KOHINOOR BROADCASTING CORPORATION LIMITED

(Incorporated in the Republic of India under the Companies Act, 1956 of India)
Registration Number-53-15150 dated 11th October 1994

Board of Directors	Mangal Singh	(Managing Director)
	Harjinder Singh	(Executive Director)
	Gunjot Singh	(Whole Time Director)
	Daljeet Singh	(Independent Director)
	Kulwinder Singh	(Independent Director)
	Shivinder Pal Singh	(Independent Director)

Bankers

HDFC Bank Limited
ICICI Bank Limited

Auditors

Amit K Arora & Co.
Chartered Accountants
Panchkula-134 109.
I N D I A
Membership No. F-096831

Compliance Officer

Mangal Singh
SCO 87, Level II,
Sector 46-C,
Chandigarh-160 047
I N D I A

Registered Office

SCO 87, Level II,
Sector 46-C,
Chandigarh-160 047
I N D I A

Corporate Office

Tagore Theatre Complex,
Model Town,
Patiala-147 001 (Punjab)
I N D I A

Registrar and Transfer Agent

Skyline Financial Services Pvt. Ltd.
D-153A, First floor, Okhla Industrial Area, Phase-I, New Delhi-110020
I N D I A

Contents	Page Number
Notice to the Shareholders	1
Directors' Report to the Shareholders	2
Report on Corporate Governance	10
Auditors' Report to the Shareholders	17
Balance Sheet	20
Profit and Loss Account	21
Cash Flow Statement	22
Significant Accounting Policies	23
Notes to the Financial Statements	27
Statement u/s 212	35
Auditors' Report on Consolidated Accounts	36
Consolidated Accounts	37
Summary of Financial Information on Subsidiaries	53

NOTICE

Notice is hereby given that the 18th Annual General Meeting of the members of the Company will be held on Saturday, the 29th Day of September, 2012 at 9:30 A.M. at Hotel K.C. Residency, SCO 377-380, Sector 35-B, Chandigarh- 160 022 (INDIA) to transact the following business:-

A. <u>ORDINARY BUSINESS</u>

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2012 and the Profit and Loss Account and the Cash Flow Statement for the financial year ended on that date and the Report of the Board of Directors' and the Auditors thereon.

2. To re-appoint a Director in place of Mr. Daljeet Singh, who retires by rotation and being eligible offers himself for re-appointment.

3. To re-appoint a Director in place of Mr. Shivinder Pal Singh, who retires by rotation and being eligible offers himself for re-appointment.

4. To re-appoint M/s Amit K Arora, Chartered Accountants, a Peer Reviewed Firm of Chartered Accountants, as Auditors to hold office from the conclusion of 18th Annual General Meeting until the conclusion of 19th Annual General Meeting and to authorize the Board of Directors to fix their remuneration.

By the order of the Board of Directors

Place: Chandigarh
Date: 14th August, 2012

(Mangal Singh)
Managing Director

Registered Office:
SCO 87, 2nd Floor,
Sector 46-C,
Chandigarh-160 047 (INDIA)

NOTES:-

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY, IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING**.

2. The register of members and the share transfer book of the Company shall remain closed from 18th September, 2012 to 29th September, 2012 (Both days inclusive).

3. Members are requested to:
   - (a) Intimate changes, if any, in their registered address at early date
     -to their Depositary Participants (DP's) in respect of their shareholdings in DEMAT form, and
     -to the Company's Registrars and Share Transfer Agents (R&TA), Skyline Financial Services Pvt. Ltd, D-153A, First Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 in respect of their shareholding in physical form, if any, quoting their folio numbers.
   - (b) In terms of Section 109A of the Companies Act. 1956, every holder of shares in the Company may at any time nominate in the prescribed manner a person to whom his/her shares in the Company shall vest, in the event of his/her death. Nomination forms can be obtained from R&TA.
   - (c) Quote ledger folio number in all the correspondence.
   - (d) Intimate about consolidation of folios, if shares are under multiple folios.
   - (e) Send their queries on the accounts, if any, so as to reach the registered office of the Company at an early date to enable the Company to have relevant information ready.
   - (f) As per the "**Green Initiative**" taken by the Ministry of Corporate Affairs, the shareholders are advised to register their e-mail address with the Company in respect of shares held in physical form and with the concerned Depository Participant in respect of shares held in DEMAT form to enable the Company to serve documents in electronic form.
   - (g) Bring their copies of the Annual Report and the Attendance Slips with them at the Annual General Meeting.
   - (h) **Register their email address and changes therein from time to time with RTA for shares held in physical form and with their respective Depository Participants for shares held in DEMAT form**.

