BOARD OF DIRECTORS

Shri Subrata Roy Sahara
CHAIRMAN

Smt. Swapna Roy
DIRECTOR

Shri Om Prakash Srivastava
DIRECTOR

Shri Joy Broto Roy
DIRECTOR

Shri Ranvir Singh Rathore
DIRECTOR

Shri Mahesh Prasad
DIRECTOR

Shri Brijendra Sahay
DIRECTOR

Shri Rathikant Basu
DIRECTOR

Shri Jagdish Narain Roy
ADDITIONAL DIRECTOR

CHIEF OPERATING OFFICER

Shri Sanjay Chitale

CHIEF FINANCIAL OFFICER

Shri Sanjay Garg

COMPANY SECRETARY

Shri D. N. Mishra

STATUTORY AUDITORS

M/s S. R. Batliboi & Associates
CHARTERED ACCOUNTANTS

INTERNAL AUDITORS

M/s Chaturvedi & Co.
CHARTERED ACCOUNTANTS

M/s CPS & Co.
CHARTERED ACCOUNTANTS

BANKERS

The Bank of Rajasthan Limited
HDFC Bank Limited
IDBI Bank Limited
Punjab National Bank

REGISTERED OFFICE

Sahara India Point,
CTS 40-44, S.V. Road,
Goregaon (West), Mumbai-400 104

REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Pvt. Limited,
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai-400 078

BRANCH / DIVISION / UNITS

Sahara India Bhawan,
1, Kapoorthala Complex,
Lucknow -226 024

Sahara India Complex,
C-2, C-3 & C-4, Sector XI,
Noida, U.P.- 201 301

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty-Eighth Annual Report of the Company together with the Audited Statement of accounts for the year ended 31st March 2009.

FINANCIAL / OPERATIONAL RESULTS

(Rs. In Millions)

FOR THEHE YEAR ENDED	31st March 2009	31st March 2008
Total Income	2454.27	2043.29
Total Expenses	2412.13	2010.00
Profit Before Tax	42.14	33.28
Provision for Taxation (Current , Deferred, Earlier year Fringe Benefit Tax and others)	22.20	12.60
Prior Period Income/ (Expenses)	–	7.56
Profit After Tax and Extraordinary items	19.94	28.24
Profit After Tax carried to the Balance Sheet	486.02	466.09

In the reporting fiscal, the total income of the Company was Rs. 2454.27 million as against Rs. 2043.29 million in last year 2007-2008 witnessing an increase of about 20.11% and the total expenses stood at Rs. 2412.13 million this year as against Rs. 2010.00 million in last year. The Net Profit of company slashed down to Rs. 19.94 million in the reporting year as compared to Rs. 28.24 million in last year due to loss in movies, recession effect, increase in human resource and administration cost etc.,

DIVIDEND

With a view to conserve resources with the company, the Board of Directors has decided not to recommend any dividend for the financial year 2008- 2009.

CAPITAL ISSUE

Company has not made any issue of Shares during the reporting period; hence the Equity capital of the Company stands at Rs. 21,52,50,000=00.

SAHARA ONE TELEVISION

Sahara One Television aims at endowing its viewers with a wide variety of fresh and distinctive programming. We have a high voltage line-up of fiction shows which include Kismat Konnection, Shubh Kadam, Woh Rehne Wali Mehlon Ki, Ghar Ek Sapna, Doli Saja Ke and Mata Ki Chowki depicting a collage of traditional and contemporary stances with a spectrum of emotions. Some of our new shows which were launched during reporting period and are running successfully are as follows:

DOLI SAAJA KEY….

This is the story about a girl named Anupama who is considered to be an unlucky person in the world….she never gets any love and affection from her family, also because his father considers her as unlucky child for him. As the time passes Anupama gets married to Chaitanya. Her life gets blossom with the love of Chaitanya but again happiness doesn't remains long in Anupama's life, Chaitanya was murdered by his brother. Now Anupama comes back to her father's house, she is touchier by her step mother and sister, but in between this she gets her father's love back, Anupama gets all the happiness including the love which she was waiting since the childhood at last she gets that, Anupama thinks that she will spend her rest of the life with her father, but one day suddenly Daksh comes in her life. After getting married to Daksh; Anupama comes to know that Daksh married her only because of the property and these all games have been played by none other than Daksh's own brother Dhanajaya and his wife Meera, they trap Anupama in such a way that Daksh throws her out of the house, later on Daksh realized his mistake and brings Anupama back in his life. Anupama and Daksh was just celebrating their happiness just then suddenly an unknown person come in their life and trap the whole family in such a way that they don't find any way to come out from such odds of life.

WOH REHNE WAALI MEHLON KI

This is the story of Rani, Pari's adopted daughter. Born and brought up in the luxuries of Bombay, destiny gets her married to Rishabh in a small town Madhupur. It is here that Rani has to face the harsh realities of life and thus begins her journey which is full of struggles. But Rani never gives up. She faces all troubles with a positive attitude and her 'sanskaars' and immense faith in Lord Ram helps her sail through all difficulties of life. With the true 'mehlon waali' spirit, she is successful in winning the heart of her husband, improving all her brother-in-laws, getting them married and settled in life. She is successful in keeping the entire family together under one roof and always strives for their happiness and togetherness. She is confident that nothing can now break the unity of her house and its members.

But as life is a journey which unfolds as you walk through it, there are still many problems that will continue coming in the way of Rani's happiness.

GHAR EK SAPNAA

Kakul and Samman gets married on gun point and kakul has to face every one's accusations at amarnaths house and vanshika to get back her samman, gives poisoned ladoos to kakul which makes kakul mentally sick and vanshika gets pregnant with sammans child and samman and kakul gets divorced. Amarnaths illegal children shlok and ansh comes to take their revenge from Amarnaths family and shlok traps kakul and tries to get her forcibly married to ansh but sujit and samman together takes kakul away. shlok and vanshika plans to kill samman and kakul but cynthia dies from sammans car and he is accused for cynthias murder. Simi Ahuja comes as state lawyer representing rishabh against samman. Shlok tells kakul that he has proof which can save samman but she will have to spend a night with him and she agrees and samman is released and when they both are getting married; again kakul shows a sign of pregnancy and uttara stops the marriage saying that it is shloks child. Kakul leaves every one and shifts to a new house arranged by nana and ansh who is now a mental patient and lands up at kakuls house and gets to know about what shlok did. He attacks on shlok and is killed and kakul is only witness and she escapes followed by shlok she meets an accident and goes into coma. Shlok in hospital sees a girl damini whose face is completely burnt and decides to give her kakuls face and plant her at Amarnaths house as kakul to destroy them, her parents are poor and they agree to do this. Damini is taken by sujit at Amarnaths house and damini starts showing her true colours to every one in the family. Samman now has doubts on Damini and tries to find the truth, real Kakul is still captive in shloks house and is taken to hospital where Samman finally sees her and gets to a conclusion that shlok is behind all this. Damini offers Neha to become a surrogate mother of their child and gets impregnant to escape Sammans doubt. Kakul has regained consciousness, Samman goes to investigate Shloks farm house and tries to find kakul and finally meets her and they run away from there and are caught by Shlok. Shlok asks samman if he wants to see kakul alive he must accept damini as kakul and get all ANs' property and valuables for him He agrees. Rishabh and simi get married and simni is pregnant with rishabhs child. Neha is upset with undue importance being given to damini and gives her abortion pill. Sujit smells the rat and takes damini with her and keeps her captive till OS comes. Damini and Kakul escapes from their captives and damini reaches shlok farm house and shloks asks her to behave as Kakul with samman. Kakul is caught by OS and sujit. she begs and plead that she is kakul but no one believe. Saman says there's only one way to find out the truth now... if the Kakul in their captivity is pregnant or shows signs of a recent miscarriage, then she's Damini... or else she's Kakul! The others agree and take Kakul to the hospital, not telling her about their intentions. Uttara insists on accompanying them. Meanwhile, Rishabh has accidently learned about the plastic surgeon giving Damini Kakul's face. He shows Uttara Samman and Sujit proof in the surgeon's laptop when they come to the hospital.. Inside the hospital, the family waits grimly for the result of Kakul's test... is she pregnant, and therefore Damini? Or she is not pregnant, and therefore Kakul?

JO ISHQ KI MARZI….WOH RAB KI MARZI / KISMAT CONNECTION – KHEL NIYATI KA

The story was out and out all about love narrated with a dramatic premise of friends turned into enemies and the aftermath consequently creating obstacles for the two young lovers in their pursuit to unite as one for eternity. Set in Central India, in the late 1800s, the story followed the saga of two Zamindaar families, whose patriarchs, UdayVeer and Bhanupratap, were once best friends. Their friendship was the stuff that legends are made of, but all stories do not have a happy ending. Keeturaj; to avenge his father's death, poisons the beautiful friendly relationship into bitterest of foes. Sumer, Udayveer's son and Sunaina, Bhanupratap's daughter, who were once childhood sweethearts, are torn apart because their families suddenly became enemies. The path to a happy ending is paved with jealousy, misunderstanding, heartbreak, betrayal and revenge. The lovers do not unite so easily or quickly as one would want them to. Infact, both of them are killed as soon as they are about to unite for ever… leaving their love story incomplete.

ENTER PHASE 2 OF THE SHOW – KISMAT CONNECTION…KHEL NIYATI KA!
We see Sumer and Sunaina's reincarnations in Veer and Naina respectively in this phase of the story. What was left incomplete in their previous lives was set to take its final shape in this lifetime! Despite some serious problems between the families, friends and enemies…the couple finally united as they were destined to! And thus, the story was about their struggle to salvage emotions, and facing all adversaries to unite as lovers. The show will deal with family honor, egos, and tempers, and also with love and affection between brother and sister, between father and daughter/son, and between brothers. Family values were an important aspect of the story.

SHUBH KADAM
Shubh Kadam is a supernatural show which narrates the story of "Pratha" who married the love of her life Raghav Khanna.. But her marriage commenced the beginning of strange supernatural occurrences in khanna house. Hence Pratha is considered ashubh by raghav's mother as she strongly believes that pratha brought bad luck to the house. She blames Pratha for all the mishaps that have happened in the house, right from Chitra's (raghav's sister-in-law) possession by manayta's ghost to Birju 's (child ghost) entry in their house to her husband and older son's death. Veena learns the fact that Pratha's kundali has "Betal Dosh" which means that she can see spirits and can never get rid of ghostly problems around her. Though in the past Pratha has managed to conquer the evil with the blessings of mata rani but it adversely affects her relationship with her husband – Raghav and her in-laws. Currently Pratha quest is to find the evil which kidnaps and later murders the newly wed brides. Pratha's step sister sudha became the victim of this evil and Pratha has now taken upon her to find her alive and destroy the evil.

MATA KI CHOWKI
Mata Ki Chowki is a story of a normal girl Vaishnavi whose journey of life has been destined by spiritual and divine powers to bring in sense of moral relief and spread bliss in this 'nowhere' going era of Kalyug.

Vaishnvai, an orphan is found by a Pandit couple of Vaishno Devi shrine. Shraddha Pandit thinks of her as blessing of mata and wishes to adopt her as she couldn't have her own child. Pandit Vidyasagar strictly negates the proposal and questions the identity of child in terms of caste, creed and religion. Shraddha becomes adamant. Panditji gives up but keeps his stand clear that Vaishnavi doesn't exist for him. Almost 2 years or so later, Shraddha gets pregnant but unfortunately meets with an accident. Shraddha dies giving birth to Sunakshi. Before her death, she takes a vow from Panditji that he must take care of Vaishnavi even more than his own child. He agrees but panditji who always had hatred for Vaishnavi, blames her for all the ill deeds in house.

Vaishnavi develops immense interest and faith in "Ma Vaishno Devi". She preaches about mata, sings Jagrata, motivates people to follow mata and rescues people from pain and misery. Vaishnavi becomes immensely popular as Mata ki Beti.

Vaishnavi gets married and comes to Mumbai. She is not accepted by the family. Her father-in-law Sheel Kumar uses Vaishnavi in the name of religion. She goes through a lot of trials and tribulations and emerges a winner each time because of her immense bhakti and shraddha towards Mata Rani. She goes through Agni pariksha to get her husband back from Yamraj after her husband's death. Vaishnavi also goes through Aastha Pariksha to save the entire family from a tragedy. Sheel creates a lot of misunderstandings between Vansh and Vaishnavi & Vansh throws Vaishnavi out of the house for Giving Mata more importance than him. Vaishnavi leaves for Vaishnodevi for Mata Ke Darshan and reaches Bhaderwah where she reunites Sunakshi with her father.

