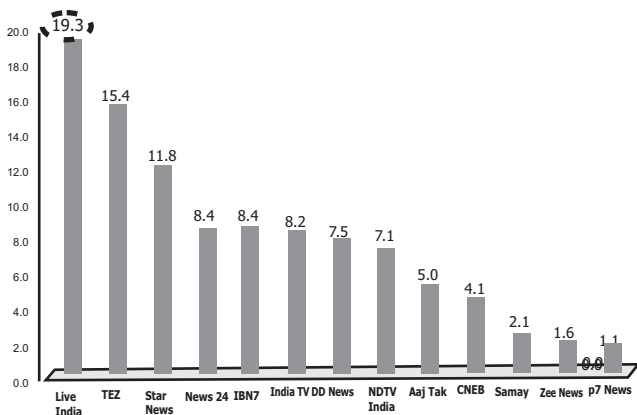
Source: TAM, Data: Relative Share TG: CS 25+ yrs, Mkt: HSM, Date: 8TH April 2011 (WK 15), TB: 21:30 Till 21:59



**Performance in Bihar Election - wk47 '10**

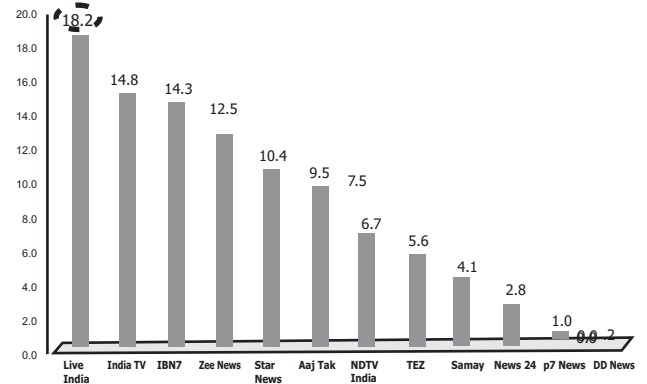
**R.SHARE - PATNA LIVE**

Source: TAM, MKT: Bihar 1Mn. + / TG: Cs 25+ yrs / TB: 02:00 TILL 25:59



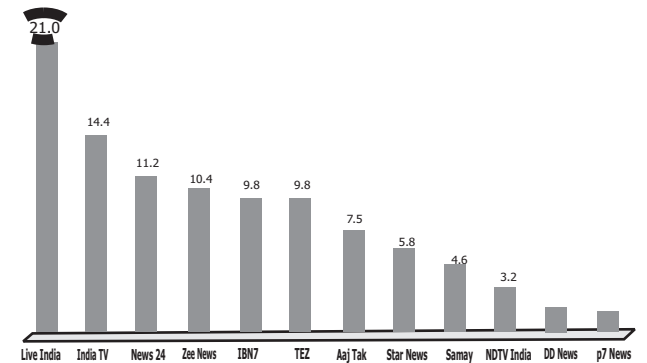
**Viewership Preference During AFTERNOON TIME - PARAM DHAM KO SAI**

Source: TAM, Data: Relative Share TG: CS 25+ yrs, Mkt: HSM, Date: 24TH April 2011 (WK 18), TB: 13:30Till 13:59



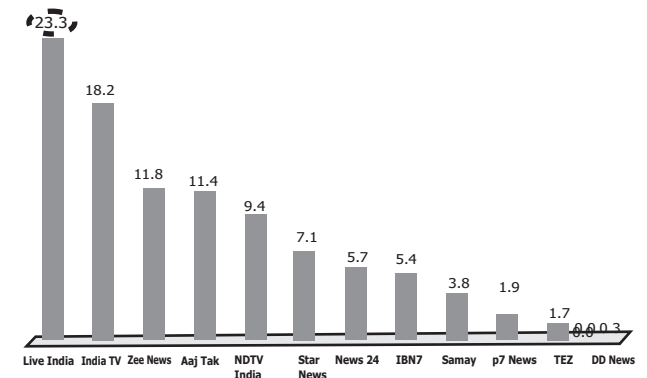
**Viewership Preference During PRIME TIME -LIVE INDIA'S HITLER**

Source: TAM, Data: Relative Share TG: CS 25+ yrs, Mkt: HSM, Date: 20th April 2011 (WK 17), TB: 22:30 Till 22:59



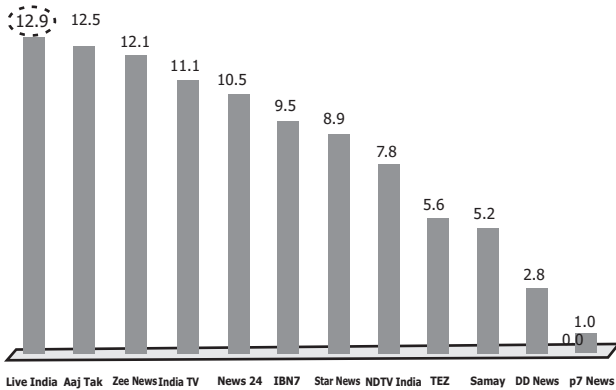
**Viewership Preference During MORNING TIME -LIVE INDIA'S IPL-INDIAN PAISA LEAGUE**

Source: TAM, Data: Relative Share TG: CS 25+ yrs, Mkt: HSM, Date: 11TH April 2011 (WK 16), TB: 7:30 Till 7:59



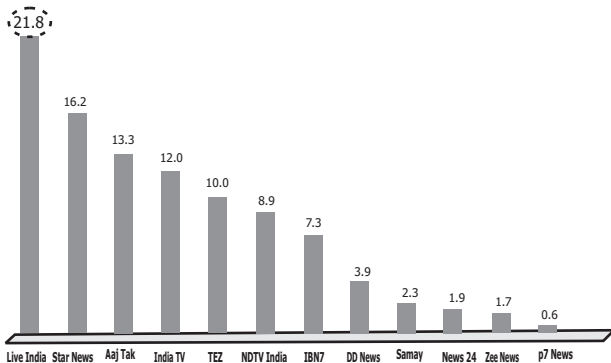
**Viewership Preference During PRIME TIME -LIVE INDIA'S INDIA PRIME**

Source: TAM, Data: Relative Share TG: CS 25+ yrs, Mkt: HSM, Date: 8TH April 2011 (WK 15), TB: 21:30 Till 21:59



**Viewership Preference During MORNING TIME -LIVE INDIA'S LIVE MORNING**

Source: TAM, Data: Relative Share TG: CS 25+ yrs, Mkt: HSM, Date: 27TH Mar 2011 (WK 14), TB: 6:00 Till 6:29



**Live India:** In respect to the Channel share Live India has significantly increased by 167% in terms of relative share and GRPs by 252% respectively as compared to the previous year.