DIRECTORS' REPORT

To
The Members

The Directors have pleasure in submitting the Eighteenth Annual Report together with the Audited Accounts for the year ended 31st March, 2012.

Operating Results

		(₹ Million)
	31-03-2012	31-03-2011
Gross Receipts	**7.05**	24.83
Profit (Loss) before Interest, Depreciation & Tax	*(18.40)*	0.01
Less: Interest	**-**	-
Less: Depreciation and Amortization	**62.40**	69.02
Profit (Loss) before Exceptional, Extraordinary Items & Tax	**(80.80)**	(69.01)
Less: Exceptional Items	**280.20**	(0.07)
Profit (Loss) before Extraordinary Items & Tax	**(361.00)**	(68.94)
Less: Extraordinary items	**-**	-
Profit (Loss) before Tax	**(361.00)**	(68.94)
Less: Tax (Savings)	**(7.21)**	(10.53)
Net Profit (Loss) after Tax	**(353.79)**	(58.41)
Earnings Per Share (EPS)	**(3.21)**	(0.53)

Dividend
In view of inadequacy of profits during the financial year under review, the Board of Directors expresses its inability to recommend any Dividend.

Subsidiary Companies
The Company is not a subsidiary of any other Company. The Company has a wholly owned subsidiary viz M/s Kohinoor Broadcasting Corporation FZE situated at Hamriyah Free Zone, Sharjah - UAE. The main object of the Subsidiary Company has been set out as General Trading. The Company proposes to use the subsidiary Company as its distribution arm in Middle East. The Accounts of the Subsidiary Company has been drawn in accordance with UAE Commercial Companies Laws and has been duly audited by independent auditors.
The Company has an Indian wholly owned subsidiary, M/s KBC Power Corporation Limited. The company is engaged in the business of manufacture of solar cell and solar modules. The Subsidiary company has not yet started its commercial production. The financial results in that respect at the close of the financial year 2011-12 have been prepared and consolidated in the Consolidated Financial Statements.

In terms of General Circular No. 2/2011 dated 8th February 2011 read together with General Circular No. 3/2011 dated 21st February 2011, issued by the Ministry of Corporate Affairs under Section 212(8) of the Companies Act, 1956, granting general exemption to companies from attaching financial statements of subsidiaries, subject to the fulfillment of conditions stated in the circular, copies of Balance Sheet , Profit and Loss Account, Report of Board of Directors and Auditors thereon of the subsidiary companies for the year ended on 31st March 2012 are not attached to the Balance Sheet of the Company as the company shall fulfill the following conditions:

(i) The Board of Directors of the company has vide Board resolution dated 15th May, 2012 consented for not attaching the Balance Sheet (s) of the concerned subsidiaries.
(ii) The Company has presented in its Annual Report, the consolidated financial statements of holding company and all of its subsidiaries duly audited by its statutory auditors.
(iii) The Consolidated financial statements has been prepared in strict compliance with applicable accounting standards and where applicable, Listing Agreement as prescribed by the Securities and Exchange Board of India.
(iv) The Company has disclosed in its consolidated Balance Sheet the following information in aggregate for each subsidiary :- (a) Capital (b) Reserves (c) Total Assets (d) Total Liabilities (e) details of investment (except in case of investment in subsidiaries) (f) Turnover (g) Profit before taxation (h) provision for taxation (i) Profit after taxation (j) proposed dividend, as applicable.
(v) The annual accounts and other related detailed information of the subsidiaries viz., M/s Kohinoor Broadcasting Corporation FZE and M/s KBC Power Corporation Limited shall be made available to the shareholders of the holding company and subsidiary companies seeking such information at any point of time.
(vi) Further, the annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder at the Head office/Registered Office of the company and of the subsidiary companies concerned and the Company shall furnish a hard copy of the details of accounts of subsidiaries to any shareholder on demand.
(vii) The holding as well as subsidiary companies in question shall regularly file such data to the various regulatory and Government authorities as may be required by them.