Currently, Vaishnavi after getting some premonitions regarding Madhura's child decides to come to Mumbai to hand over Mata Ka locket to her. She is shocked to see the state of the house and everyone's changed attitude towards her. There is no presence of Mata at all in the house. She is taken aback to see her husband Vansh in a bad mental state. Everyones hatred towards her shocks her and she breaks down infront of Mata Rani to show her the way.

MOTION PICTURES
Sahara One Motion Pictures released the following movies during 2008 – 2009

Movie	Cast	Director	Rights.
EMI	Sanjay Dutt, Arjun Ramphal, Urmila Matondkar, Ashish Choudhary, Malaika Arora.	Saurabh Kabra	Acquisition
Bhootnath	Amitabh Bachchan, Sharukh Khan, Juhi Chawla	Vivek Sharma	Distribution
Sarkar Raj	Amitabh Bachchan, Abhishek Bachchan, Aishwarya Rai.	Ram Gopal Verma	Distribution
Narnia (English – Hollywood)	Ben Barnes, Georgia Henley, William Moseley	Andrew Adams	Distribution

Films being worked upon for release in 2009-2010

Movie	Cast	Director	Rights.
Wanted	Salman Khan, Ayesha Takia	Prabhudeva	Presenters & Co-Production
Mumbai Cutting	Soha Ali Khan, Pallash Sen, Samreen, Pramod, Jimmy Shergill, Neetu Chandra, Sonali Kulkarni & Vinay Pathak, Ranveer S, Tejaswini Kolhapure, Mehek Chhel, Ranvijay, Shruti Sheth, Shushant Singh, Reema lago, Tara Sharma, Deepak Dobriyal, Kavita kaushik, Sachin khedekar, Raima Sen.	Sudhir Mishra, Anurag Kashyap, Kundan Shah, Manish Jha, Janu Barua, Ritu Parno Ghosh, Revati, Rahul Dholaki, Sushank Ghosh,	Production
It's My Life	Harman Baweja, Genelia D'souza	Anees Bazmee	Presenters & Co - Production
Kaccha Limboo	Shambu (Taheer Sutarwala), Sarika, Atul Kulkarni, Vinay Pathak. Iravati Harshe, Ruksaar.	Sagar Ballary- From the director of Bheja Fry.	Production
Allah Ke Bande	Sharman Joshi, Naseeruddin Shah, Atul Kulkarni, Anupam Kher, Anjana Sukhani	Sagar Bellary- From the director of Bheja Fry.	Presenters & Co-Production
Milenge Milenge	Kareena Kapoor, Shahid Kapoor	Satish Kaushik	Satellite

Sahara One Motion Pictures has been a dominant player in the business of acquisition and distribution. Spreading far and fast, it opened offices in Mumbai – C.P, C.I. and Rajasthan. 2008 – 2009. Films taken up for distribution include Narnia, Bhootnath, Sarkar Raj, films slated to release in 2009 – 2010 are Salman's Khan – Wanted, Anees Bazmi's It's My Life, Mumbai Cutting, Allah Ke Bande, & Sagar Bellary's next Kaccha Limboo.

FILMY

Financial Year 2008- 2009 saw FILMY maintaining its GRPs in a highly competitive Movie Channel Genre. During this year, there were numerous programming initiatives undertaken. The highlights were:

- 'Bollywood Ka Boss' India's first Movie Based quiz show on TV concluded with the Grand Finale on 3rd August 2008.
- The year also saw, a all new 'Meri Bhains Ko Anda Kyun Maara?' with fresh new scenes and new packaging.
- Launch of 'Happy Budday Puttar' which celebrates the birthdays of some of the most adorable silver screen stars by airing a movie starring them on their special day.
- FILMY also launched 'FILMY Hollywood Premiere' which showcases some of the biggest Hollywood Dubbed titles. Some of the titles include Enemy of The State, Pearl Harbor, Scream, Scream 2, Gone in 60 Seconds amongst others.
- The branding of some of the properties on the channel like 'Saturday Blockbuster', 'One Break Movie' and 'Hollywood Smash Hits' were relaunched with a chic look and feel.
- FILMY celebrated Christmas vacation by launching 'Chutti Chutti Bang Bang' a movie festival for Kids that showcased some of the best kids titles.
- The New Year was welcomed with a bang with the first airings of 'Comet Impact' and ' Raging Inferno' on FILMY
- In Financial Year 2009- 2010, FILMY will air some of the biggest Hindi blockbusters with the Limited Telecast Syndication deal with Select Media Holdings Pvt Ltd. The deal will see FILMY air titles like Ghajini, Golmaal Returns, Singh Is Kinng, Welcome etc

The coming year will see some big blockbusters on FILMY.

DIRECTORS

Shri Subrata Roy Sahara had been appointed as Director of the Company in the Annual General Meeting held on 31st August 2000 and his office shall not be liable to retire by rotation and Shri Rathikant Basu, being the Nominee Director, is also not liable to retire by rotation.

Shri Brijendra Sahay and Shri R. S. Rathore were re-appointed as Directors of the Company in the Annual General Meeting of the Company held on 25th September 2008 and is subject to retirement by rotation.

In accordance with the provisions of Section 255 of the Companies Act, 1956 and Article 89 of Company's Articles of Association, Shri O. P. Srivastava and Shri J. B. Roy, Directors of the Company are retiring by rotation and are eligible for re-appointment The Board recommends their names for re -appointment as Directors of the Company in the ensuing Annual General Meeting.

Shri J. N. Roy has been appointed as Additional director of the Company w.e.f 01/07/2009 in the Board Meeting held on 30/06/2009.

AUDIT COMMITTEE

The Board of Directors of the Company constituted a committee of Directors known as Audit Committee in its Meeting held on 30th January 2001 and further re-constituted the same on 29th June 2002, 29th July 2006, 29th April 2008 and 30th June, 2009. Shri J. N. Roy has been appointed as Member of Audit Committee of Company since 16/07/2009. Shri R. S. Rathore is continuing as Chairman of the Audit Committee since 10th March 2008 in place of Shri Mahesh Prasad. Presently the Company has Six Directors as members of Audit Committee and Company Secretary acts as Secretary to the Committee. Out of 6 committee members, 4 are Independent Directors and 2 are Promoter Directors. The Chairman of the Audit Committee is Independent Director which is in compliance with the Clause 49 of the Listing Agreement.

STATUTORY AUDITORS

M/s S. R. Batliboi & Associates , Chartered Accountants , Mumbai , Statutory Auditors of the Company holds office until the conclusion of the ensuing Annual General Meeting and are eligible for re -appointment . Company has received a letter from M /s S R. Batliboi & Associates of their willingness to continue as Statutory Auditor of the Company along with a certificate to the effect that their appointment, if made, would be within the limits prescribed under Section 224 (1-B) of the Companies Act, 1956. Board recommends their name for re -appointment as Statutory Auditors of the Company for financial year 2009-2010 of company ensuing Annual General Meeting of Company.

AUDITORS' REPORT

M/s S. R. Batliboi & Associates, Statutory Auditor's, submitted their Audit report for the Financial Year 2008-09 which was self explanatory and contained following major observation.

(a) Corporate Guarantee- Company has not charged any guarantee commission on corporate guarantee of Rs. 6.67 Crore given to M/s Sahara Hospitality Limited, this is so because the company does not foresee any risk as the financials of M/s Sahara Hospitality Limited are sound and able to meet its financial obligations.

(b) Delay in payment of Statutory/Government Dues- Delay in payment of Government dues took place due to some inevitable situations however this has been taken to note by the management for compliance.

PUBLIC DEPOSITS

The Company has not accepted any public deposit during the year under review.

PARTICULARS REQUIRED UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE BOARD OF DIRECTORS), RULES, 1988

Information required to be provided under Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules 1988 in relation to Conservation of Energy and Technology absorption are currently not applicable to the Company. Particulars of foreign currency earnings and outgo during the year are given as hereunder.

Foreign Currency Earning (Accrual Basis) – Rs. 2,06,22,102=00

Foreign Currency Expenditure (Accrual Basis) – Rs. 16,85,42,733=00

PERSONNEL

Information relating to employees pursuant to the provisions of section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules , 1975 is annexed to this report.

CORPORATE GOVERNANCE

Corporate Governance Guidelines as specified in the Listing Agreement with Stock Exchanges is applicable to the Company from the Financial Year 2001 - 2002. Company has complied with the Guidelines of Corporate Governance and a separate report on the Corporate Governance is forming part of the Annual Report. Certificate by Practicing Company Secretary on the compliance with the guidelines of the Listing Agreement on the Corporate Governance is forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors, based on the representation received from the Operating Management, confirm that:-

a) For the preparation of the Annual Accounts , the applicable Accounting Standards had been followed alongwith proper explanation relating to material departures, if any, and there is no material departure from following the Accounting Standards.

b) They have, in selection of accounting policies , consulted the Statutory Auditors and have applied them consistently and made judgment and estimates that are reasonable and prudent, so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit or Loss of the Company for that period.

c) They have taken proper and sufficient care to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and preventing and detecting fraud and other irregularities .

d) They have prepared the Annual Accounts on a Going Concern basis.

ACKNOWLEDGEMENTS

The Directors wish to place on record their deep sense of appreciation to the Government Authorities, Body Corporates, Business Enterprises, and Associates for their continued co-operation and support to the Company and to entire workforce of the Company at all levels for their co–operation all around.

For and on behalf of the Board of
Sahara One Media & Entertainment Limited

Sd/-	Sd/-
O. P. Srivastava	J. B. Roy
(Director)	(Director)

Place: Mumbai
Date July 31, 2009

ANNEXURE RELATING TO INFORMATION OF EMPLOYEES PURSUANT TO PROVISION OF SECTION 217(2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975

Name	Designation	Nature of Duties of the employee	Qualifications	Experience	Date of Joining	Date of Resignation	Age	Last Company	Total Remuneration
MR. RAJEEV CHAKRABARTI	Business Head - Firangi	Dealing with Business Activities	Chemistry (Hons), MBA	10	1-Jul-05		39	UTV Networks	4053792
MR. SHAILESH KAPOOR	Business Head - Filmy	Dealing with Business Activities	B. Tech, PGDM	6	4-Jul-05	15-Jul-08	34	Zoom TV	1577196
MR. VIVEK S. PANDEY	Head - Marketing (Motion Pictures)	Dealing with Business Activities	B. Com, PG in Adv & Mkt	12	2-Jul-07	7-May-08	39	Ambit RSM Pvt. Ltd	530000
MS. APARNA P. RANADIVE	Head - HRD	Dealing with Business Activities	B. Sc., MHRDM, DBM	12.5	6-Aug-07	7-May-08	35	Ambit Corp	593332
MR. PREM KR. PILLAI	Head - Production (Motion Pictures)	Dealing with Business Activities	Graduation	27	16-Aug-07	31-May-09	59	UTV Software Comm. Ltd	4200000
MR. REMALLI RAJKUMAR	Head - Sales (Firangi)	Dealing with Business Activities	B. Com	17	11-Feb-08	30-Apr-08		Magicbricks.com	300000
MR. SHARATH PAL	Head - Distribution (Motion Pictures)	Dealing with Business Activities	B. Com	10	3-Mar-08		33	Adlabs Films Pvt Ltd.	2610000
MS. HEMLATA YEDERI	Group Head Sales	Dealing with Business Activities	B. Com, PG MMM	15	18-Mar-08	30-Apr-08	39	Midday Multimedia Ltd	205500
MR. INDRANEEL GHOSH	Head - marketing (Firangi)	Dealing with Business Activities	PGDACM, Master in English Literature	11.5	14-May-08	31-Jan-09	43	Mahindra & Mahindra	1944000
MS. NILANJANA PURKAYASTHA	Business Head - Sahara One Television	Dealing with Business Activities	B. Com, PG dip In TV Production	11	14-May-08	31-Dec-08	36	NDTV Imagine	5534662
MR. SANJAY CHITALE	C.O.O. - Sahara One Channels	Dealing with Business Activities	M.C.A.	18	7-May-08		41	HOV Services	8806452
MR. SURESH MISHRA	Head- Legal(Corporate)	Dealing with Business Activities	M. Com, MPA, LLB	18	1-Jul-91		41	Sahara India TV Network	2628042

CERTIFICATION ON FINANCIAL STATEMENT OF THE COMPANY

We, O. P. Srivastava, Director and Sanjay Garg, CFO of Sahara One Media And Entertainment Limited, certify that:

(a) We have reviewed financial statements and the cash flow statement for the year ended on 31st March 2009 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 contain 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 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 which are fraudulent, illegal or violative of the Company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of 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 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.