Period	Relative Share	GRPs	Channel Position (HSM)
April 2009	2.5%	3.4	12 <sup>th</sup>
April 2010	3.4%	4.2	9 <sup>th</sup>
At present	9.1%	14.8	6 <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>
April 2010	7.4	9 <sup>th</sup>	6.4	8 <sup>th</sup>
At present	29.9	6 <sup>th</sup>	13	4 <sup>th</sup>

Note: In HSM the reach of Live India grown significantly by 86% as compare to previous year ( i.e. last year it was 11.5% and at present 21.4%)

**MI MARATHI:**

Mi Marathi is our associate regional channel aimed to provide regional viewers their regular dose of entertainment with a touch of uniqueness with variety and freshness.

The Channel is offering the viewers a generous dose of original Marathi entertainment; targeting the Marathi Manus with its wide spectrum of programming.

Programs like Awaaz Maharashtra, Bole to Malamaal are creating new sensation in the field of reality shows with its high viewer ship. Our introduction of bi-weekly family entertaining comedy shows like Nana O Nana, Maddam Sasu Daddam Soon and spine chilling ghost stories in Ek tass Bhutacha are also doing significantly well.

Evolving successfully out of its past achievements, Mi Marathi promises to be an interesting fusion of modern and traditional content. Including freshness and variety in its wide array, the channel is introducing programs for all age groups.

In respect to the Channel share Mi Marathi has also significantly increased by 27% in terms of relative shares and GRPs by 126% respectively as compared to the previous year.

Period	Relative Share	GRPs	Channel Position (GEC Marathi)
April 2009	3.8%	25	5 <sup>th</sup>
April 2010	5.1%	29.1	5 <sup>th</sup>
At present	6.5%	66	4 <sup>th</sup>

**VI. OPPORTUNITIES**

The Entertainment and Media Industry is a cyclically sensitive industry and grows faster with expanding economy. During the past few years, the Indian Entertainment and Media Industry have out-performed the Indian economy and is one of the fastest growing sectors in India. Such phenomenal growth in the entertainment and media sector can be attributed to economic growth, rising income levels, rise in consumer spending, technological advancements, innovation and policy initiatives taken by the Indian government.

The Company envisages huge potential towards the growth of the company due to rise in advertisement expenditure, burgeoning channel and rich content, rise in viewership.



Growing popularity of the Satellite television, Direct To Home (DTH) services are the other distribution formats expected to help expand the Indian Television market.

### **VII. THREATS**

The dependence on few people, highly fragmented media sector and High Cost of production continues to be slow down the growth measures taken by the Company.

Piracy, rising competition, changing Government policies, increased in labor & energy costs are the major reason having adverse impact on the Indian Media and Entertainment industry.

Your Company emphasizes on the quality of the content of the channel in order to get back the share, lost due to competition from other media channels.

The turnover of the Company may have a negative impact also due to the liquidity crunch in the financial markets. Your company has already taken a due precaution of the same and has decided to decrease the expenditure required for the production by cutting back on the necessary but avoidable expenses.

### **VIII. INTERNAL AUDIT, CONTROL SYSTEM AND THEIR ADEQUACY**

Adequate systems of internal controls that commensurate with the size of operation and the nature of business of the Company have been implemented.

The Company has adopted the best practices in implementing the Internal Control system to safeguard company's assets from unauthorized use or disposition, to provide constant check on cost structure, to provide adequate financial and accounting controls and implement accounting standards. It helps the Company in Compliance with the rules, regulations, standards and laws.

### **IX. HUMAN RESOURCE MANAGEMENT**

The Company places major emphasis on providing a safe & a healthy working environment to all its employees. We encourage our employees to achieve the vision, objectives of the organization together with their own personal goals.. The field being one which requires absolute creativity, the performance of its employees is reviewed so as to provide them job enrichment opportunities. Further we endeavor to create an environment where employee can use their capabilities in support of the business.

### **X. CAUTIONARY STATEMENTS**

The Management of Broadcast Initiatives Limited is responsible for the Financial information that appear in this report and also other financial information which appears in this report. It is in conformity with the accounting principles generally accepted in India and therefore may include amounts based on judgements and estimates.

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 the 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 & other incidental factors.

**On behalf of the Board**

sd/-

**Place: Mumbai  
Date: 4<sup>th</sup> August, 2011**

**Bua Singh  
Chairman**

## AUDITOR'S REPORT

To  
**The Members**  
**Broadcast Initiatives Limited**  
**Mumbai**

AJA/138/ 2011-12

We have audited the attached Balance Sheet of **BROADCAST INITIATIVES LIMITED** as at **31st March 2011** and also the Profit & Loss account for the year 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies' (Auditors Report) Order, 2003, as amended issued by the Central government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to in paragraph 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 it appears from our examination of the books of the Company;
- c. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with books of accounts of the Company;
- d. In our opinion, the Profit & loss Account and Balance Sheet comply with the requirements of the accounting standards referred to in Section 211(3C) of the Companies Act, 1956;
- e. According to the information and explanations given to us and on the basis of written representation received from the directors taken on record by the Board of Directors, none the Directors are disqualified as on March 31<sup>st</sup>, 2011 from being appointed as director in terms of Section 274(1)(g) 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 accounts read with and subject to notes thereon give the information required gives the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;
- i) In the Case of Balance Sheet of State of Affairs of the Company as at 31<sup>st</sup> March, 2011; And
- ii) In the case of Profit & Loss Account of the loss for the year ended on that date.
- iii) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