(viii)The Company has given Indian rupee equivalent of the figures given in foreign currency appearing in the accounts of the subsidiary companies along with the exchange rate as on closing day of the financial year.

As a good Corporate Governance practice, a statement pursuant to Section 212(3) and 212(5) of the Companies Act 1956 containing the details of subsidiaries of the company, forms part of the Annual accounts of the company.

Listing
The Ordinary Equity Shares of the Company are listed at Bombay Stock Exchange Limited. The Global Depositary Receipts issued by the Company are listed at Luxembourg Stock Exchange.

Consolidated Financial Statements
The Audited Consolidated financial statements of the Company have been drawn as per Accounting Standard (AS-21) issued by the Institute of Chartered Accountants of India and has been attached with the Annual Report.

Investment
The total value of the Investment translated in to INR in the wholly owned subsidiary M/s Kohinoor Broadcasting Corporation FZE, registered at Hamriyah Free Trade Zone, Sharjah – UAE amounted to ₹ 958.50 Million {US$ 18.79 Million} till the close of the financial year.
The Company has made an investment to the tune of ₹ 71785 in its Indian subsidiary, KBC Power Corporation Limited.

Public Deposits
The Company has not accepted any deposits from the public within the meaning of Section 58-A of the Companies Act, 1956 and rules there under.

Insurance
All the properties of the Company including its buildings, equipment etc. are adequately insured.

Directors
The Board of Directors of the Company is duly constituted as per the requirements of Corporate Governance. There was no change in the board during the financial year under review. Mr. Daljeet Singh and Mr. Shivinder Pal Singh retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Human Resources & Industrial Relations
The Company has not had any strikes or labour disputes since its inception. The Company's employees do not belong to any labour unions or other employee union. The Company emphasizes flexibility and innovation. Employees are, therefore, selected on the basis of individual ability to learn as well as on academic/professional achievement, conceptual knowledge, and temperament for, and fit with, the Company's corporate culture. The employees, members of the administrative, management and supervisory bodies of the Company do not hold any shares in the Company. There is no provision and/or scheme of the Company to offer any stock option for involving any employee, members of the administrative, management, supervisory bodies or staff in the capital of the Company.

Public Takeovers and Exchange Offers
During the financial year 2011-12, no public takeover or exchange offers by the third parties have been made in respect of the Company's shares. Further, during the financial year 2011-12, no public exchange offers have been made by the Company in respect of the shares of other Companies.

Details of the Interruptions in the Business of the Company
There has been no interruption in the business of the Company, which may have any significant effect on the Company's financial position. However, the Company could not escape from the impact of global recession.

Arrangement to Enable Directors to Acquire Shares and Debentures
Neither at the end nor at any time during the financial year was the Company a party to any arrangement, whose object is to enable the Directors to acquire benefits by means of acquisition of shares or Debentures of the Company or other body corporate.

Nature and Extent of the Interests of the Members of the Company
There are no unusual transactions, with regard to the interests of the administrative, management and supervisory bodies, which are unusual in their nature or conditions during the preceding financial year and the current financial year.

Directors' Interest in Shares and Debentures of the Company
The interest of Directors, holding office at the end of the financial year, in the Shares and Debentures of the Company, according to the Register of Directors' Shareholdings were as follows:-

	Equity Shares of ₹ 10 Each		%age of Total Capital	
	Beginning	End of year	Beginning	End of year
Mr. Mangal Singh *(Managing Director)*	400000	400000	0.36%	0.36%
Total	**400000**	**400000**	0.36%	0.36%

Except as disclosed in this report, no Director, who held office at the end of the Financial year, had interest in Shares, Debentures, warrants or Share options of the Company either at the beginning (or date of appointment if later) and at the end of the Financial year.