Sd/-	Sd/-
O. P. Srivastava	Sanjay Garg
(Director)	(CFO)

Place: Mumbai
Date: July 20, 2009

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure, Development and Future Outlook:

The Entertainment and Media Industry is comprised of various constituents like Filmed Entertainment, Internet Advertising, Print Media, Radio, Music Industry, Animation; Gaming and VFX, Television Distribution, Television contents and Television Advertising Industries (functioning through the mediums of Print; Online; Radio; Television, Out of Home-OOH etc) which cumulatively drive the growth of E & M Industry.

The Indian E & M Industry combated the ongoing recession well and succeeded in such turbulent time by way of recording growth this fiscal as it stood at INR 584 Billion in 2008 witnessing a growth of 12.4% over the previous year. During the next 5 years, Industry is projected to grow at a CAGR of 12.5% to reach the size of INR 1052 Billion by 2013.

High growth in DTH subscribers, Television Cables users, Mobile Phone users and FM Radio listeners is driving the growth in media audiences. The rural inhabitants who are now becoming like urban inhabitants in terms of their lifestyle, literacy, women taking jobs etc due to increase in their earning potentials is likely to witness robust growth in media content demands in future also.

The realm of development through identifying critical success factors and key performance indicators in E&M Industry rest on following five pillars and these factors must be taken care of very strictly by any industry to march on steadfast success.

1. Good Content Acquisition
2. Adequate Advertising Sales
3. Robust Distribution network
4. Constant watch to prevent rampant piracy
5. Good Exploitation of Regional Segment demands, convergence, digitization, technology upgradation etc.

Regarding Contents, this must be able to maximize consumption, good return on content production/acquisition and maximize the content library valuation.

Television:

The TV sector forms one of the biggest chunk of Indian E & M Industry and has transformed completely in the last few years. On the whole, the television sector is estimated to have grown at CAGR of around 13.8% over 2006-08. Within this, advertising has grown with an estimated CAGR of 16.7% while subscription has grown at an estimated CAGR of 12.4%. By the end of 2008, the industry is estimated to have reached at INR 241 Billion, a growth of 13.8% over 2007. Out of this, subscription is estimated to contribute around INR 158 Billion to the industry size while advertising revenues are estimated at around INR 82 Billion. A major pain point for the broadcasters in recent times has been the rapidly growing carriage fee market which shot up from about INR 6 Billion in 2007 to INR 12 Billion in 2008 as channels increasingly competed for premium placements. However, the carriage fee market is expected to either stabilize or drop drown from here on. With digitization of distribution, bandwidth constraints might get removed and the rapid growth in the number of channels is likely to continue.

On the other hand, due to the slowdown in the economy and the consequent cut down on ad spends by companies across all sectors, advertising revenue is likely to suffer especially over the next 2 fiscals. Growth in advertising is estimated to be lower at 13.5% CAGR in 2009-13 compared to 16.7% in 2006-08. On the whole the television industry is projected to grow at the rate of 14.5% over 2009-13 and reach a size of INR 473 Billion by 2013.

The Growth drivers of Television sector comprise of rapid growth in the number of digitized house holds, steady increase in ARPUs realized through digital distribution platforms, growth in the number of channels, especially in niche and regional categories and growth in the number of TV and C&S households.

The number of channels beamed on the TV screen of C&S viewers in India has exploded to over 450 now from about 120 in 2003. There has been rapid growth in the number of channels in news and other niche segments such as lifestyle, kids and infotainment apart from GECs. In TV distribution, digital mediums have emerged in the form of DTH, Digital Cable and IPTV. The DTH segment has attracted investment from some big Corporate houses also. Given such a massive effort, the number of DTH subscribers is estimated to have reached at 10 Million by September-2008. There were 717722 set top boxes installed in the mandatory CAS regions of Delhi, Mumbai, Kokata and Chennai. The MSOs have already begun to digitize their cable networks. IPTV, another digital distribution medium, has also emerged as part of growth plans of most major Indian telecoms.

The Television segment saw the maximum number of investments and alliances both from financial standpoint as well as strategic point. The Digitalization of delivery platforms is also setting in the Indian Television distribution network and additionally the launch of IPTV by Government for Telco's and cable operators, launching of Mobile TV Pilot, PLUS application, Mobile TV application by corporate houses is likely to cause an revolutionary change in the facet of television all around.
The Animation, Gaming and VFX (which has recently been added in Industry matrix due to its increasing contribution to the E& M industry) is likely to play substantial and noteworthy role in the forthcoming era of television.

Sahara One Pictures:

Filmed Entertainment:

Indian Film Industry is one of the largest in the world with more than 1000 movie releases and over 3 billion movie goers annually. It is the most pervasive and visible segment within the industry since it is the primary content source for Music and Radio besides being a mojor contributor to the TV segments, hence the impact is not restricted to one setor alone. India has got a credit of producing highest number of films and has the largest number of admissions as well in the world. The Indian film industry has witnessed a remarkable improvements in its all key functional areas like upgraded technology, Quality Production, International appealing concepts, digital switchover, attractive showcasing, systematic focus on marketing, transparent distribution system, finance and business values. The entry of big corporate houses, Mergers/Acquisitions/Consolidation etc which took place in the film industry in recent past will have far reaching impact translating into a big surge of revenue, sustained and balanced growth of film industry.

The Filmed entertainment sector is estimated to have grown at a CAGR of 17.7% over the past 3 years. The industry is estimated to have reached at a size of INR 109.9 Billion in 2008, a growth of 13.4% over 2007. The performance was mainly driven by increased realizations from the home video market as well as cable and Satellite rights; which have been estimated to grow by 23% and 15% respectively over the past year. The industry is projected to grow at the CAGR of 9.1% over the next 5 years and reach the size of INR 168.6 Billion by 2013. It is expected that the performance will be mainly driven by improved contributions from overseas box office collections, domestic box office collections and growth in the home video segment, more launches in the niche segment, like newspaper supplements and magazine by players.

Indian film Industry is likely to get good boost of improvement in business quantum due to availability of organized funding, advent of multiplexes and increasing overseas collections. Over the past couple of years the business of filmmaking had changed due to corporatization, increasing production costs, spiraling actor fees and high acquisition costs for the contents. With the recent economic slowdown in the film industry, this witnessing some of the earlier excesses being brought down to a more realistic level playing field and the industry is also getting acceptance and recognition in the global areas as is evident by the recent success of film like Slumdog Millionaire and deals between DreamWorks-Reliance, Disney-UTV, Warner-People Tree films etc. and additionally with the entry of Moser Baer in this market, DVDs and VCDs have become affordable and home video has come to stay.

There are several growth drivers for the film industry segment comprising of increased marketing and selling efforts internationally, growing popularity of Indian films overseas and beyond the Indian Diaspora, several films with themes; locations/stories based on Indian Diaspora, increased number of prints and a significantly more organised distribution plans.

The Film Industry has got various avenues beyond traditional box office to enhance its revenues which has caused de-risking of film making and also making it attractive for Indian Corporates and Hollywood studios. The avenues interse are comprised of Home Video Rights, Television Rights, Re-Make Rights, Movie Merchandise, Internet Right and Digital Cinema operations etc.

The Home Video rights has potency of garnering a sizeable chunk of revenue for film producers with the rise in disposable incomes, increased affordability of DVD players, home theatre systems and shorter release windows. Further Television rights as being sold to TV Broadcasters, Film Re-Make rights, Movie Merchandise (such as accessories, apparel, stationery, toys, books, crockery etc), Internet Rights for full movie download and digitalization of cinema have emerged as a significant revenue source for film producers and would support the industry in long run.

Opportunities, Threats, Risk and Concerns:

The consumption of media is based on three hardware plateforms- the television set, wireless mobile devices and the computer each of which now has multiple wide users. The use of the television set is being done for multiple purposes like watching TV programmes, Movies, Video Games, Watching of contents on demand which is downloaded from the internet. Such an easy access of T.V. for multifarious uses, Film and media contents to mass of people will enhance the number of viewers drastically and in turn the demand for T.V. contents, Movies and other media contents will render substantial boost up. Content consumed on these convergent platforms-which consist of home video, TV networks, TV Distribution, digital music downloads, mobile music, internet. advertising and online gaming, will represent a significant component of the future Entertainment and Media (E&M) market.

The Regulatory Actions by Government have also given hope for acceleration of growth of Indian E&M Industry amongst which some are appointment of TRAI in 2004, Introduction of Conditional Access System (CAS) in television, Granting Industry Status to Indian Film Sector in 2000 and permitting FDI upto 100% in film related activities, Entertainment Tax exemptions to multiplexes, Massive reform in Radio Licensing Policy in 2005 etc. however still numerous reforms are required from Government so that it may bring in new waves of growth.

The fiscal 2009-2010 spells caution for industry players. The business imperatives in these hard times need to undergo changes with increased focus on User Segmentation, Innovation and Flexibility, Optimizing margins, Leveraging IP, Selected Market Expansion, Greater Accountability, Effective Corporate Governance, Differentiation of Brand and production of Salient Contents.

Media and Entertainment Companies in India today are operating in much more turbulent and volatile environment than their predecessors and requires to implement a robust internal processes with a view to have comprehensive business risk understanding & safeguard, strategic objective for design of business processes, revenue realization, monitoring critical success factors and key performance and good oversight functions to ensure that established functions are working the way they should be and are able to propel the whole operating system towards determined goal/objectives of the Industry.

The Film Industry also suffers due to being highly fragmented with independent producers and single screen theaters dominating the value chain, poor infrastructure facility, high entertainment taxes and long theatrical windows, which caused in India a highly under-screened and under priced market. Further the challenges it may suffer amongst others, are managing cost of production and arresting the fall in profitability levels, increased competition from other media and major events like IPL affecting occupancy rates in theaters, increased pressure for supply of film content causing the quality of content to suffer, home video piracy and illegal movie downloads affecting the legitimate revenue collections, regulatory hurdles like different entertainment tax rates in different states, antiquated Indian cinematograph act etc,

The major challenges which TV segment is likely to suffer amongst others are under declaration of subscribers by cable operators, resulting in large subscription revenue losses for the broadcasters, lower growth in TV advertising due to the economic slowdown and the consequent cut in ad spends, delay in implementation of mandatory CAS in other parts of the country, inhibiting growth of digital cable, increasing content costs for TV channels, broadcasting space overcrowd, intense competition and inability of DTH companies to increase average revenue per users (ARPUs) thus affecting their bottom lines, shift of advertising shares from major sectors like TV and Print towards alternate fast growing sector like radio and internet.

In addition to above, the following threats to Industry still persist.

Content- Fragmentation:

Web Sites featuring user-generated content (UGC) is expected to become more popular and will cause fragmentation of market. UGC sites will begin to attract more advertising and hence they will compete with traditional television advertising and in some cases the network operators will partner with web sites to provide content and share advertising causing the television sector to suffer substantial loss of revenue which still persist and should be overcome.

Growing ability and eagerness of individuals to create their own contents for no cost or on very negligible cost:

The upcoming generation having keen interest in internet, computers, animation have potency to create their own content for entertainment like amateur digital videos, podcasta, mobile phone photography, wikis and social-media blogs etc. which is likely to cause reduction in the demand for TV contents and/or Film viewers.

Adaptation and Development of new Business and Monetization Models

The content providers will have to adapt and develop new business and monetization models in order to keep revenue streams flowing. The key to success will be identifying new forms of content that can complement their traditional strengths.

Piracy, Digital Migration and Distribution:

The media industry is changing rapidly with the advent of technology, digitization and connectivity which has driven piracy being exercised by peoples. This needs to be cautiously taken up and addressed by television content providers and film producers to avoid revenue loss. The Government should also endeavour to clamp down rampant piracy prevailing in the entertainment industry.

The migration to digital platform is accelerating globally and a result of which the digital and mobile spending streams will compete with physical home video sell-through and rental, physical recorded music sales and additionally, traditional TV and other media components will compete with internet advertising.

Digital Distribution will further enable to copy the contents for very low cost or on negligible cost and the result would be that consumers can more readily acquire quality product with out paying for it. Such illegal copying will affect virtually all segments of entertainment and media, music, filmed entertainment, and TV distribution very adversely and substantial reduction in ad-spends by corporate houses due to recession again poses threat to the revenue segment of industry though there is sign of improvement, however these challenges needs to be aptly tackled.