**For Ashok Jayesh & Associates**  
**Chartered Accountants**  
**Firm Registration No. 100655W**

**Place: Mumbai**  
**Date: 4<sup>th</sup> August, 2011**

**Jayesh D. Sangani**  
**[Partner] M.No. 36041**

## ANNEXURE TO AUDITORS' REPORT

Annexure to the Auditors Report on the Accounts for the Year Ended 31<sup>st</sup> March, 2011 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 as 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 the information and explanations given to us by the management, no material discrepancy was noticed on such verification.
- c. During the year the Company has not disposed off a substantial part of its fixed assets and accordingly it has no effect on the going concern of the Company.
2. The company is not having inventory of material amount at any time during the year hence the matters specified in Clause 4(ii) of Companies (Auditor's Report) order, 2003 has not been reported.
3. a. According to the information and explanation given to us and on the basis of records furnished before us, the Company has granted unsecured loan to two parties covered in the register maintained under Section 301 of the Companies Act, 1956. The amount granted during the year is ₹ 86.09 Lacs and year end outstanding is ₹ 27.13 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 and since the loan is repayable on demand, the question of overdue amount does not arise.
- d. According to the information and explanation given to us and on the basis of records furnished before us, the Company has taken interest free unsecured loan taken from Six parties covered in the register maintained under section 301 of the Companies Act, 1956 amounting to ₹ 6886.78 lacs and year-end balance of these loans is ₹ 9591.28 Lacs.
- e. 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.
- f. Above interest free loan is repayable on demand and the same has been paid as and when demanded.
4. According to the information & explanation given to us, in our opinion there is an adequate internal control procedure commensurate with the size of the Company and the nature of its business. On the basis of our examination of books and records of the Company, neither we have come across nor have we been informed of any continuing failure to correct major weakness in the internal control.
5. a. In our opinion and according to the information and explanation given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
- b. In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of Section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance to such contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public. Hence Clause 4(vi) of Companies (Auditor's Report) order, 2003 is not applicable.
7. According to information and explanation given to us companies Internal Audit system is commensurate with the size and nature of 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 the 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 dues of Service Tax, Sales Tax, Income Tax, Custom Duty and Cess which have not been deposited on account of any dispute.
10. The accumulated losses are more than 50% of the Networth of the Company. The Company has incurred the cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us for our verification, the Company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
12. According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund, societies and therefore Clause 4(xiii) of Companies (Auditor's Report) order, 2003 is not applicable.
14. In our opinion, the Company is not dealing or trading in Shares and Securities and accordingly Clause 4 (xiv) of Companies (Auditor's Report) order, 2003 is not applicable.
15. According to the information and explanations given to us, and the representations made by the management, the Company has given guarantee amounting to Rs.1,360 Lacs for loans taken by others from bank or financial institution. According to the information and explanations given to us, and the representations made by the management the terms and conditions on which the Company has given the guarantee is not prima facie prejudicial to the interest of the Company.
16. During the year under consideration Company has not taken any term loans.
17. According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long term investment. No long term funds have been used to finance short term assets except permanent working capital.
18. During the year, the Company has made preferential allotment of shares to Parties covered in the Register maintained under Sec 301 of the Companies Act, 1956. However the price at which the shares are issued is not prejudicial to the interest of the Company.
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 ASHOK JAYESH & ASSOCIATES  
(Chartered Accountants)  
Firm Regn. No. 100655W**

**Place: Mumbai  
Date: 4<sup>th</sup> August, 2011**

**(Jayesh D Sangani)  
Partner [M No 36041]**

www.liveindia.tv 

# BALANCE SHEET AS AT

(₹ in '000s)

	Schedule	31st MARCH, 2011	31st MARCH, 2010
<b>SOURCES OF FUNDS</b>			
<b>Shareholders' Funds</b>			
Share Capital	1	253,140	193,140
Reserves & Surplus	2	1,112,573	953,573
Share Application Money		22,322	219,000
		<b>1,388,035</b>	<b>1,365,713</b>
<b>Loan Funds</b>			
Secured Loan	3	320,517	212,903
Unsecured Loan	4	959,128	404,667
		<b>1,279,645</b>	<b>617,570</b>
<b>TOTAL</b>		<b>2,667,680</b>	<b>1,983,283</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	5	888,003	880,287
Less: Depreciation		301,306	225,651
Net Block		<b>586,697</b>	<b>654,636</b>
Capital Wip & Capital Advance		997	4,430
		<b>587,694</b>	<b>659,066</b>
<b>Investment</b>			
	6	66,364	66,364
<b>Current Assets ,Loans &amp; Advances</b>			
Sundry Debtors	7	291,745	81,593
Cash & Bank Balances		9,312	9,039
Deposit & Advances		165,119	141,366
		<b>466,176</b>	<b>231,998</b>
<b>Less : Current Liabilities &amp; Provisions</b>			
Current Liabilities	8	172,040	169,113
Provisions		18,364	14,054
		<b>190,404</b>	<b>183,167</b>
<b>Net Current Assets</b>			
Profit & Loss Account		275,772	48,831
Deferred Tax		1,713,665	1,184,811
Miscellaneous Expenditure	9	22,989	24,034
(To the Extent not Written off or adjusted )		1,196	177
<b>TOTAL</b>		<b>2,667,680</b>	<b>1,983,283</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 Ashok Jayesh & Associates**

Chartered Accountants

FRN :100655W

**Jayesh D. Sangani**

Partner

M.No. 36041

Place: Mumbai

Date: 4<sup>th</sup> August, 2011

**Harish Kumar Vasandani**  
(Chief Financial Officer)

**Akshada Kaslay**  
Company Secretary

**Shri Bua Singh**  
(Chairman)

**Shri Deepak Sharma**  
(Director)

**Shri Ashok Kumar Gupta**  
(Managing Director)

**Shri. M.S.Kapur**  
(Director)

**Shri Markand Adhikari**  
(Director)

# PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED

(₹ in '000s)