Directors' Receipt and Entitlement to Contractual Benefits
During the year, no Director has, either directly or indirectly, received or become entitled to receive a benefit which requires disclosure under the Companies Act 1956 by reason of a contract made by the Company or a related corporation with the Director or a firm of which he is a member or with a Company in which he has a substantial financial interest except as disclosed in the Financial Statement.

Company Secretary
During the financial year under review, the Company Secretary and Compliance Officer, Ms. Nidhi Verma resigned due to her health condition. The fresh appointment is being made.

Change in Shares Capital of the Company
There is no change in the Share Capital of the Company during the year. The Authorized Share Capital of the Company remained at ₹ 1,160,000,000 divided into 116,000,000 Equity Shares of ₹ 10 each both at the beginning and at the end of the year.

Compliance Report in respect of Cost Records
The company has maintained Cost Accounting Records in accordance with Cost Accounting Record (Rules) 2011 applicable to the Company. M/s Balwinder & Associates, Cost Accountants, have issued Compliance Report dated 14th August 2012 on the Cost Accounting Records maintained by the Company for the year 2011-12.

Corporate Governance
A separate report on Corporate Governance is included in Annual Report and the Certificate from Company's Auditors confirming the compliance of conditions on Corporate Governance as stipulated in the Clause 49 of the listing agreement with the stock exchange is annexed thereto.

Management Discussion and Analysis
The report on the Management Discussion and Analysis is enclosed and forms part of this Report.

Trading Pattern of Company's Shares at BSE
The Company's Equity Shares are listed and traded on the BSE. The prices for Equity Shares as quoted in the official list of the BSE are expressed in Indian Rupees. The following table sets forth the reported high and low share prices quoted in Rupees for the Equity Shares and the Trade Volume in terms of number of shares and number of trades for the Equity Shares of the Company for the last five financial years. *(Source: www.bseindia.com)*

Financial Year	**Share Price (in ₹)**		**Volume**	
	High	Low	No. of Shares	No. of Trades
2007-2008	20.75	2.58	175786590	138600
2008-2009	9.91	2.00	80256640	65793
2009-2010	9.88	1.93	197089694	159113
2010-2011	3.19	1.15	55596534	25908
2011-2012	2.37	0.56	53547031	18905

Auditors
M/s Amit K Arora & Co., Chartered Accountants, Panchkula, who are the Statutory Auditors of the Company to hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. They have u/s 224(1) of the Companies Act, 1956 furnished a certificate of their eligibility for re-appointment.

Ownership of the Properties of the Company
All the assets of the Company are registered in the name of the Company.

Events Occurring After the Balance Sheet Date
There were no significant events occurred after the Balance Sheet date, which require adjustment in the figures as on the Balance Sheet date.

Particulars of Employees Pursuant to Section 217 (2A)
None of the employees is covered under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 as amended.

There was no employee of the Company who, if employed throughout the year, was in receipt of remuneration of ₹ 60,00,000 or more per annum and who, if employed for part of the year, was in receipt of remuneration of ₹ 5,00,000 or more per month.

Particulars regarding conservation of energy, technology absorption and foreign exchange earnings and outgo
The Company is in to Service Industry and is not significant user of Power. The particulars required to be furnished under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 to the extent applicable to the Company are as follows:

A)	**Conservation Of Energy**:	
a)	Energy conservation measures taken/under implementation**.**	**Nil**
b)	Additional investments and proposals, if any, being implemented for reduction in consumption of energy.	**Nil**
c)	Impact of measures at (a) and (b) above for reduction in energy consumption and consequent impact on the cost of production of goods.	**Nil**
d)	The total energy consumption and energy consumption per unit of production.	**N.A.**
B)	**Technology Absorption:**	
a)	Research and Development	**Nil**
b)	Technology absorption, adaptation and innovation	**Nil**
C)	**Foreign Exchange Earnings and Outgo:**	
a)	Activities relating to exports, initiative taken to increase exports, development of new export markets for products and services and export plans.	**Nil**
b)	Total Foreign Exchange Earnings and Outgo during the year:	
	Earnings	**NIL**
	Outgo	**US$ 7250**

Directors Responsibility Statement

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

i) That in the preparation of the accounts for the financial year ended 31st March 2012, the applicable accounting standards have been followed along with proper explanation relating to material departure;

ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the of the financial year and of the profit and loss of the Company for the year under review;

iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) That the Directors have prepared the accounts for the financial year ended 31st March, 2012 on a 'Going Concern' basis.