(Source-FICCI-Frames-2009)

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has in place adequate Internal Control systems & procedures commensurate with the size and the nature of its business for the purchase of goods , TV programmes , films / programme rights , equipment and other asset , and for the sale of goods . The Management also keeps close watch on the Internal Control system and consistently takes necessary corrective steps , wherever necessary, to further strengthen the Internal Control systems & procedures of the Company.

HUMAN RESOURCES

The Company strongly believes in manpower being superior to money power and therefore, recognizes and respects the individual capacities and capabilities of its employees.

The Company's Human Resource processes ensure building a competent team of motivated employees. It is the Company's first priority to enrich its employees by promoting learning and enhancing their knowledge with special emphasis on internal and external training. The proper synchronization between the goals of the individual and that of the organization is a critical aspect and is delicately managed by the HR department.

The Company has stressed strongly on performance management linked to compensation. To recognize and reward good performance, the Company has been successfully practicing the concept of performance -based variable compensation. The reward and recognition system is duly followed through a performance appraisal system on an annual basis.

SEGMENT WISE OR PRODUCT WISE PERFORMANCE

Revenue of the Company during the Financial Year 2008-2009 was from the local and international sales of television softwares, which mainly consists of Daily Soaps, Films, Mega Series and Event coverage software and revenues from the exploitation of movies through theatrical, home video etc. Details of segment wise performance:

	Continuing Operations				Consolidated	
	Television		Motion Pictures		Total	
	2009	2008	2009	2008	2009	2008
REVENUE						
External sales	2,179,336,825	1,872,631,231	170,198,014	99,913,212	2,349,534,839	1,972,544,443
Inter-segment sales	-	-	-	-	-	-
Total revenue	2,179,336,825	1,872,631,231	170,198,014	99,913,212	2,349,534,839	1,972,544,443
RESULT						
Segment result	418,761,118	209,356,974	(247,962,764)	(118,795,347)	170,798,353	90,561,627
Unallocated corporate expenses (net of other income)					(147,639,144)	(56,061,842)
Operating profit					23,159,210	34,499,785
Interest expenses					(56,608,144)	(13,437,726)
Interest income					75,588,729	12,219,230
Income taxes					(22,203,871)	(12,602,154)
Profit from ordinary activities					19,935,924	20,679,136
Extraordinary item, net					-	-
Net profit					**19,935,924**	**20,679,136**
OTHER INFORMATION						
Segment assets	667,046,638	1,445,865,556	749,964,989	625,957,932	1,417,011,628	2,071,823,488
Unallocated corporate assets					2,569,657,321	1,306,864,228
Total assets					**3,986,668,949**	**3,378,687,716**
Segment liabilities	(627,241,042)	(335,545,202)	(207,694,178)	(204,680,535)	(834,935,221)	(540,225,737)
Unallocated corporate liabilities					(394,703,186)	(83,744,007)
Total liabilities					**(1,229,638,407)**	**(623,969,744)**
Capital expenditures					6,016,367	1,772,915
Depreciation					3,356,596	13,291,188
Amortization					143,021	143,024
Other non-cash expenses					16,312,500	-

Geographical Segments – The Company operates in one geographical segment, i.e. India.

CORPORATE GOVERNANCE REPORT

COMPANYS PHILOSOPHY ON CODE OF GOVERNANCE

Company believes in adopting good Corporate Governance in its all spheres of activities and follows in true sense. Corporate Governance is about commitment to values and Systematic ethical business control. This includes organization's corporate structures, cultures, policies and the manner in which it deals with various stakeholders, Consumers, Govt. Authorities. Good transparent Corporate Governance ensures that the Company is managed and monitored in a responsible manner geared towards value creation. Accountability and transparency are the fundamental principles to good Corporate Governance. In the current era of rigorous corporate regulations mandated by the Company Law statute, Corporate Governance is the manifestation of personal benefits and values, which configures the organizational values, benefits and actions of employees of the Company. Company is committed to be open and transparent as much as possible with respect to its internal financial reporting, control systems and decision making processes. Company believes that by taking this approach we are respecting the guidelines laid down in the Code and ensuring that our stakeholders benefit from a clearer understanding of how our business is managed. Company feels that this open approach is the best in the interests of our investors, associates, consumers, employees and partners and that they will be assured that our business is being run professionally, ethically and with consistent regard for best practice in Corporate Governance.

BOARD OF DIRECTORS

The Board of the Company is broad -based consisting of nine Directors out of which five are independent Directors, which is in line with the requirements of the Code of Corporate Governance.

Category of Directors	No. of Directors
Promoter Directors	4
Independent Directors	4
Nominee Director	1
Total	9

The Board of Directors of the Company comprise of the following : -

Shri Subrata Roy Sahara	Chairman, Promoter Non-Executive Director
Smt. Swapna Roy	Promoter Non-Executive Director
Shri O. P. Srivastava	Promoter Non-Executive Director
Shri J . B . Roy	Promoter Non-Executive Director
Shri Mahesh Prasad	Independent Non-Executive Director Former Secretary, Ministry of Law and Ministry of Information and Broadcasting
Shri Brijendra Sahay	Independent Non- Executive Director Former Chief Secretary to the Government of U.P.
Shri R. S. Rathore	Independent Non-Executive Director Ex-Chairman, Central Board of Direct Taxes & Special Secretary, Ministry of Finance and Ex-Chairman of Bank of Rajasthan Ltd
Shri Rathikant Basu	Nominee Director (Independent), Siva Ventures Limited Former Additional Secretary in the Ministry of Information and Broadcasting & Director General, Doordarshan, Secretary to Government of India for the Department of Electronics.
Shri J. N. Roy	Independent Non-Executive Additional Director Former Commissioner of Security, Ministry of Civil Aviation, Government of India.

BOARD MEETINGS & ANNUAL GENERAL MEETING

During the F.Y. 2008–2009, meetings of the Board of Directors of the Company were held one each on 29.04.2008, 30.06.2008, 31.07.2008, 23.10.2008, 28.01.2009, 21.03.2009. The gaps between the Board meetings were well within the maximum time gap of 4 months prescribed in Clause 49 of the Listing Agreement .

Details of the Attendance of the Directors at the Board meetings and Annual General Meting and also details of Directorship and membership of Committee (s) in other Companies as on 31.03.2009 are as under

Directors	Attendance (Total 6 Board Meetings)	Attendance (27th AGM held on 26.09.2008	Directorship in other Companies	Number of Membership in other Companies Committee(s)	Number of Chairmanship in other Companies Committee(s)
Shri Subrata Roy Sahara	01	–	12	02	–
Smt. Swapna Roy	02	–	08	04	–
Shri O. P. Srivastava	06	Yes	12	06	02
Shri J. B. Roy	01	–	11	08	–
Shri Mahesh Prasad	06	Yes	02	–	–
Shri Brijendra Sahay	06	Yes	03	02	–
Shri R. S. Rathore	06	Yes	–	–	–
Shri Rathikant Basu	02	–	04	–	–
#Shri J. N. Roy	–	–	01	–	–

Shri J. N. Roy has been appointed as Additional Director of the Company w.e.f. 1st July 2009.

Note:

The Directorships shown above are the directorships of the Public Limited Companies including Private. Limited Companies which are subsidiary of Public Companies and do not include the Directorship on the Board of other Private Limited Companies or Section 25 Companies. Memberships of committee in other Companies are of Audit Committee and Shareholders and Investors Grievance Committee.

All the Board meetings were called with advance notice to the Directors and wherever required notices were sent to Stock Exchanges where the Company is listed. Agenda papers and all back up papers prepared by Company Secretary were circulated to the Board members well in advance. Chief Executive (Office), Finance Head (CFO), Group Head Finance and Group Head Statutory are normally invited to the Board Meeting.

The Board of Directors has adopted a Code of Conduct for members of the Board of Directors and Senior Management of the Company. The Code has been posted on the Company's website www.sahara -one .com.

AUDIT COMMITTEE

The Board of Directors of the Company constituted a committee of Directors known as Audit Committee in its Meeting held on 30th January 2001 and further reconstituted on 29th June 2002, 29th July 2006, 29th April 2008 and 30th June, 2009. Shri J. N. Roy has been appointed as Member of Audit Committee of Company w.e.f 16/07/2009. At present, Company has six directors as members of Audit Committee, out of which 2 directors are promoter non executive directors and rest four are independent non executive directors, and Company Secretary acts as Secretary to the Committee. Shri R. S. Rathore, Independent Director is a Chairman of Audit Committee. At present, the following members constitute the Audit Committee of company:

During the F.Y. 2008–2009, meetings of the Audit Committee members of the Company were held one each on 30.06.2008, 31.07.2008, 25.09.2008, 23.10.2008, 16.01.09, 28.01.2009 and 21.03.2009.

Details of the Attendance of the Committee Members in the Audit Committee meetings of company as on 31.03.2009 are as under

Name	Category	Attendance Total 7 Meetings)
Shri R. S. Rathore, Chairman	Independent Non-Executive Director	7
Shri O. P. Srivastava	Promoter Non-Executive Director	7
Shri J. B. Roy	Promoter Non-Executive Director	2
Shri Mahesh Prasad	Independent Non-Executive Director	7
Shri Brijendra Sahay	Independent Non-Executive Director	7
#Shri J. N. Roy	Independent Non-Executive Director	–

Shri J.N. Roy has been appointed as member of Audit Committee w.e.f 16th July 2009.

The role and power of the Audit Committee are as per Section 292A of the Companies Act, 1956 and as prescribed in the Clause 49 of the Listing Agreement. Audit Committee meetings are held periodically. Statutory Auditors, Chief Executive (Office), Finance Head (CFO), Group Head Finance and Group Head Statutory normally attend the Audit Committee Meetings.

SHAREHOLDERS AND INVESTORS GRIEVANCES COMMITTEE

The Board of Directors of Company had constituted the Shareholders and Investors Grievances committee in its Board Meeting held on 3rd April, 2001 and was further re-constituted on 29th June, 2002, 29th July, 2006 and 21st March 2009. During the reporting period Shri Mahesh Prasad and Shri O. P. Srivastava resigned from the Committee and Shri J. B. Roy was appointed as member of Shareholders and Investors Grievances committee w.e.f. 21st March, 2009.

Following are the members of the committee at present
1. Smt Swapna Roy 2. Shri J. B. Roy 3. Shri Brijendra Sahay

Shri D. N. Mishra, Company Secretary acts as Secretary / Convener of the committee.

During the period under review, the Company has received only two complaints from the Shareholders/Investors which were dealt within prescribed time period and manner. Further there is no shareholders complaint pending against the Company as on date.

The Shareholders/Investor Grievance Committee meetings are held whenever required.

GENERAL BODY MEETINGS

The details of date, time & venue of the last three Annual General Meetings of the Company are as given below:-

AGM	Date & Time	Venue	Special Resolution
25th AGM	27th September 2006 at 01:30 P.M	Sahara India Point, CTS 40 - 44, S.V. Road , Goregaon (West), Mumbai 400104	Zero
26th AGM	27th September 2007at 12:30 P.M	Sahara India Point, CTS 40 - 44, S.V. Road , Goregaon (West), Mumbai 400104	Zero
27th AGM	26th September 2008 at 11:00 A.M	Sahara India Point, CTS 40 - 44, S.V. Road , Goregaon (West), Mumbai 400104	One (taken to note in AGM which was already passed through postal ballot process (U/s 372A)

DISCLOSURES

The Company is making adequate disclosure to the shareholders through the Annual Report, further there is no materially significant related party transactions i.e. Transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relative's etc .that may have potential conflict with the interests of Company at large.

There is no non -compliance by the Company, penalties imposed on the Company by Stock Exchange or Securities and Exchange Board of India (SEBI) or any other statutory authority, on any matter related to capital markets, during the last three years.

MEANS OF COMMUNICATION

Disclosure of the financial performance is at core of good governance. This includes consistent, comparable, relevant and reliable information on financial performance of the Company. Towards this end, the Company is providing Annual Report on the working of the Company to each of its shareholder. Further the Quarterly / Half Yearly Financial Results of the Company are forwarded to Bombay, Delhi and Calcutta Stock Exchanges where the Securities of the Company are listed and published in widely circulated newspapers.