	Schedule	31st MARCH, 2011	31st MARCH, 2010
<b>INCOME</b>			
Sales		96,121	73,802
Other Income	10	46,995	32,126
		<b>143,116</b>	<b>105,928</b>
<b>EXPENDITURE</b>			
Production Expenses	11	29,834	25,283
Telecast Expenses	12	27,819	33,094
News Syndication	13	9,281	9,452
Administration Expenses	14	50,098	63,380
Human Resource Cost	15	116,378	102,676
Distribution & Marketing	16	317,304	106,822
Miscellaneous Expenditure W/off	9	417	178
Loss on Sale of Shares		-	22,349
Prior Period Adjustments		9	947
		<b>551,140</b>	<b>364,181</b>
<b>PROFIT /(LOSS) BEFORE FINANCE CHARGES , DEPRECIATION &amp; Tax</b>			
		(408,024)	(258,253)
Finance Charges	17	44,139	42,465
<b>PROFIT /(LOSS) AFTER FINANCE CHARGES , Depreciation</b>			
		(452,163)	(300,718)
	5	75,646	76,515
<b>PROFIT /(LOSS) BEFORE TAX</b>			
		(527,809)	(377,233)
Provision for Taxation		-	-
Deferred Tax		1,045	5,422
<b>PROFIT /(LOSS)AFTER TAX</b>			
		(528,854)	(382,655)
Profit /(Loss )brought from Previous Year		(1,184,811)	(802,156)
Balance Carried to Balance Sheet		<b>(1,713,665)</b>	<b>(1,184,811)</b>
Basic & Diluted Earning per Share (Face Value Rs.10 Per Share ) (See Note 7 of Schedule 18 )			
		(21.49)	(19.81)
<b>Notes To Accounts</b>			
	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 Ashok Jayesh & Associates**

Chartered Accountants

FRN :100655W

**Jayesh D. Sangani**

Partner

M.No. 36041

Place: Mumbai

Date: 4<sup>th</sup> August, 2011

**Harish Kumar Vasandani**  
(Chief Financial Officer)

**Akshada Kaslay**  
Company Secretary

**Shri Bua Singh**  
(Chairman)

**Shri Deepak Sharma**  
(Director)

**Shri Ashok Kumar Gupta**  
(Managing Director)

**Shri. M.S.Kapur**  
(Director)

**Shri Markand Adhikari**  
(Director)

for and on Behalf of the Board of Directors

# CASH FLOW STATEMENT FOR THE YEAR ENDED

	(₹ in '000s)	
	31st MARCH, 2011	31st MARCH, 2010
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/(Loss) Before Tax and Extraordinary Items	(527,809)	(377,233)
<b>Adjustments for</b>		
Depreciation	75,646	76,515
Interest Income	(2,255)	(2,481)
Profit on Sale of Mutual fund units	-	-
Loss on Sale of Shares	-	22,349
Interest on Loan funds	43,640	42,083
Preliminary /Share Issue Expenses Written of	417	178
<b>Operating profit before working capital changes</b>	<b>(410,361)</b>	<b>(238,589)</b>
<b>Adjustments for</b>		
(Increase)/Decrease Trade & other receivable	(233,905)	(61,654)
Increase/(Decrease) Trade payable and provisions	7,237	(74,833)
<b>Cash generated from operations</b>	<b>(637,029)</b>	<b>(375,076)</b>
Direct taxes paid		
<b>Cash flow before prior period items</b>	<b>(637,029)</b>	<b>(375,076)</b>
Prior Period Adjustment	9	(6,690)
<b>Net Cash from operating activities</b>	<b>(637,021)</b>	<b>(381,766)</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets (Net )	(4,283)	(25,699)
Sale of Fixed Assets	-	-
Purchase of Investments	-	(2,000)
Sale of Investments	-	5,587
Interest Income Received	2,255	2,481
Profit on Sale of Mutual fund units	-	-
<b>Net Cash from investing activities</b>	<b>(2,028)</b>	<b>(19,631)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Shares Application /Equity Shares	22,322	-
Share Issue Expenses	(1,435)	-
Repayment of Term Loan from Bank	-	(22,494)
Repayment of Loan -Vehicle Loan	266	(1,541)
Bank Over Draft Facility	107,348	69,328
Loan from Others -Unsecured Loan	504,610	448,947
Repayment of Loan from Others	-	(55,587)
Loan from Directors	49,851	-
Repayment of Loan to Directors	-	(300)
Interest Paid	(43,640)	(42,083)
<b>Net Cash used in financing activities</b>	<b>639,322</b>	<b>396,271</b>
Net Decrease In cash and cash equivalents (A+B+C)	274	(5,126)
Opening Balance of cash and cash equivalents	9,040	14,166
<b>Closing Balance of cash and cash equivalents</b>	<b>9,313</b>	<b>9,040</b>

Notes: 1 The cash flow statement has been prepared as per Indirect Method .

2 Cash & cash equivalents represent cash & Bank Balance (Including FD with Bank ).

As per our report of even date

**for Ashok Jayesh & Associates**

Chartered Accountants

FRN :100655W

**Jayesh D. Sangani**

Partner

M.No. 36041

Place: Mumbai

Date: 4<sup>th</sup> August, 2011

**Harish Kumar Vasandani**  
(Chief Financial Officer)

**Akshada Kaslay**  
Company Secretary

**Shri Bua Singh**  
(Chairman)

**Shri Deepak Sharma**  
(Director)

**Shri Ashok Kumar Gupta**  
(Managing Director)

**Shri. M.S.Kapur**  
(Director)

**Shri Markand Adhikari**  
(Director)

for and on Behalf of the Board of Directors

## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT

(₹ in '000s)

	31st MARCH, 2011	31st MARCH, 2010
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
50,000,000(P.Y.50,000,000) Equity Shares of Rs.10/- each .	500,000	500,000
<b>Issued, Subscribed &amp; Paid-up</b>		
2,53,14,000 (P.Y.19,314,000),Equity Shares of Rs.10/- each, fully paid up	253,140	193,140
	<b>253,140</b>	<b>193,140</b>
<b>SCHEDULE 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
Securities Premium Account	1,112,573	953,573
	<b>1,112,573</b>	<b>953,573</b>
<b>SCHEDULE 3</b>		
<b>SECURED LOANS</b>		
Vehicle Loans (Against Hypothecation of Vehicles ) (Installment Due within a Year Rs.3,86,580 (P.Y.695,052)	961	695
Overdraft Facility (Secured against IPR, Receivables and Immovable Property of associates)	319,556	212,208
	<b>320,517</b>	<b>212,903</b>
<b>SCHEDULE 4</b>		
<b>UNSECURED LOANS</b>		
From Promoters	907,677	403,067
From Directors	51,451	1,600
	<b>959,128</b>	<b>404,667</b>