Replies to the comments of auditors
The observations of the Auditors in their report read with the accounts are self-explanatory and therefore do not require further explanation.

Acknowledgements
Your Directors take this opportunity to place on record their appreciation of the dedication and commitment of employees at all levels in maintaining the sustained growth of your Company and remain in forefront of media and entertainment business. Your Directors thank and express their gratitude for the support and co-operation received from Central and State Governments mainly the Ministry of Information and Broadcasting and the Department of Telecommunication and other stakeholders including, producers, venders, banks, investors, service providers as well as regulatory and governmental authorities.

For and on behalf of the Board
For **Kohinoor Broadcasting Corporation Ltd.**

(Mangal Singh)
Managing Director

(Harjinder Singh)
Director

Chandigarh, 14th August, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

1. BUSINESS OVERVIEW

KBCL is currently having two phases to development, beginning, with our TV satellite channel broadcasting and commercial up-linking facility to other satellite channels.

KBC NEWS, the **Company's** first Free-to-air channel has been aired and is available at Satellite- INSAT 4A, 83 Degrees East, Symbol Rate 3000, FEC ¾, Downlink Frequency-3868, Pole- Vertical. The channel is a news channel with focus on Northern India and can be viewed by dish set-up. The Company proposes to make available the channel on DTH and Cable Network in entire Northern India. We, as a Broadcaster understand the potential in Northern region and also know the market of Regional channel. The channel is not only providing the fast and effective news but at the same time is showing local content and events of the region.

Up-linking Facility could be our another source of income, as we know that a number of TV channels already exist in the market and many more new channels are trying to enter, however due to scarcity of bandwidth on INSAT 4A, the same is becoming difficult. At present, we have the capacity to uplink eight channels, these numbers can be increased by adding more equipment in future, however the bandwidth can be a limiting factor.

Mission

The mission of KBC News is to be become the market leader in broadcasting in a phased manner. This will be achieved by understanding the need of viewers and by giving them the local content in best possible manner.

2. INDUSTRY STRUCTURE & DEVELOPMENTS

WORLD ECONOMY (Source: UN Report)

In the year 2011-12, the world economic situation continued to be challenging. Most developed economies are still struggling to overcome the economic woes originating from the 2008-09 global financial crises. The Euro Area Debt Crisis remains the biggest threat to the world economy. An escalation of the crisis could result in severe turmoil in financial markets and a sharp rise in global risk aversion, leading to a further weakening of global growth. Economic activity in the European Union is expected to stagnate in 2012.

Following a marked slowdown in 2011, global growth will likely remain tepid in 2012, with most regions expanding at a pace below potential. In the baseline outlook, the World Gross Product (WGP) is projected to grow by 2.5 per cent in 2012 and 3.1 per cent in 2013, following growth of 2.7 per cent in 2011. The report estimates that world trade growth will slow further to 4.1 per cent in 2012, down from 13.1 per cent in 2010 and 6.6 per cent in 2011.

There are four major weaknesses that continue to conspire against any robust economic recovery.
First, deleveraging by banks, firms and households continues to restrain normal credit flows and consumer and investment demand.
Second, unemployment remains high, a condition that is both cause and effect in preventing economic recovery. Except Brazil, China and Germany, employment-to-population ratios remain below their 2007 levels in all major economies. In the United States, despite recent improvements, the unemployment rate remains high at over 8 per cent, well above pre-crisis levels.
Third, the fiscal austerity responses to rising public debts not only deter economic growth, but also make a return to debt sustainability more difficult.
And fourth, bank exposures to sovereign debts, along with the weak economy, perpetuate financial sector fragility and, in turn, spur continued deleveraging.