As per Clause 51 of Listing Agreement Companies specified by the SEBI need to file full version of Annual Report including the Balance Sheet, Profit and Loss Account, Directors' Report and Auditors' Report, Cash Flow Statement, Half Yearly Financial Statements, Quarterly Financial Statement, Corporate Governance Report, Shareholding Pattern statement, Statement of action taken against the Company by any regulatory agency, etc. on the Electronic Data Information Filing and Retrieval (EDIFAR) website In compliance to the Clause 5 1 of the Listing Agreement, Company had entered the data / information as required . Management Discussion and Analysis report forms part of this Annual Report. The relevant information's are also available at Companies website www.sahara -one .com. Investors can also lodge their complaints with the Company at Investors @sahara -one .com

NAME, DESIGNATION AND ADDRESS OF COMPLIANCE OFFICER:

Shri D. N. Mishra
Company Secretary

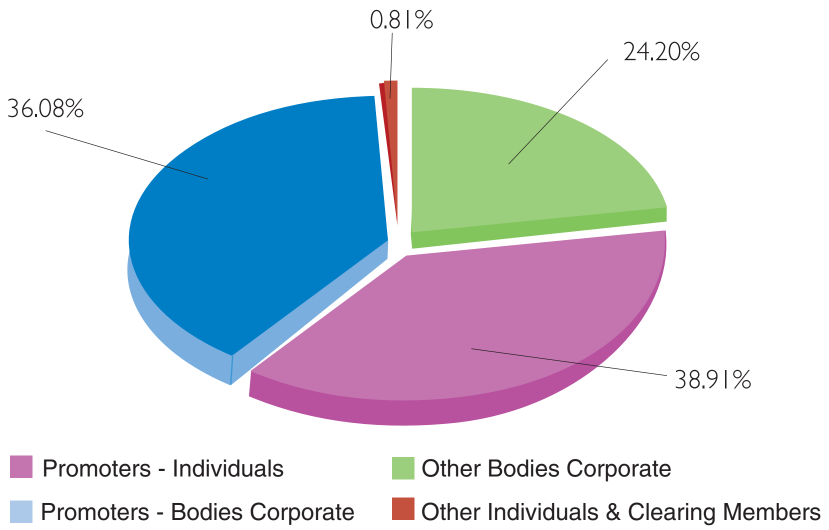
Sahara One Media And Entertainment Limited
Sahara India Point, CTS 4 0 - 4 4, S. V. Road,
Goregaon (West), Mumbai 400104

DISTRIBUTION OF SHAREHOLDING

As on 31/03/2009 the shareholding pattern of the Company is as detailed below: -

No of Equity Shares	Shareholders		Shares	
	Number	% of Holders	Numbers	% of Shares
1-5000	2,080	95.85	120,266	0.56
5001-10000	30	1.38	23,514	0.11
10001-20000	19	0.88	28,648	0.13
20001-30000	2	0.09	4,309	0.02
30001-40000	4	0.18	13,530	0.06
40001-50000	3	0.14	13,420	0.06
50001-100000	9	0.42	64,019	0.30
100001 and above	23	1.06	21,257,294	98.76
	2,170	**100.00**	**2,15,25,000**	**100.00**

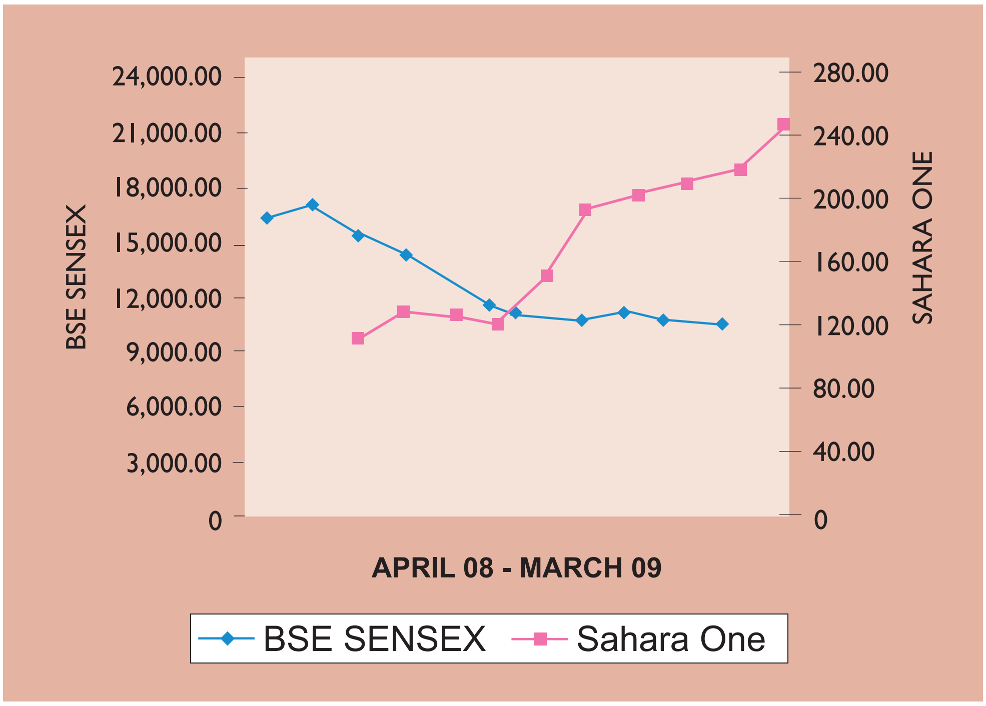
Category	No of Shares
Promoters - Individuals	8,375,000
Promoters - Bodies Corporate	7,766,702
Other Bodies Corporate	5,208,432
Other Individuals & Clearing Members	174,866
Total	2,15,25,000



SHARE PRICE MOVEMENT OF COMPANY AND SENSEX MOVEMENT OF BSE

Movement in Company's Share Price during the year 2008-2009 on BSE and Sensex movement of BSE for the same period is as under:-

	SAHARA ONE SHARE PRICE			BSE SENSEX		
MONTH	HIGH (Rs.)	LOW (Rs.)	AVERAGE (Rs.)	HIGH (Rs.)	LOW (Rs.)	AVERAGE (Rs.)
Apr-08	273.45	231.00	252.23	17480.74	15297.96	16389.35
May-08	264.00	220.40	242.20	17735.70	16196.02	16965.86
Jun-08	252.80	191.00	221.90	16632.72	13405.54	15019.13
Jul-08	243.85	175.10	209.48	15130.09	12514.02	13822.06
Aug-08	223.80	188.00	205.90	15579.78	14002.43	14791.00
Sep-08	222.00	175.10	198.55	15107.01	12153.55	13630.28
Oct-08	185.00	107.00	146.00	13203.86	7697.39	10450.63
Nov-08	136.80	105.50	121.15	10945.41	8316.39	9630.90
Dec-08	133.00	106.55	119.78	10188.54	8467.43	9327.99
Jan-09	145.00	103.00	124.00	10469.72	8631.60	9550.66
Feb-09	159.80	100.00	129.90	9724.87	8619.22	9172.01
Mar-09	133.00	76.00	104.50	10172.09	8047.17	9109.63



CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT(S)

1. We have examined the compliance of the conditions of Corporate Governance by the Sahara One Media And Entertainment Limited for the year ended March 31, 2009, as stipulated in Clause 49 of the Listing Agreement entered into by the said Company with the Stock Exchange(s).
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.
3. In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the condition of Corporate Governance as stipulated in the Listing Agreement.
4. We state that in respect of investor grievances received during the year ended March 31, 2009 no investor grievances are pending against the Company as on June 30, 2009 as per the records maintained by the Company and presented to the Shareholders/Investors Grievance Committee.
5. 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 **V. V. Shah & Associates**

Sd/-
(**V. V. Shah**)
Proprietor, CP No. 621

Place: Mumbai
Date: July 30, 2009

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its each Director and Senior Management of the Company. The Code of Conduct is available on the Company's website www.sahara-one.com.

I confirm that the Company has in respect of the financial year ended March 31, 2009 received from the Senior Managers of the company and the members of the Board of compliance with the code of conduct as applicable to them.

For the purpose of this declaration, Senior Mangers meaning Senior Management team comprising of members of the category of General Manager and above, including all functional heads.

Sd/-
O. P. Srivastava
Director

Place: Mumbai
Date: July 20, 2009

GENERAL SHAREHOLDERS INFORMATION

Details of Annual General Meeting

Date	24th September 2009
Time	11:30 A.M.
Venue	Sahara India Point, CTS 40-44, S. V. Road, Goregaon (West), Mumbai 400 104
Date of Book closure	18th September 2009 to 24th September 2009 (both days inclusive)
Last date for receipt of proxy forms	22nd September 2009 by 1:00 P.M.
Financial Calendar	1st April 2008 to 31st March 2009
General Meeting Last Annual General Meeting	26th September 2008
Registrar and Share Transfer Agents	M/s. Link Intime India Pvt. Limited. C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400 078
Share Transfer System	Share received for physical transfer on dematerialization or rematerialization requests are generally registered and returned within a period of 21 days from the date of receipt of complete and validity executed documents. The Shareholders / Investor Grievances Committee meet at adequate interval to approve the Share Transfer and dematerialization requests
Dematerialization of shares and liquidity	Equity Shares of the Company can be traded in demineralization forms. To facilitate the trading in dematerialization form the Company has entered into agreement with both the depositories viz National Securities Depositories Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As of date approximately 89.36% of the Equity Shares of the Company are in dematerialized form.
Listing on Stock Exchanges	The Stock Exchange, Bombay, (BSE) The Calcutta Stock Exchange Association Limited, (CSE) The Delhi Stock Exchange Association Limited (DSE)
BSE Stock Code	503691
CSE Stock Code	29990
DSE Stock Code	019639
ISIN NO	INE479B01016
Addresses for correspondence	Sahara India Point, CTS 40-44, S. V. Road, Goregaon (West), Mumbai 400 104.

AUDITORS REPORT

To

The Members of Sahara One Media and Entertainment Limited

1. We have audited the attached Balance Sheet of Sahara One Media and Entertainment Limited as at March 31, 2009 and also the Profit and Loss account and the 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.
2. 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.
3. As required by the Companies (Auditor's 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 a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that:
   i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
   ii. In our opinion, proper Books of Account as required by law have been kept by the Company so far as appears from our examination of those books;
   iii. The Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report are in agreement with the books of account;
   iv. In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
   v. On the basis of the written representations received from the directors, as on March 31, 2009, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2009 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
   vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give 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;
      a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31 2009;
      b) in the case of the Profit and Loss account, of the profit for the year ended on that date; and
      c) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For **S. R. BATLIBOI & ASSOCIATES**
Chartered Accountants

per **Govind Ahuja**
Partner
Membership No.: 48966
Mumbai
Date: June 30, 2009

Annexure referred to in paragraph [3] of our report of even date

Re: Sahara One Media and Entertainment Limited ('the Company')

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) During the year, the Company has disposed off a substantial part of the plant and machinery and furniture and fixture. Based on the information and explanation given by the management and on the basis of audit procedures performed by us, we are of the opinion that the sale of the said part of plant and machinery & furniture and fixture has not affected the going concern status of the Company.

(ii) (a) The management has conducted physical verification of inventory at year end which we believe is reasonable.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no discrepancies were noticed on physical verification carried out at the end of the year.

(iii) (a) As informed, the Company has not granted loan to a firm covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). Accordingly, paragraphs 4(iii) (b) (c) and (d) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable

(b) As informed, the Company has not taken any loan, secured or unsecured, from companies, firms or other parties covered in the register maintained under section 301 of the Act. Accordingly, paragraphs 4(iii) (f) and (g) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable.

(iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas. There are no sale of services by the Company.

(v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.

(b) In respect of transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs entered into during the financial year, because of the unique and specialized nature of the items involved and absence of any comparable prices, we are unable to comment whether the transactions were made at prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public

(vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act for the products of the Company.

(ix) (a) Undisputed statutory dues including income-tax, sales-tax, service tax and cess have not been regularly deposited with the appropriate authorities and there have been delays in a large number of cases. Except for the above, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, wealth-tax, custom duty and other material statutory dues applicable to it. The provisions of employees' state insurance and excise duty are not applicable to the Company.

(b) According to the information and explanations given to us, no undisputed dues in respect of provident fund, investor education and protection fund, income-tax, wealth-tax, service tax, sales-tax, customs duty, cess and other statutory dues which were outstanding, at the year end for a period of more than six months from the date they became payable. The provisions of employees' state insurance and excise duty and are not applicable to the Company.

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates (Financial Year)	Forum where dispute is pending
Income-tax Act, 1961	Income tax	6,959,655	1999-00	Income Tax Appellate Tribunal
	Income tax	13,025,366	2000-01	Income Tax Appellate Tribunal

(x) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.

(xi) Based on our audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of dues to a financial institution which has been made good by payment of additional charges. The Company has not defaulted in repayment of dues to banks or debenture holders.

(xii) According to the information and explanations given to us and based on the documents and records produced 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.

(xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.

(xv) *The Company has given a guarantee to banks in respect of loans amounting to Rs 66,700,000 taken by Sahara Hospitality Limited during the year from these banks in respect of which it has not charged any commission and there is no benefit to the Company for giving such guarantees*. Except for this guarantee there are no other guarantees given by the Company during the year for loans taken by others from bank or financial institutions.

(xvi) Based on information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.

(xvii) 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.

(xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.

(xix) The Company did not have any outstanding debentures during the year.

(xx) The Company has not raised any money from public issues during the year.

(xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

For **S. R. BATLIBOI & ASSOCIATES**
Chartered Accountants

per **Govind Ahuja**
Partner
Membership No.: 48966
Mumbai
Date: June 30, 2009

Balance Sheet as at March 31, 2009

	Schedule	March 31, 2009 Rs.	March 31, 2008 Rs.
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	**1**	215,250,000	215,250,000
Reserves and surplus	**2**	2,570,871,794	2,550,935,868
		2,786,121,794	2,766,185,868
Loan Funds			
Secured loans	**3**	177,500,000	192,151,164
Unsecured loans	**4**	300,000,000	-
TOTAL		**3,263,621,794**	**2,958,337,032**
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	**5**	23,996,428	72,437,500
Less : Accumulated Depreciation		(8,624,121)	(45,466,331)
Net block		15,372,307	26,971,169
Investments	**6**	40,807,899	55,836,211
Deferred Tax Assets	**7**	29,091,251	11,324,874
Current Assets, Loans and Advances			
Inventories	**8**	477,474,048	480,434,797
Sundry debtors	**9**	55,527,899	556,583,447
Cash and bank balances	**10**	288,591,787	971,204,422
Other current assets	**11**	6,394,453	2,612,759
Loans and advances	**12**	3,102,500,556	1,295,099,621
(A)		**3,930,488,743**	**3,305,935,046**
Less: Current Liabilities and Provisions	**13**		
Current liabilities		748,908,811	439,676,947
Provisions		3,229,595	2,196,342
(B)		**752,138,406**	**441,873,289**
Net Current Assets (A-B)		3,178,350,337	2,864,061,757
Miscellaneous Expenditure	**14**	–	143,021
(To the extent not written off or adjusted)			
Notes to Accounts	**21**		
TOTAL		**3,263,621,794**	**2,958,337,032**

The Schedules refered to above and the notes to accounts form an integral part of the Balance Sheet.

As per our report of even date

For **S.R. Batliboi & Associates**
Chartered Accountants

per **Govind Ahuja**
Partner

Membership No.48966
Mumbai: June 30, 2009

For and on behalf of the Board of Directors of Sahara One Media and Entertainment Limited

O. P. Srivastava
Director

J. B. Roy
Director

R. S. Dubey
Group Head (Finance)

Sanjay Garg
Chief Financial Officer

D. N. Mishra
Company Secretary

Profit and Loss Account for the year ended March 31, 2009

	Schedule	March 31, 2009 Rs.	March 31, 2008 Rs.
INCOME			
Turnover		2,349,534,842	1,972,544,443
Other income	15	104,736,401	70,742,460
TOTAL		**2,454,271,243**	**2,043,286,903**
EXPENDITURE			
Content costs		1,962,328,978	1,614,682,574
Personnel expenses	17	138,492,699	133,960,919
Operating and other expenses	18	229,528,180	161,205,033
Decrease in inventories	16	4,279,814	73,428,175
Provision for diminution in value of investment		16,312,500	–
Financial expenses	19	57,832,680	13,437,726
Depreciation	5	3,356,596	13,291,188
TOTAL		**2,412,131,447**	**2,010,005,615**
Profit before tax and prior period items		42,139,796	33,281,288
Provision for tax:			
Current tax		39,000,000	15,278,006
Deferred tax		(17,766,377)	(4,137,001)
Fringe benefit tax		970,248	1,461,147
Profit after tax and before prior period items		19,935,925	20,679,136
Prior period items (Net of Tax of Rs. Nil, Previous Year : Rs. 38,90,966)	20	–	7,556,420
Net profit for the year		19,935,925	28,235,556
Balance brought forward from previous year		466,085,869	437,850,312
Profit available for appropriation		486,021,794	466,085,868
Surplus carried to Balance Sheet		**486,021,794**	**466,085,868**
Earnings per share			
Nominal value per share Rs. 10/- (Previous Year: Rs. 10/-)			
Basic and Diluted		0.93	1.31
Number of shares used in computing earning per share			
Basic and Diluted		21,525,000	21,525,000
Notes to Accounts	21		

The Schedules refered to above and the notes to accounts form an integral part of the Profit & Loss Account.

As per our report of even date

For **S.R. Batliboi & Associates**
Chartered Accountants

per **Govind Ahuja**

Partner

Membership No.48966
Mumbai: June 30, 2009

For and on behalf of the Board of Directors of Sahara One Media and Entertainment Limited

O. P. Srivastava
Director

J. B. Roy
Director

R. S. Dubey
Group Head (Finance)

Sanjay Garg
Chief Financial Officer

D. N. Mishra
Company Secretary

Schedules attached to and forming part of the Balance Sheet as at March 31, 2009

	March 31, 2009 Rs.	March 31, 2008 Rs.
Schedule 1		
Share Capital		
Authorised:		
35,000,000 (March 31, 2008: 35,000,000) equity shares of Rs. 10 each	350,000,000	350,000,000
Issued, Subscribed & Paid up		
21,525,000 (March 31, 2008: 21,525,000) equity shares of Rs. 10 each, fully paid-up	215,250,000	215,250,000
	215,250,000	**215,250,000**
Schedule 2		
Reserves and Surplus		
Securities Premium Account	2,084,850,000	2,084,850,000
Profit and Loss Account	486,021,794	466,085,868
	2,570,871,794	**2,550,935,868**
Schedule 3		
Secured Loans		
Term loan from IDBI Bank Ltd. (Secured by first charge on films with satellite rights to the extent of Rs.1,250,000,000 (Previous Year: Rs. 1,250,000,000) and pledge of 1,500,000 shares (Previous Year: 1,500,000 shares) of the Company, held by promoters)	177,500,000	190,000,000
Interest accrued and due	–	2,151,164
	177,500,000	**192,151,164**
Schedule 4		
Unsecured Loans		
Short term loan from The Bank of Rajasthan Ltd. (Secured by equitable mortgage of property of SICCL and letter of guarantee signed by director of the Company Shri O.P. Srivastava (Previous Year: Rs. Nil))	300,000,000	–
	300,000,000	**–**

Schedules attached to and forming part of the Balance Sheet as at March 31, 2009

Schedule 5

Fixed Assets

Refer Note 2 (c) & 2 (d) on Schedule 21

Particulars	Gross Block				Depreciation				Net Block	
	At 01.04.2008	Additions	Deduction	At 31.03.2009	At 01.04.2008	For the year	Deletion	At 31.03.2009	At 31.03.2009	At 31.03.2008
Tangible Assets										
Residential Building	2,087,780	–	–	2,087,780	163,646	34,031	–	197,677	1,890,103	1,924,134
Plant & Machinery	11,196,729		10,536,819	659,910	1,111,459	531,845	1,538,528	104,776	555,134	10,085,270
Shooting Equipment	630,500	–	–	630,500	234,360	44,576	–	278,936	351,564	396,140
Computer	5,190,420	4,892,500	–	10,082,920	2,827,445	1,407,825		4,235,270	5,847,650	2,362,975
Furniture & Fixture	8,621,473	–	6,833,950	1,787,523	1,568,445	536,530	1,573,608	531,367	1,256,156	7,053,028
Vehicle	7,623,928	1,123,867	–	8,747,795	2,474,306	801,789	–	3,276,095	5,471,700	5,149,622
TOTAL	**35,350,830**	**6,016,367**	**17,370,769**	**23,996,428**	**8,379,661**	**3,356,596**	**3,112,136**	**8,624,121**	**15,372,307**	**26,971,169**
PY	70,664,585	1,772,915	–	72,437,500	32,175,143	13,291,188	–	45,466,331	26,971,169	38,489,442

Schedules attached to and forming part of the Balance Sheet as at March 31, 2009

	March 31, 2009 Rs.	March 31, 2008 Rs.
Schedule 6		
Investments (Other than trade) (Refer Note 2 (g) on Schedule 21)		
Long Term Investments (At cost)		
Unquoted		
Equity shares		
1,108,280 (March 31, 2008: 1,108,280) shares of Rs. 10 each fully paid-up in Sahara India Life Insurance Company Limited	11,082,800	11,082,800
3,750 (March 31, 2008 : 3,750) shares of Rs. 10 each fully paid-up in Sahara Care Limited	37,500	37,500
24,500 (March 31, 2008 : 24,500) shares of Rs. 10 each fully paid-up in Sahara India Entertainment Management Company Limited	245,000	245,000
Quoted		
Equity shares		
450,000 (March 31,2008 : 450,000) Shares of Rs. 10/- each fully paid-up in K Sera Sera Productions Limited	24,862,500	24,862,500
Less: Provision for diminution in value of investment	(16,312,500)	–
	19,915,300	**36,227,800**
Current Investments, Quoted (At lower of cost or market value)		
Mutual Funds		
20,384.49 (March 31, 2008 : 19,131.54) mutual fund units of Sahara Liquid Fund	20,892,599	19,608,411
	20,892,599	19,608,411
	40,807,899	**55,836,211**
The following investments were purchased and sold during the year:		
Equity shares		
Nil (previous year 3,58,280) shares of Rs. 10/- each of Sahara India Life Insurance Company purchased	–	3,582,800
Mutual fund		
1,252.95 (previous year 1,196.46) units of Sahara liquid fund purchased	1,284,187	1,229,522
Nil (previous year 4,878.40) units of Sahara liquid fund sold	–	5,000,000
Aggregate amount of quoted investments	29,442,599	44,470,911
Aggregate amount of unquoted investments	11,365,300	11,365,300
Market value of quoted investments	25,662,599	28,158,411

Schedules attached to and forming part of the Balance Sheet as at March 31, 2009

		March 31, 2009 Rs.		March 31, 2008 Rs.
Schedule 7				
Deferred Tax Assets (Net)				
Deferred Tax Assets				
Differences in depreciation and other differences in block of fixed assets as per tax books and financial books		6,455,222		7,173,926
Effect of expenditure debited to profit and loss account in the current year but allowed for tax purposes in following years		988,165		746,536
Provision for doubtful debts & advances		21,647,864		3,453,026
Deferred Tax Assets		**29,091,251**		**11,373,488**
Deferred Tax Liabilities				
Differences due to accelerated amortisation of intangibles under Income Tax Act		–		48,614
Deferred Tax Liabilities		–		48,614
Net Deferred Tax Assets		**29,091,251**		**11,324,874**
Schedule 8				
Inventories (at lower of cost and net realisable value)				
Refer Note 2 (h) on Schedule 21				
Finished goods – Content comprising television programmes and films				
– Films		228,781,057		236,186,433
– Television programmes		247,373,926		244,248,364
Print positive raw stock		1,319,065		–
		477,474,048		**480,434,797**
Schedule 9				
Sundry Debtors				
(Unsecured, considered good, unless otherwise stated)				
Debts outstanding for a period exceeding six months:				
Considered doubtful	10,506,056		10,158,946	
Considered good	11,545,676		12,639,725	
Other debts	43,982,223	66,033,955	543,943,722	566,742,393
Less: Provision for doubtful debts		10,506,056		10,158,946
		55,527,899		**556,583,447**

Schedules attached to and forming part of the Balance Sheet as at March 31, 2009

		March 31, 2009 Rs.	March 31, 2008 Rs.
Schedule 10			
Cash and Bank Balances			
Cash on hand		308,156	471,220
Balance with scheduled banks			
– on current accounts		59,474,686	88,640,979
– on deposit accounts		228,740,341	882,038,403
– Exchange earners' foreign currency account		68,604	53,820
(US $ 1,346.50 (March 31, 2008 : US$ 1,346.50))			
		288,591,787	**971,204,422**
Schedule 11			
Other Currents Assets			
Interest accrued on bank deposits		6,394,453	2,612,759
		6,394,453	**2,612,759**
Schedule 12			
Loans and Advances			
(Unsecured, Considered Goods, unless otherwise stated)			
Advances recoverable in cash or in kind or for value to be received			259,030,581
Considered good	1,854,561,072		
Considered doubtful	53,182,863		
Advance to producers and talents	751,899,202		769,985,365
	2,659,643,137		
Less: Provision for doubtful advances	(53,182,863)	2,606,460,274	–
Service tax receivable		387,039,219	219,872,651
Sundry deposits		3,795,500	32,020,500
Advance tax, net of provision		105,205,563	14,190,524
		3,102,500,556	**1,295,099,621**