### SCHEDULE 5 FIXED ASSETS

(₹ In '000)

Particulars	GROSS BLOCK					DEPRECIATION				NET BLOCK	
	AS AT 01.04.10	Adjustment	Additions	Deductions	AS AT 31.03.11	AS AT 01.04.10	For the Period Ended 31.03.11	Adjustment	AS AT 31.03.11	AS AT 31.03.11	AS AT 31.03.10
Channel Development	226,994	-	-	-	<b>226,994</b>	88,933	22,699	-	<b>111,632</b>	<b>115,362</b>	138,061
Land & Building	50,125	-	-	-	<b>50,125</b>	2,742	952	-	<b>3,694</b>	<b>46,431</b>	47,383
Plants,Machinery & Media Assets	492,061	-	4,921	-	<b>496,982</b>	102,306	42,383	-	<b>144,689</b>	<b>352,293</b>	389,755
Construction & Sets	78,098	-	46	-	<b>78,144</b>	15,135	4,990	-	<b>20,125</b>	<b>58,019</b>	62,963
Vehicles	8,861	26	1,330	-	<b>10,217</b>	2,907	845	9	<b>3,761</b>	<b>6,456</b>	5,954
Computers	19,529	-	863	-	<b>20,392</b>	9,009	3,247	-	<b>12,256</b>	<b>8,136</b>	10,520
Softwares	4,619	-	530	-	<b>5,149</b>	4,619	530	-	<b>5,149</b>	-	-
<b>Total</b>	<b>880,287</b>	<b>26</b>	<b>7,690</b>	<b>-</b>	<b>888,003</b>	<b>225,651</b>	<b>75,646</b>	<b>9</b>	<b>301,306</b>	<b>586,697</b>	<b>654,636</b>
Capital Wip & Capital Advance	4,430	(3,604)	172	-	<b>998</b>	-	-	-	-	<b>998</b>	4,430
Previous Year	<b>840,018</b>	<b>7,637</b>	<b>32,632</b>	<b>-</b>	<b>880,287</b>	<b>148,189</b>	<b>76,515</b>	<b>947</b>	<b>225,651</b>	<b>654,636</b>	691,829



## SCHEDULES ANNEXED TO AND FORMING PART OF THE BALANCE SHEET AS AT

	(₹ in '000s)	
	31st MARCH, 2011	31st MARCH, 2010
<b>SCHEDULE 6</b>		
<b>INVESTMENTS (Refer Note 3 )</b>		
<b>(Long Term - At Cost)</b>		
Unquoted		
Shares of Mi Marathi Media Ltd .		
4,864,900 Equity Shares (P.Y.4,864,900) of ₹10 Each	48,649	48,649
Technocraft Media Pvt Ltd .		
1,511,500 Equity shares (P.Y.1,511,500) of ₹ 10 each	15,115	15,115
Live India Television Networks Pvt.Ltd		
10,000 Equity shares (P.Y. 10,000 )of ₹ 10 each .	100	100
Investment in Shares of Punjab & Maharashtra Co-op. Bank Ltd.		
1,00,000 Equity shares of ₹ 25 each	2,500	2,500
	<b>66,364</b>	<b>66,364</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	54,092	62,185
Other debts (including ₹ 3,39,43,495 (P.Y. ₹ 5,33,11,080 due from associate company)	238,119	19,873
	<b>292,211</b>	<b>82,058</b>
Less :Provision for Doubtful Debts	466	466
	<b>291,745</b>	<b>81,593</b>
<b>Cash &amp; Bank Balances</b>		
Cash on Hand	271	453
<i>Balance with Scheduled Banks In</i>		
Current Accounts	2,461	2,028
Fixed Deposit	6,580	6,558
	<b>9,312</b>	<b>9,039</b>
<b>Deposit &amp; Advances</b>		
Loan ,Advances & Deposits		
(Unsecured ,considered good )		
Transponder Deposit	4,331	4,110
Premises Deposit	956	874
Prepaid Expenses	74,144	31,571
Loan to associate companies	2,713	52,402
Interest Receivable	2,636	1,581
Other Receivable / Advance*	80,339	50,828
(Recoverable in cash or kind for value to be received)		
[*Including Rs.Nil (P.Y. ₹ Nil) due from associate company]		
	<b>165,119</b>	<b>141,366</b>
<b>SCHEDULE 8</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
<b>Current Liabilities</b>		
Sundry Creditors & Other Liabilities *	171,995	169,068
(Including deposit of ₹ 5,95,52,818 (P.Y. ₹10,12,47,551) received from associate company		
*for dues to Micro Small and Medium enterprises refer Note 11.6 of		
Schedule 18 Notes to Accounts		
*Unclaimed Public Issue Refund*	45	45
(*kept in a Separate bank A/c)		
	<b>172,040</b>	<b>169,113</b>
<b>Provisions</b>		
For Expenses	17,299	12,918
For Taxation	1,065	1,136
	<b>18,364</b>	<b>14,053</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	178	355
Add:- During the Year	1,435	-
Less: Written off During the year	417	178
	<b>1,196</b>	<b>178</b>