US entered 2012 on a promising footing as stock market indices have registered some gains and credit conditions have eased a little. However, the consumer confidence and spending have remained stagnant. Also a high unemployment rate is still an issue in the country. Furthermore, the upcoming presidential election creates uncertainties over the fiscal policy outlook, clouding economic prospects overall.
With a projected economic activity growth of 1.7 per cent in 2012 and 2.1 per cent in 2013, economy in Japan will recover moderately in the outlook period.
Developing countries and the economies in transition continue to drive the global recovery, but their output growth is also expected to moderate during 2012 and 2013. Developing Asia continues to show some growth performance. Growth in major developing economies, especially China, is an important factor in the projections for rebound in global trade.

Most commodity prices have continued to rise. The world price of crude oil fluctuated around $111 per barrel during 2011, up from an average of $78 for 2010. World prices of metals followed a similar trend in 2011 and are expected to edge up only slightly in 2012 and 2013. The adverse weather conditions in mid-2010 and then again in 2011 affected the harvests of basic staples. In addition, speculation amplified many commodity prices. Food prices will remain vulnerable to supply shocks and speculative responses in commodity derivatives markets.

INDIAN SCENARIO (Source: FICCI and Various)

India's GDP growth for 2011-12 has slumped to 6.5 per cent, down from 8.5 per cent recorded in 2010-11. In the latest estimates for fourth quarter of 2011-12, country's GDP stood at a mere 5.3 percent corresponding to the growth of 7.2 percent during the same period of previous year. With an assumption of a normal monsoon and sustainable good performance of the industry and services sectors, the latest RBI projection placed the real GDP growth at 7.6 per cent for the year 2011-12. According to the latest IMF projection, India will grow at 6.9 percent during the year 2010.

Media and Entertainment Industry (M&E)

2011- A year of Under-performance

Signs of overall economic slowdown have affected the Media and Entertainment (M&E) industry too which clocked a mere 12% growth in 2011 and touched ₹ 72,800 Crore, says the latest FICCI-KPMG report. But this is 1.5% lower (₹ 1,000 crore) than the overall outlook for the industry projected by the last year's report of FICCI-KPMG on the M&E sector. The Indian Media & Entertainment (M&E) industry registered a growth rate of 11 percent in the year 2010 as compared to a mere 1.4 percent in 2009.

The gloom in the economy and among consumers and advertisers has been accentuated by a stream of negative news, including warnings about a downgrade of India's sovereign ratings by international credit assessors Standard and Poor's and Fitch. A 21% slide in the value of the rupee against the dollar over the past year has made imports more expensive while Wholesale Price Inflation remained high at 7.55% in May, reducing room for the central bank to reduce interest rates.

Indian publishers and broadcasters—both television and radio networks—are staring at tougher times as advertisers cut back on budgets for brand marketing and promotions in the face of deepening economic gloom. The print media, television and radio have not been able to perform as per the projections. This is evident from the fact that a Turner Broadcasting System owned, Indian Channel, NDTV Imagine had to be shut down due to its declining performance.

Industry Size and projections

Growth rates that were projected earlier this year by media agencies and consulting companies are being revised down in an economy that expanded at the slowest pace in nine years in the three months to 31 March. Consumers are paring discretionary spending as the economy grows at a slower pace, interest rates remain high and the markets decline. The Indian economy expanded 5.3% in the quarter to 31 March, lowering full-year growth to 6.5% from 8.4% in the previous year. That, in turn, is prompting advertisers to spend less on brand marketing and promotions. The industry growth rate is projected to lie between 8-10 percent in 2011. As the industry braces for tougher times ahead, the sector is projected to grow at a CAGR of 14 percent to reach ₹ 1,275 billion by 2015.

Broadcasting

Traditionally, broadcasters have been relying on advertisement revenues, which account for 70-90 percent of their total revenues. Globally, pay TV market dominates 'Free to Air' and hence the subscription revenues form a leading revenue stream for networks. Since broadcasters are more dependent on subscribers for their business viability, the onus is on them to provide better quality content to meet consumers' rising demands for quality. There are two possible sources of revenue for broadcasters apart from advertising income – subscription fees and monetizing of content on other platforms, both of which will see a gradual increase in share of total revenues.