Schedules attached to and forming part of the Balance Sheet as at March 31, 2009

	March 31, 2009 Rs.	March 31, 2008 Rs.
Schedule 13		
Current Liablities and Provisions		
Current Liabilities		
Sundry creditors (Other than Micro and Small Enterprises) (Refer Note 11 Schedule 21)	685,301,817	390,719,747
Interest accrued but not due on term loan	1,997,483	2,166,217
Bank overdraft	30,041,095	–
Other liabilities	31,568,416	46,790,983
	748,908,811	439,676,947
Provisions		
Provision for Fringe Benefit Tax (net of advance tax Rs. 647,875 March 31, 2008 Rs. 1,461,147)	322373	–
Provision for gratuity (Refer Note 2 (k) and 8 on Schedule 21)	2,301,517	1,706,315
Provision for leave encashment (Refer Note 2 (k) on Schedule 21)	605,705	490,027
	3,229,595	2,196,342
	752,138,406	**441,873,289**
Schedule 14		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Share issue expenses	–	143,021
	–	**143,021**
Schedule 15		
Other Income		
Interest		
Bank deposits (TDS Rs. 5,878,871; March 31, 2008: Rs. 846,081)	26,112,017	4,105,009
On Advances (TDS Rs. 11,211,424 ; March 31, 2008 : Rs. 1,824,116)	49,476,712	8,114,221
Dividend from current investments – non trade	1,284,187	1,229,522
Rent income	4,111,785	16,785,948
Credit balances written back	8,463,835	105,254
Miscellaneous income	15,287,865	40,402,506
	104,736,401	**70,742,460**
Schedule 16		
Decrease in inventories		
Closing Stock of Content		
Films	228,781,057	236,186,433
Television programmes	247,373,926	244,248,364
	476,154,983	480,434,797
Less: Opening Stock of Content		
Films	236,186,433	344,427,342
Television programmes	244,248,364	209,435,630
	480,434,797	553,862,972
	(4,279,814)	**(73,428,175)**

Schedules attached to and forming part of the Balance Sheet as at March 31, 2009

		March 31, 2009 Rs.	March 31, 2008 Rs.
Schedule 17			
Personnel Expenses			
Employee Costs			
– Salary, wages and bonus		134,782,252	130,097,712
– Contribution to provident fund and other funds		2,157,914	2,042,048
– Gratuity expenses		679,980	1,067,385
– Staff welfare expenses		872,553	753,774
		138,492,699	**133,960,919**
Schedule 18			
Operating and Other Expenses			
Electricity		5,331,255	8,214,867
Rent		11,185,170	42,842,174
Rates and taxes		1,079,245	465,506
Repairs and maintenance - others		1,588,856	2,639,302
Advertisement		61,324,884	40,032,957
Travelling and conveyance		11,579,676	3,195,107
Communication		4,708,600	7,056,089
Print cost		24,106,428	10,679,523
Legal and professional fees		35,071,713	31,104,307
Payment to Auditor			
As auditor:			
Audit fee	1,250,000		1,250,000
Limited Review	600,000		600,000
Out-of-pocket expenses	4,950	1,854,950	17,800
Exchange difference (net)		1,858,021	173,286
Amortisation of preliminary expenses		143,021	143,024
Advances written off		1,378,128	–
Provision for doubtful advances		53,182,863	–
Provision for doubtful debts		347,110	4,000,003
Loss on disposal of fixed assets		994,838	–
Miscellaneous expenses		13,793,422	8,791,088
		229,528,180	**161,205,033**
Schedule 19			
Financial Expenses			
Interest			
– on term loan		50,024,330	6,156,781
– on bank overdraft		1,181,962	-
Other interest		5,401,852	6,033,316
Bank charges		1,224,536	1,247,629
		57,832,680	**13,437,726**
Schedule 20			
Prior period items			
Prior period income:			
Interest on ICD (Net of Tax of **Rs. 38,90,966**) (TDS Rs.Nil ; March 31, 2008 : Rs. 2,593,978)		–	7,556,420
		–	**7,556,420**

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule 21

1. **Nature of Operations**
Sahara One Media And Entertainment Limited is a television content provider and also produces and distributes movies.

2. **Significant Accounting Policies**

(a) **Basis of preparation**

The financial statements have been prepared to comply in all material respects in respects with the Notified accounting standard by Companies (Accounting Standards) Rules, 2006 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

(b) **Use of estimates**
The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(c) **Fixed Assets**
Fixed assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

(d) **Depreciation**
Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher. The useful lives of the assets as estimated by the management are the same as envisaged by Schedule XIV.

	Useful Life	Schedule XIV Rates (SLM)
Buildings	61 years	1.63%
Plant and Machinery	21 Years	4.75%
Computers	6 Years	16.21%
Shooting Equipment	14 Years	7.07%
Furniture and Fittings	16 Years	6.33%
Vehicles	11 Years	9.5%

(e) **Impairment**

i. The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

ii. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(f) **Leases:**

Where the Company is the lessee
Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

Where the Company is the lessor
Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease rentals are apportioned between principal and interest on the IRR method. The principal

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule 21 (contd.)

amount received reduces the net investment in the lease and interest is recognised as revenue. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the Profit and Loss Account on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the Profit and Loss Account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the Profit and Loss Account.

(g) Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline, other than temporary, in the value of the investments.

(h) Inventories

Inventories comprise television programs and films held for sale. Inventories are valued at lower of cost or net realisable value. Management allocates the cost of 90% of the television program and films with perpetual rights to domestic market and 10% to the other markets.

(i) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

i. **Sale of Goods**

Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer i.e. when the television program & film are delivered to the customers.

ii. **Interest**

Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

iii. **Dividends**

Revenue is recognized when the shareholders' right to receive payment is established by the balance sheet date.

(j) Foreign Currency Transactions

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 the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

iii. **Exchange Differences**

Exchange differences arising on the settlement of monetary items or on reporting such monetary items of the company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

(k) Retirement benefits

i. Retirement benefits in the form of Provident Fund are a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective trusts.

ii. Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation projected unit credit (PUC) method made at the end of each financial year.

iii. Long term compensated absences are provided for based on actuarial valuation. The actuarial valuation is done as per projected unit credit method.

iv. Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule 21 (contd.)

(l) **Income Taxes**

Tax expense comprises of current, deferred and fringe benefit tax. Current income tax and fringe benefit tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences 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 and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(m) **Segmental Reporting Policies**

Identification of segments:
The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

Allocation of common costs:
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items:
Includes general corporate income and expense items which are not allocated to any business segment

Segment Revenue and Expenses:
Revenue directly attributable to the segments is considered as Segment Revenue. Expenses directly attributable to the segments and common expenses allocated on a reasonable basis are considered as Segment Expenses.

Segment Assets and Liabilities:
Segment assets include all operating assets in respective segments comprising of net fixed assets and current assets, loans and advances. Segment liabilities include operating liabilities and provisions.

(n) **Earnings Per Share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

(o) **Provisions**

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule 21 (contd.)

(p) **Cash and Cash equivalents**

Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

3. Segmental Information:

Business Segments:

The Company operating businesses are organized and managed separately according to the nature of services provided, with each segment representing a strategic business unit that serves different markets. The Company principal business is sale of television software and motion pictures production and distribution.

	Continuing Operations				Consolidated	
	Television		Motion Pictures		Total	
	2009	2008	2009	2008	2009	2008
REVENUE						
External sales	2,179,336,825	1,872,631,231	170,198,014	99,913,212	2,349,534,839	1,972,544,443
Inter-segment sales	-	-	-	-	-	-
Total revenue	2,179,336,825	1,872,631,231	170,198,014	99,913,212	2,349,534,839	1,972,544,443
RESULT						
Segment result	418,761,118	209,356,974	(247,962,764)	(118,795,347)	170,798,353	90,561,627
Unallocated corporate expenses (net of other income)					(147,639,144)	(56,061,842)
Operating profit					23,159,210	34,499,785
Interest expenses					(56,608,144)	(13,437,726)
Interest income					75,588,729	12,219,230
Income taxes					(22,203,871)	(12,602,154)
Profit from ordinary activities					19,935,924	20,679,136
Extraordinary item, net					-	-
Net profit					**19,935,924**	**20,679,136**
OTHER INFORMATION						
Segment assets	667,046,638	1,445,865,556	749,964,989	625,957,932	1,417,011,628	2,071,823,488
Unallocated corporate assets					2,569,657,321	1,306,864,228
Total assets					**3,986,668,949**	**3,378,687,716**
Segment liabilities	(627,241,042)	(335,545,202)	(207,694,178)	(204,680,535)	(834,935,221)	(540,225,737)
Unallocated corporate liabilities					(394,703,186)	(83,744,007)
Total liabilities					**(1,229,638,407)**	**(623,969,744)**
Capital expenditures					6,016,367	1,772,915
Depreciation					3,356,596	13,291,188
Amortization					143,021	143,024
Other non-cash expenses					16,312,500	-
Geographical Segments – The Company operates in one geographical segment, i.e. India.						

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule 21 (contd.)

4. Related Parties:

1. Names of related parties where control exists irrespective of whether transactions have occurred or not.

(a)	**Control**	
	Major shareholders having control over the company	• Shri Subrata Roy Sahara
(b)	Enterprises under common control	• Sahara India Commercial Corporation Ltd. • Sahara Hospitality Ltd. • Aamby Valley Ltd. • Sahara India • Sahara India Mass Communication, partnership firm • Sahara India Entertainment Management Company Ltd.
(c)	**Key Management Personnel** Chief Executive Officer Chief Operating Officer Legal Head Chief Finance Officer Business Head	 Ms. Sharmista Rijhwani (till May 7, 2008) Mr. Sanjay Chitale (from May 7, 2008) Mr. Suresh Mishra Mr. Sanjay Garg Mr. Rajeev Chakraborty

The following other transactions were carried out with related parties mentioned in (1) (b) & (c) above

	Key Management Personnel	
	2008-09 (Rs.)	2007-08 (Rs.)
Employee benefits paid		
Ms. Sharmista Rijhwani	1,021,506	7,787,764
Mr. Sanjay Chitale	10,828,005	-
Mr. Suresh Mishra	3,232,588	2,640,411
Mr. Sanjay Garg	2,770,815	1,474,078
Mr. Rajeev Chakraborty	4,053,792	3,826,585

	Enterprise owned or significantly influenced by group of individuals or their relatives who have control or significant influence over the Company	
	2008-09 (Rs.)	2007-08 (Rs.)
Sale of content		
Sahara India Commercial Corporation Ltd.	1,863,219,735	1,876,108,761
Rent received /(paid)		
Sahara India Commercial Corporation Ltd.	4,111,785	16,785,950
Sahara India Commercial Corporation Ltd.	(267,836)	(300,000)
Miscellaneous Income		
Sahara India Commercial Corporation Ltd.	14,961,260	39,582,515

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule 21 (contd.)

	2008-09 (Rs.)	2007-08 (Rs.)
Interest on advances		
Sahara India Commercial Corporation Ltd.	21,575,342	-
Sahara India Entertainment Management Company Ltd.	-	19,561,607
Sahara India Mass Communication	27,901,370	-
Expenses reimbursed		
Sahara India Commercial Corporation Ltd.	33,642,982	110,048,274
Expenses paid		
Sahara India Commercial Corporation Ltd.	2,838,317	-
Sahara Hospitality Ltd.	357,798	1,127,709
Sale of Fixed Assets		
Aamby Valley Ltd.	13,263,795	-
Advances given		
Sahara India Commercial Corporation Ltd.	700,000,000	-
Sahara India Mass Communication	1,700,000,000	-
Guarantees given		
Sahara Hospitality Ltd.	66,700,000	-
Balance outstanding as at the year end		
Sundry Debtors		
Sahara India Commercial Corporation Ltd.	-	525,594,829
Sundry Creditors		
Sahara India Commercial Corporation Ltd.	81,686,520	-
Sahara India	23,616,980	15,362,564
Sahara India Entertainment Management Company Ltd.	54,444	17,453
Sahara Hospitality Limited	46,720	203,949
Advances recoverable in cash or in kind		
Sahara India Mass Communication	1,721,674,904	123,561
Sahara India Commercial Corporation Ltd.	-	39,630,468
Guarantees outstanding		
Sahara Hospitality Ltd.	3,066,700,000	3,000,000,000

5. **Leases:**

In case of assets taken on lease

Operating Lease:

Office premises were obtained on operating lease. The lease term was originally for 33 months, which was further extended for 12 months during the previous year, which expired on 19th June 2008. There is no escalation clause in

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule 21 (contd.)

the lease agreement. There are no restrictions imposed by lease arrangements.