## SCHEDULES ANNEXED TO AND FORMING PART OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED

	31st MARCH, 2011	31st MARCH, 2010
(₹ in '000s)		
<b>SCHEDULE 10</b>		
<b>OTHER INCOME</b>		
Interest Income	2,255	2,481
Other Income (Refer Note 11.2 )	44,740	29,645
	<b>46,995</b>	<b>32,126</b>
<b>SCHEDULE 11</b>		
<b>PRODUCTION EXPENSES</b>		
Content Production Expenses	29,834	25,283
	<b>29,834</b>	<b>25,283</b>
<b>SCHEDULE 12</b>		
<b>TELECAST EXPENSES</b>		
Transponder Charges	15,559	15,094
Uplinking Charges	4,110	8,220
Link & Other Charges	8,150	9,780
	<b>27,819</b>	<b>33,094</b>
<b>SCHEDULE 13</b>		
<b>NEWS SYNDICATION</b>		
News Subscription Charges	9,281	9,452
	<b>9,281</b>	<b>9,452</b>
<b>SCHEDULE 14</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Staff Welfare Expenses	4,577	4,006
Electricity Charges	3,479	3,972
Communication Expenses	4,691	5,645
Insurance Charges	775	438
Rent, Rates & Taxes	6,431	6,736
Repairs & Manitenance	6,971	6,079
Traveling & Conveyance	8,076	6,715
Legal & Professional Charges	2,743	2,820
Printing & Stationery	1,301	1,117
Membership & Subscription	2,930	422
General Expenses	7,573	24,930
Audit Fees	550	500
	<b>50,098</b>	<b>63,380</b>
<b>SCHEDULE 15</b>		
<b>HUMAN RESOURCES COST</b>		
Salaries, Allowances etc.	109,550	97,590
Contribution to Provident Fund & Other Funds	6,828	5,086
	<b>116,378</b>	<b>102,676</b>
<b>SCHEDULE 16</b>		
<b>DISTRIBUTION &amp; MARKETING</b>		
Business Promotion Expenses	94	581
Advertising & Marketing Expenses	9,403	491
Distribution Expenses	307,807	105,750
	<b>317,304</b>	<b>106,822</b>
<b>SCHEDULE 17</b>		
<b>FINANCE CHARGES</b>		
Bank Interest	42,714	41,913
Others	1,425	552
	<b>44,139</b>	<b>42,465</b>

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

<b>I</b>	<b>Registration Details</b>			
	Registration No .	144371	State Code	11
	Balance Sheet Date	31-Mar-11		
<b>ii</b>	<b>Capital raised during the year (₹ In Thousand )</b>			
	Public Issue	Nil	Right Issue	Nil
	Bonus Issue	Nil	Private Placement	Nil
<b>iii</b>	<b>Position of Mobilisation and Deployment of funds (₹ In Thousand )</b>			
	<b>Total Liabilities</b>	2,667,680	<b>Total Assets</b>	2,667,680
	<b>Source of Funds</b>			
	Paid up Capital	253,140	Reserve & Surplus	1,112,573
	Secured Loan	320,517	Unsecured Loans	959,128
	Share Application Money	22,322	Deferred tax Liability	-
	<b>Application of funds</b>			
	Net fixed Assets	587,694	Investment	66,364
	Net current Assets	275,773	Misc. Expenditure	1,196
	Net Loss	1,713,665	Deferred tax Assets	22,989
<b>iv</b>	<b>Performance of Company (₹ In Thousand )</b>			
	Turnover	143,117	Total Expenditure	670,925
	Profit /(Loss) Before tax	(527,808)	Profit /(Loss) after Tax	(528,854)
	Earning per share (Rs.)	(21.49)	Dividend Rate %	Nil
<b>v</b>	<b>Generic Names of Three Principal Product /Services of Company (as per Monetary terms)</b>			
	Product Description :BROADCASTING			
	Items code No ,(ITC Code )NOT ALLOTTED			

# SIGNIFICANT ACCOUNTING POLICIES & NOTES TO ACCOUNTS FOR THE YEAR ENDED ON 31st MARCH, 2011

## **SCHEDULE: 18** **ACCOUNTING POLICIES & NOTES TO ACCOUNTS**

### **A. SIGNIFICANT ACCOUNTING POLICIES**

#### **1. 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.

#### **2. 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.

#### **3. 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.

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

#### **4. 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.

#### **5. 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 Building is provided on straight line method on Pro rata basis considering 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%.

### **6. 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.

### **7. Investments**

Long term investments are stated at cost.

### **8. 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.

#### 9. Borrowing Cost

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

#### 10. 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 8 to Notes to Accounts)

#### 11. Earning Per Share (EPS)

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.

#### 12. 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.

### B. NOTES TO ACCOUNTS

#### 1. 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.

#### 2. Segment Reporting

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

#### 3. Investments

The company has made long term investment in associate companies which is as follows:

- (i) Mi Marathi Media Ltd.  
4,864,900 Equity Shares @ ₹10 each
- (ii) Technocraft Media Pvt. Ltd.  
1,511,500 Equity shares @ ₹ 10 each
- (iii) Live India Television Network Pvt.Ltd.  
10,000 Equity Shares @ ₹ 10 each

As at balance sheet date the net worth of the above associate companies is reduced. However the investment is strategic and long term in nature and having regard to the future business plan and profitability, the management perceives that diminution in value of investment is temporary. Hence no provision for diminution in value is considered necessary in respect of these investments.

#### 4. Right Issue

During the financial year company has filed draft letter of offer with SEBI with respect to its right issue of 2,02,51,200 equity shares, approval from SEBI is awaited. The company has received ₹ 2,23,22,000 as share application money from promoters / directors against the right issue and the same will be adjusted against allotment subject to approval from SEBI.

#### 5. Preferential Allotment

During the financial year company has made preferential allotment of 60,00,000 equity shares to HDIL Infra projects Pvt Ltd (promoter company) and according the share capital has increased to 2,53,14,000 equity shares.

#### 6. Related Party Disclosure

##### a. List of Related Parties & Relationship where control exist and with whom transactions are done in the financial year.