The share of broadcasters in the total subscription pie has dipped from the current levels of 21 percent of the overall subscription revenues in 2010 on an average across platforms to 30 percent in 2015.

Television

The over-all television industry touched ₹ 32,900 crore in 2011 growing at 10.77%, much lower than the projections of reaching ₹ 34,100 crore made in 2011 report. The consumer tastes play a major role in determining the success of a channel. The success of show is marked by high Television Rating Points and in turn more advertisers ready to expend more for the interval slots.

A Turner Broadcasting System owned Indian Channel "NDTV Imagine" had to be shut down due to low ratings as a result of unfavorable shift of consumer taste and strong competition from rival channels.

As the advertisers are shifting to social media, news channels have been hit hard. Even leading news channels are finding it hard to fill their advertisement inventory. Due to fierce competition, news channels are facing tough times to maintain their popularity levels among the masses.

Advertising

The advertising spends across all media accounted for ₹ 300 billion in 2011, contributing to 41 percent of the overall M&E industry revenues. Advertising revenues dipped to 13 percent in 2011 from 17 percent in 2010. Profit margins for the companies have squeezed. As the consumer sentiments continue to run low, advertisers are targeting social media rather than traditional media. Advertising spends were expected to grow at a CAGR of 15 percent to reach ₹ 541 billion in 2015, but the projection now seems way over-bullish.

Indian print media

The print industry grew by 8.3 % from ₹ 193 billion in 2010 to ₹ 209 billion in 2011. The growth has been lower than the previous projection of 10 % last year. This is mainly due to the challenging macro-economic environment and reduced ad spends.

Leading newspapers have been forced to increase the prices of the newspaper as the newspaper's scrap value has gone up. As the value of rupee has diminished the newsprint imports have become costlier. To add to the miseries, the advertisers have squeezed their budgets for the print media. Even the traditional print advertisers such as automobiles, telecom, real estate and education have taken to social media such as Facebook for reaching the masses.

Regulation to trigger growth

TRAI has submitted recommendations to the government to increase the FDI limits across several broadcast and distribution platforms including Radio, TV, DTH and cable. The government is also evaluating the industry's suggestion to allow radio companies to own multiple frequencies in an area, air news and current affairs and permit networking of content across categories of cities. This has been touted to act as a catalyst to the growth of the sector.

Social media as an influencer
In India, social media reaches 87 percent of the online user base. With expanding global reach of social media, companies are increasingly experimenting with various online marketing strategies. Given the interactive ability of the medium to provide direct access to consumers, media companies and advertisers are expected to leverage this platform to understand consumer behavior and influences. These insights could help them build a more consumer oriented product and exploit the opportunity and promise of targeted advertising.

HD growth wave
Another trend witnessed in 2011 was the entry of HD channels. Dish TV has come out with an offering of 30 HD channels on its platform while at the same time making it more affordable to consumers by lowering the price for new HD connections.

3. OUTLOOK
The Company is a beginner in Media and Entertainment industry. The slowdown in economy has hit the advertising sector and there is no positive growth in the revenues. Due to the economic gloom the consumer demands have remained stagnant and hence do not provide an optimistic view for the Company to grow its revenue and market share. The company proposes to strengthen its presence in Broadcasting by moving strategically. Advertising expenditure is the most important indicator of the performance of the Indian entertainment industry. Domestic entertainment Companies are hoping to find better earnings potential in the overseas markets. With the availability of the channel on DTH and Cable network, it will find its takers and generate advertisement revenues.

At the same time, corporatization is also emerging in this highly unorganized industry. This is likely to instill a greater discipline in the functioning of the industry and lead to greater consolidation in the future. The domestic consumer will opt for more sophisticated technology in the near future. Consequently, domestic Companies will have to redefine their product offerings.

With literacy levels forecasted to increase in India in the future, the publishing industry will continue to witness growth. Advent of new technologies such as e-book etc. will take a longer time to have an impact on the domestic market as compared to the global markets. While piracy levels are declining slowly, better copyright laws and the rapid implementation of the same are imperative to preserve the creative talent and facilitate the high growth in this industry.