Particulars	Minimum Future Lease Rentals			
	Due within Next One year 2008-09 (2007-08)	Due later than one year not later than five year 2008-09 (2007-08)	Due after five year 2008-09 (2007-08)	Amount recognised during the year 2008-09 (2007-08)
Office premises	-	-	-	10,917,334
	(9,690,997)	(-)	(-)	(42,309,333)

The Company has sub-leased the premises to group companies and earned a sub-lease rental of Rs. 4,111,784 during the year ended March 31, 2009.

6. Capital Commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for are Rs. NIL (2008-09: Rs. NIL)

7. Contingent Liabilities not provided for:

Particulars	As at March 31, 2009 (Rs.)	As at March 31, 2008 (Rs.)
Guarantees and Counter guarantees given by the Company		
- against loan availed by Sahara Hospitality Limited from a bank. Loan availed as at 31-3-2009 Rs. 1,549,038,494 (31-3-2008: Rs. 1,746,671,170).	3,000,000,000	3,000,000,000
- against cash credit availed by Sahara Hospitality Limited from a bank. Cash credit availed as at 31-3-2009 Rs. 49,197,509 (31-3-2008: Rs. Nil).	66,700,000	-
Income Tax of Rs. 88,085,274 in respect of Assessment Years 2000-01, 2002-03, 2004-05, 2005-06 and 2006-07 in respect of which the company has gone on appeal. Based on judicial pronouncements, the Company's claim is likely to be accepted by appellate authorities	88,085,274	54,718,812

8. Gratuity and other post-employment benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. The scheme is funded with an insurance company in the form of a qualifying insurance policy.

The Company has also agreed to provide certain additional post-employment healthcare benefits to senior employees. These benefits are unfunded.

The following tables summarise the components of net benefit expense recognised in the profit and loss account and the funded status and amounts recognised in the balance sheet for the respective plans.

Profit and Loss account

Net employee benefit expense (recognised in Employee Cost)

	Gratuity 2009	Rs. Gratuity 2008
Current service cost	442,776	349,118
Interest cost on benefit obligation	160,313	58,693
Expected return on plan assets	(174,086)	(1,47,787)
Net actuarial loss recognised in the year	250,977	731,450
Past service cost	Nil	Nil
Net benefit expense	679,980	(164,613)
Actual return on plan assets	39,494	147,787

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule 21 (contd.)

Balance sheet
Details of Provision for gratuity

	Gratuity 2009	Gratuity 2008
Defined benefit obligation	2,301,517	1,706,315
Fair value of plan assets	2,363,903	19,88,244
Less: Unrecognised past service cost	Nil	Nil
Plan asset	62,386	281,929

Changes in the present value of the defined benefit obligation are as follows:

	Gratuity 2009	Gratuity 2008
Opening defined benefit obligation	1,706,315	731,667
Interest cost	160,313	58,693
Current service cost	442,776	349,118
Benefits paid	(258,865)	(164,613)
Actuarial losses on obligation	250,978	731,450
Closing defined benefit obligation	2,301,517	1,706,315

Changes in the fair value of plan assets are as follows:

	Gratuity 2009	Gratuity 2008
Opening fair value of plan assets	1,988,244	1,579,994
Expected return	(174,086)	(147,787)
Contributions by employer	420,944	425,076
Benefits paid	(258,865)	(164,613)
Actuarial (gains)/ losses	39,494	(5,588)
Closing fair value of plan assets	2,363,903	1,988,244

The principal assumptions used in determining gratuity and post-employment medical benefit obligations for the Company' plans are shown below:

	2009	2008
	%	%
Discount rate	7.5	8.0
Expected rate of return on assets	8.0	9.0

The Company expects to contribute Rs. 425,000 to gratuity in 2009-10.

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

9. Un hedged Foreign Currency Exposure

Particulars	Amount in Foreign Currency 2009 (2008)	Amount in Rupees 2009 (2008)
Sundry Creditors	USD 327,340.00 USD (142,754.00)	16,678,006 (5,705,884)
Sundry Debtors	USD 16,624.63 GBP 2,000.00 (USD 28,000.00) (GBP 4,151.00)	847,025 145,722 (1,119,160) (332,080)
Advances	USD 1,176,666.54 (USD 1,331,690.39)	48,976,160 (53,227,666)
EEFC Bank Account	USD 1,346.50 (USD 1,346.50)	68,604 (53,820)

NOTES FORMING PART OF BALANCE SHEET AS AT MARCH 31, 2009 AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

Schedule 21 (contd.)

10. Details of loans given to subsidiaries and associates and firms / companies in which directors are interested.
Sahara India Commercial Corporation Limited
Balance as at March 31, 2009 Rs. NIL (P.Y. Rs. NIL)
Maximum amount outstanding during the year Rs. 700,000,000 (P.Y. : Rs. NIL)

11. As per the information available with the Company, no amounts are due to Micro, Small and Medium Enterprises as per MSMED Act, 2006 as at March 31, 2009. (March 31, 2008: Nil)

12. Additional information pursuant to the provisions of paragraphs 3, 4, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956 :-

12.1 Quantitative Details
The Company is engaged in producing /procuring television programmes and supplying them to media companies. The production and sale of such programmes cannot be expressed in any generic unit. Hence it is not possible to give the quantitative details of sales and certain information as required under paragraphs 3,4C and 4D of Part II of Schedule VI to the Companies Act, 1956.

12.2 Value of imports calculated on CIF basis

	2008-09(Rs.)	2007-08 (Rs.)
Programme Cost	94,522,065	26,068,001
Total	**94,522,065**	**26,068,001**

12.3 Earnings in Foreign Currency (Accrual Basis)

	2008-09(Rs.)	2007-08 (Rs.)
F.O.B Value of Exports	20,622,102	5,174,466
Total	**20,622,102**	**5,174,466**

12.4 Expenditure in Foreign Currency (Accrual Basis)

	2008-09 (Rs.)	2007-08 (Rs.)
Marketing Expenses	63,62,133	–
Professional Fees	32,70,150	–
Total	**74,020,668**	–

13. Earnings per share is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period as under :

	2008-09 (Rs.)	2007-08 (Rs.)
Net profit for the year	19,935,525	28,235,556
Weighted average number of equity shares outstanding during the year	21,525,000	21,525,000
Basis / Diluted Earnings per share	0.93	1.31
Nominal value per share	10.00	10.00

14. Previous year's figures have been regrouped where necessary to conform to this year's classification.

On behalf of the Board of Directors

For **S.R. Batliboi & Associates**
Chartered Accountants

per **Govind Ahuja**
Partner
Membership No.48966
Mumbai: June 30, 2009

O. P. Srivastava
Director

J. B. Roy
Director

R. S. Dubey
Group Head (Finance)

Sanjay Garg
Chief Financial Officer

D. N. Mishra
Company Secretary

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

Additional Information pursuant to Part IV of Schedule VI to The Companies Act, 1956, of India.

I Registration Details

Registration No. 24947 State Code 11

Balance Sheet Date 31 (Date) 03 (Month) 2009 (Year)

II Capital Raised during the Year (Amount in Rs. Thousands)

Public Issue: NIL

Right Issue: NIL

Bonus Issue: NIL

Private Placement: NIL

III Position of Mobilisation and Deployment of Funds (Amount in Rs.Thousands)

Total Liabilities (including Shareholders' Funds): 3263622

Total Assets: 3263622

Sources of Funds

Paid up Capital: 215250

Reserves and Surplus: 2570872

Secured Loans: 177500

Unsecured Loans: 300000

Application of Funds

Net Fixed Assets: 15373

Investments: 40808

(Please tick appropriate box + for Positive, - for Negative)

Net Current Assets: + ✔ 3178350

Deferred Tax Assets: 29091

Accumulated Losses: NIL

IV Performance of Company (Amount in Rs. Thousands)

Income: 2454271

Total Expenditure: 2412131

(Please tick appropriate box + for Positive, - for Negative)

Profit / Loss Before Tax: + ✔ 42140

Profit / Loss After Tax: + ✔ 19936

Earnings per Share in Rs.: + ✔ 0.93

Dividend Rate %: + ✔ NIL

V Generic Names of Three Principal Products / Services of the Company (as per monetary terms)

Item Code No. (ITC Code): 85.24

Production Description: Television Software (including News and Motion Picture Films)

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2009

	2008-2009		2007-2008	
	Rupees	Rupees	Rupees	Rupees
A. CASH FLOW FROM OPERATING ACTIVITIES :				
OPERATING PROFIT FOR THE YEAR BEFORE TAXATION		42,139,796		33,281,288
Adjustment for :				
Depreciation	3,356,596		13,291,188	
Provision for diminution in value of investments	16,312,500		–	
Foreign exchange (gain) / loss	1,872,805		165,112	
Exchange differences on Cash and Cash Equivalents held in foreign currency	(14,784)		8,174	
Interest income	(75,588,729)		(12,219,230)	
Dividend income	(1,284,187)		(1,229,522)	
Amortisation of preliminary expenses	143,021		143,024	
Loss on disposal of Fixed Assets	994,838		–	
Advances written off	1,378,128		–	
Provision for doubtful advances	53,182,863		–	
Provision for doubtful debts	347,110		4,000,000	
Credit balances written back	(8,463,835)		(105,254)	
Interest Expenses	51,206,292	43,442,618	12,190,097	16,243,589
		85,582,414		49,524,877
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES				
Movements in Working Capital:				
Decreasing in inventories	2,960,749		73,428,175	
Decreasing Sundry Debtors	498,835,633		395,836,624	
(Increase)/Decrease in loans and advances	(1,770,946,887)		58,419,451	
Increase in Current Liabilities	316,894,186		27,025,237	
Increase in provisions	1,033,253	(951,223,066)	879,562	555,589,049
CASH (USED FOR) / GENERATED FROM OPERATIONS		(865,640,652)		605,113,926
Direct Taxes paid		(130,015,039)		(36,340,570)
NET CASH FROM/ (USED IN) OPERATING ACTIVITIES		(995,655,691)		568,773,356
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of Investments	(1,284,188)		(4,812,322)	
Sale of Investments	–		5,000,000	
Purchase of Fixed Assets	(6,016,367)		(1,772,915)	
Sale of Fixed Assets	13,263,795		–	
Deposits (with maturity more than 3 months)	420,000,000		(75,400,000)	
Proceeds of Deposits mature (with maturity more than 3 months)	305,400,000		–	
Interest Received	71,807,035		9,606,471	
Interest Received (Prior Period)	–		11,447,386	
Dividend Received	1,284,187		3,729,522	
NET CASH FROM INVESTING ACTIVITIES		(35,545,538)		(52,201,858)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Unsecured loan	300,000,000		–	
Term loan	–		190,000,000	
Interest Paid	(53,526,190)		(7,872,716)	
Repayment of term loan	(12,500,000)		–	
NET CASH FROM FINANCING ACTIVITIES		233,973,810		182,127,284
Less: Effect of exchange differences on Cash and Cash Equivalent held in Foreign Currency		14,784		(8,174)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(797,212,635)		698,690,608
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		895,804,422		197,113,814
CASH AND CASH EQUIVALENTS AS AT THE END OF THE YEAR		98,591,787		895,804,422
Components of Cash and Cash Equivalents as at				
Cash and Cheques on hand		308,156		471,220
With banks -				
On current account	59,543,290		88,694,799	
On deposit account	228,740,341	288,283,631	882,038,403	970,733,202
Cash and Bank balances as per Schedule 10		288,591,787		971,204,422
Less: Fixed Deposits not considered as Cash Equivalents		(190,000,000)		(75,400,000)
Cash and cash equivalents in Cash Flow Statement		98,591,787		895,804,422

Notes :

1 The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on "Cash Flow Statements" issued by the Institute of Chartered Accountants of India.

2 Previous years' figures have been regrouped/ rearranged to confirm with current years' classification.

On behalf of the Board of Directors

For **S.R. Batliboi & Associates**
Chartered Accountants

O. P. Srivastava
Director

J.B. Roy
Director

R. S. Dubey
Group Head (Finance)

per **Govind Ahuja**
Partner

Sanjay Garg
Chief Financial Officer

D. N. Mishra
Company Secretary

Membership No.48966
Mumbai: June 30, 2009