Name of Related Party	Relationship
Mi Marathi Media Ltd.( Formerly known as Sri Adhikari Brothers Media Ltd.)	Associate Company
Technocraft Media Pvt. Ltd.	Associate Company
Live India Television Network Pvt. Ltd.	Associate Company
HDIL Infra Projects Pvt Ltd	Promoter Company
Shri. Rakesh Kumar Wadhawan	Promoter
Shri. Sarang Wadhawan	Promoter
Shri Karan Kumar Gupta	Promoter
<b>Key Management Personnel</b>	
Shri. Ashok Kumar Gupta	Promoter & Managing Director
<b>Others:</b>	
Sri Adhikari Brothers Television Network Ltd.	Directors having Substantial Interest

##### b. Transactions with Related Parties

(₹ in '000s)

Nature of Transaction	31 <sup>st</sup> March, 2011					31 <sup>st</sup> March, 2010				
	Associate Company	Promoters	Key Management Personnel	Others	Total	Associate Company	Promoters	Key Management Personnel	Others	Total
Revenue Received	11899	--	--	--	11899	30,293	--	--	--	30,293
Interest Expense	7971	--	--	--	7971	14,285	--	--	--	14,285
Deposit Repayment	71391	--	--	--	71391	35,438	--	--	--	35,438
Reimbursement of cost of shared services	--	--	--	283	283	-	--	--	304	304
Recovery of Shared common expenses	26723	--	--	--	26723	-	--	--	--	--
Outstanding balance at year end included in current liabilities	--	--	--	(78)	(78)	-	--	--	2,821	2,821
Loan/Advances Given	7511	--	--	--	7511	12,801	--	-	--	12,801
Loan Taken	21725	637227	51451	--	710403	-	4,48,947	-	--	4,48,947
Outstanding balance at year end included in current assets	91968	--	--	--	91968	105,713	--	-	--	105,713
Deposit Taken- Outstanding balance at year end	59553	--	--	--	59553	101,248	--	--	--	101,248
Loan Taken- Outstanding balance at year end	--	907677	51451	--	959128	-	4,03,067	1600	--	4,04,667
Guarantee Given	136000	--	--	--	136000	136,000	--	--	--	136,000

## 7. Earning Per Share

(₹ in '000s)

Particulars	31st March 2011	31st March 2010
Profit /(Loss) after Tax	(528,854)	(382,655)
Weighted average Number of Shares outstanding during the year (Face Value ₹ 10 Per Share )	246,07,151	193,14,000
Basic Earning per Share (Rupees)	(21.49)	(19.81)

## 8. Deferred Tax Asset

The components of deferred tax assets /liability as at 31<sup>st</sup> March 2011 in accordance with Accounting Standard–22 "Accounting for Taxes on Income " are as under

(₹ in '000s)

Deferred Tax Liability	As at 31st March 2011	As at 31st March 2010
Depreciation & Other Expenditure	46,823	44,994
Less : Leave Encashment & Provision for Doubtful debts	(3 ,350)	(2,566)
Net Deferred Tax Liability	43,473	42,428
Deferred Tax Asset :		
Carried forward Losses & Unabsorbed Depreciation (Refer Note Below )	66,462	66,462
Total Deferred tax Asset	66,462	66,462
Net Deferred tax Liability /( Assets)	( 22,989)	(24,034)

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.

## 9. Miscellaneous Expenditure

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

## 10. 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 '000s)

Particulars	31 st March, 2011	31st March 2010
Employers Contribution to Provident Fund	4,439	3,845

### Defined Benefits Plan

Employees gratuity fund scheme managed by Life Insurance corporation of India is defined benefit plan. The present value of obligations is determined based on actuarial valuation using projected unit credit method which recognises 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.

(₹ in '000s)

Particulars	Gratuity (Funded )		Leave Encashment (Unfunded )	
	2011	2010	2011	2010
A) Reconciliation of opening and closing balance of Defined Benefits Obligation				
Defined benefit obligation at beginning of the year	2780	1882	5944	4418
Current Service Cost	1089	1067	2028	1839
Interest Cost	222	151	475	353
Actuarial (gain )/Loss	691	(320)	(236)	645
Benefits Paid	Nil	Nil	543	1311
Defend Benefit Obligation at Year end	4782	2780	7668	5944
B) Reconciliation of opening and closing balance of fair value of plan assets				
Fair value of plan assets at the beginning of the year	791	668		
Expected return on plan assets	63	53		
Actuarial (Gain ) / loss	2063	70		
Employer Contribution	Nil	Nil		
Benefits Paid	Nil	Nil		
Fair value of Plan assets at the year end	2917	791		
Actual return on plan asset				
C) Reconciliation of fair value of asset and obligation				
Fair value of plan assets as at 31st March 2011	2917	791		
Present value of obligation as 31st March 2011	4782	2780		
Amount recognized in balance Sheet	1865	1989		
D) Expenses recognized during the year (under head " Employment cost)				
Current Service cost	1089	1067	2028	1839
Interest Cost	222	151	475	353
Actuarial (gain)/Loss	(1372)	(390)	(236)	645
Expected return on plan assets	(63)	(53)	--	--
Net Cost	(124)	775	2267	2837
E) Investment Details				
100% of the plan assets are lying in the Gratuity fund administered through Life Insurance Corporation of India (LIC) under its Group Gratuity Scheme.				
F) Actuarial Assumption				
Mortality Table (LIC)	LIC (1994 -96) Ultimate		LIC (1994 -96) Ultimate	
Discount rate (Per annum)	8%	8%	8%	8%
Rate of Escalation in salary (per annum)	5%	5%	6%	6%

## 11. Other Disclosures

### 11.1 Shared Common Expenses

The Company has recovered certain shared common expenses from associates company of ₹ 26,722 thousand which are basically towards sharing of common expenses like, up linking expenses, HR, finance and common administration expenses.

### 11.2 Other Income

Other Income includes ₹ 46,996 thousand on account of sale of transferable development rights.

### 11.3 Contingent Liabilities & Event occurring after the Balance Sheet Date

i. The Company has imported certain equipments at a concessional duty under various licenses pursuant to the Export Promotion Capital Goods ("EPCG") scheme. Custom Duty of ₹ 61 Lacs and interest thereon may be determined and levied if company could not achieve export obligation in accordance with EPCG Scheme By 2012-13.



However, the Company has maintained Fixed Deposits worth ₹ 61 Lacs with the bank to meet the said liability arising on account of custom duty. As of March 31, 2011, the Fixed Deposit and interest accrued thereon amounts to ₹ 84 Lacs (approx) and the company feels that the same is reasonably sufficient to meet such liability.

ii. The Company had given its corporate guarantee for the term loan availed by its previous subsidiary company "Technocraft Media Private Limited" amounting to ₹1360

lacs. As of March 31, 2011, the outstanding balance of the said loan is ₹ 595.52 lacs.

#### 11.4. Event occurring after the Balance Sheet Date

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.

#### 11.5 Additional information pursuant to the provision of paragraphs 3,4C & 4D of part II of Schedule VI to the companies Act, 1956 to the extend applicable. (₹ in '000s)

	Particulars	Year Ended 31st March 2011	Year Ended 31st March 2010
(a)	Value of imports calculated on C.I.F basis		
	i) Raw Material	-	-
	ii) Capital Goods	-	4865
(b)	Expenditure in foreign currency		
	i) Traveling	764	839
	ii) Others	7457	4795
(c)	Payment to Auditors (Including Service Tax )		
	i) Audit Fees	485	449
	ii) Tax Audit Fees	121	112
	iii) Others Services	155	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

#### 11.6 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.

#### 11.7 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.

11.8 Figures of previous year have been regrouped, rearranged and recast wherever considered necessary.

As per our report of even date

**for Ashok Jayesh & Associates**

Chartered Accountants

FRN :100655W

**Jayesh D. Sangani**

Partner

M.No. 36041

Place: Mumbai

Date: 4<sup>th</sup> August, 2011

**Harish Kumar Vasandani**  
(Chief Financial Officer)

**Akshada Kaslay**  
Company Secretary

for and on Behalf of the Board of Directors

**Shri Bua Singh**  
(Chairman)

**Shri Deepak Sharma**  
(Director)

**Shri Ashok Kumar Gupta**  
(Managing Director)

**Shri. M.S.Kapur**  
(Director)

**Shri Markand Adhikari**  
(Director)

Dear Shareholders,

**RE: Green Initiative in Corporate Governance: Go Paperless**

The Ministry of Corporate Affairs ('Ministry') has taken a "Green Initiative in Corporate Governance" by allowing paperless compliances by companies through electronic mode. In accordance with the recent circulars bearing no. 17/2011 dated 21.04.2011 and 18/2011 dated 29.04.2011 issued by the Ministry, companies can now send various notices / documents (including notice calling Annual General Meeting, Audited Financial Statements, Directors' Report, Auditors Report etc) to their shareholders through electronic mode, to the registered e-mail addresses of the shareholders.

It is a welcome move for the society at large, as this will reduce paper consumption to a great extent and allow public at large to contribute towards a greener environment.

This is also a golden opportunity for every shareholder of **Broadcast Initiatives Limited** (the Company) to contribute to the Corporate Social Responsibility initiative of the Company. All you have to do is to register your e-mail id with the Company to receive communication through electronic mode.

We have already sent all the shareholders the **E-Communication Registration** form for registering new / correct e-mail ID along with business reply envelope.

Kindly note that if you still wish to get a hard copy/physical copy of all the communications, the Company undertakes to provide the same at no extra cost to you. In case you desire to receive the above mentioned documents in physical form, you are requested to send an e-mail to [broadcastgogreen@linkintime.co.in](mailto:broadcastgogreen@linkintime.co.in) or send a letter at the following address:

**Link Intime India Private Limited**  
C-13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup (W), Mumbai - 400078.

**Let's be part of this 'Green Initiative'.**

Best Regards,  
**For Broadcast Initiatives Limited**  
Sd/-  
**Akshada Kaslay**  
**Company Secretary**

**E-COMMUNICATION REGISTRATION FORM**

**To**  
**Link Intime India Private Limited**  
C-13, Pannalal Silk Mills Compound,  
L.B.S.Marg, Bhandup (W), Mumbai - 400078.

I agree to receive all communication from the Company in electronic mode. Please register my e-mail ID in your records for sending communication through e-mail.

Folio No. : .....

DP ID : .....

Client ID : .....

E-mail ID : .....

Signature of the first holder : .....



# BROADCAST INITIATIVES LIMITED

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

## ATTENDANCE SLIP Seventh Annual General Meeting

I hereby record my presence at the 7<sup>th</sup> Annual General Meeting of the Company held on Monday, 12<sup>th</sup> September, 2011 at 11.00 a.m. at Hotel Shubhangan, Scarlet Hall, 21st Road, Off Carter Road, Khar West, Mumbai - 400 052

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

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

Folio No. \_\_\_\_\_  
DP ID No. \_\_\_\_\_  
Client ID\*: \_\_\_\_\_  
No of Shares held: \_\_\_\_\_  
E-mail ID \_\_\_\_\_  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011  
Place:

**\*Applicable for investors holding shares in electronic form**

NOTE: Shareholder/Proxy holder wishing to attend the meeting must bring the Attendance Slip to the meeting and handover the same at the entrance, duly signed.



# BROADCAST INITIATIVES LIMITED

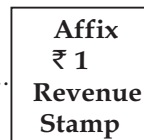
Registered Office: 5<sup>th</sup> Floor, HDIL Towers, Anant Kanekar Marg, Bandra (E), Mumbai – 400 051.

## PROXY FORM Seventh Annual General Meeting

I/We, \_\_\_\_\_ of \_\_\_\_\_ being member/members of **Broadcast Initiatives Limited**, hereby appoint \_\_\_\_\_ of \_\_\_\_\_ or failing him/her of \_\_\_\_\_ as my/our proxy to attend and vote for me/us and on my/our behalf at the 7<sup>th</sup> Annual General Meeting of the Company to be held on Monday, 12<sup>th</sup> September, 2011 at 11.00 a.m. at Hotel Shubhangan , Scarlet Hall, 21st Road, Off Carter Road, Khar West, Mumbai - 400 052 and at any adjournment thereof.

Folio No. \_\_\_\_\_  
DP ID No. \_\_\_\_\_  
Client ID\*: \_\_\_\_\_  
No of Shares held: \_\_\_\_\_  
E-mail ID \_\_\_\_\_  
Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2011  
Place:

Signature of Shareholder.....



**\*Applicable for investors holding shares in electronic form**

**NOTES:**

- a) The Proxy in order to be effective, should be duly stamped, completed and signed. The proxy must be deposited at the Regd. 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 time of holding of the meeting.
- b) The Proxy need not be a member of the Company.



annualreport  
**2010-2011**



5th Floor, HDIL Towers  
Anant Kanekar Marg, Bandra (E)  
Mumbai-400051 INDIA  
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