4. FINANCIAL PERFORMANCE

The year in review had remained dull for the company. Though the company aired its first Free-to-air channel "KBC NEWS" yet it has failed to evoke any response from public. The channel is available on Special Dish Set-up, which becomes expensive for the user as the company is having only one channel. The company is proposing to distribute the channel on DTH and Cable Network; however the working capital is a constraint for the same. The investments of the company are not generating desired revenues due to the Global Slowdown. The company is piling up buffer stock for its channel and has reduced outright sale. Therefore, it could achieve a gross turnover of ₹ 6.68 million during the year ended 31 March 2012 as compared to ₹ 17.04 Million during the previous year. The Company has faced a liquidity crunch throughout the financial year ended 31 March 2012. The business turnover of the Company has been achieved from the single business activity only i.e. Sale of media Content.

KBCL is fairly positioned to succeed in this new environment by having space on INSAT-4A. We are committed to achieving and maintaining world-class levels of governing, operating and capital discipline. We are focused on creating operating efficiencies in the near term and developing promising new revenue sources for the long term.

5. RISKS AND CONCERNS
The Media business, like all other businesses is prone to risks and concerns. The programmes is prepared and at quite high cost and there is not mechanism to check its acceptability in public. If the programme is not liked by the public the entire investment will go haywire. The business and the results of the Company's operations may, be negatively affected by the following factors identified by the management.

Piracy in the Indian Entertainment Industry- A threat
Piracy continues to be a key challenge and has been one of the primary reasons for the decline of the home video market. The piracy market in India is estimated to account for 800 – 950 million unit sales for DVD each year. The distribution platform for the illegitimate market is estimated to be spread over 15000 vendors across India. Online piracy is another huge challenge for the industry.

Increased Competition
The Company operates in a competitive business environment. The number of new entrants to the media and entertainment industry is increasing. Growing competition may force the Company to reduce the prices of its services, which may reduce its revenues and profit margins and/or decrease its market share, either of which could have a materially adverse effect on its business, financial condition and results of operations.

Sustained growth depends upon its ability to attract and retain skilled employees.
The Company's sustained growth depends upon its ability to attract and retain skilled employees, including the employment of highly skilled artists in the media and entertainment sector and management. Inability on the part of the Company to employ and retain skilled personnel on a long-term basis, may affect the success of the Company and eventually the business and profits of the Company.

Ability to control project costs.

Programmes are prepared at a reasonably high cost. The project costs of the Company may fluctuate in the future depending on a number of factors, including the size, timing and profitability of significant programmes, the time required to train and productively utilise employees and unanticipated increases in salaries.

The Company's programmes may not be compatible with industry standards developed in the future.

Failure to keep up-to-date with the latest innovations and trends in the media and entertainment industry may adversely affect the competitiveness and ability of the Company to develop new programmes. There is no mechanism to check the popularity of programmes amongst the public. If programmes prove less popular than expected, the Company's business, financial condition and results of operations will be adversely affected.

Change in the law or regulatory environment.

Any change in the law and/or in the regulatory environment in relation to the Company's business within or outside India may significantly impact the business of the Company.

6. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company maintains adequate internal control systems, which provide, among other things, reasonable assurance of recording the transaction of its operations in all material respects and of providing protection against significant misuse or loss of Company's assets. The Company has an independent Internal Audit Function with professionally qualified financial personnel, which conduct periodic audits of all businesses to maintain the internal control systems.

Some significant features of the internal control systems are:

- Clear delegation of power with authority limits for incurring capital and revenue expenditure;
- Corporate policies on accounting and capital acquisition;
- Well-defined processes for formulating and reviewing annual and long term business plans;
- Preparation and monitoring of annual budgets for all operating and service functions;
- Frequent meetings of the management committee at apex level to review operations and plans in key business areas;
- A well-established multidisciplinary Internal Audit team which reviews and reports to the Management and to the Audit Committee regularly on the adequacy of and compliance with internal controls across the organization, follows up the progress of implementation of various recommendations and helps in identifying opportunities for cost reduction and better use of resources; and
- An Audit committee of the Board of Directors with a majority of independent directors, which reviews regularly the audit plans, significant audit findings, adequacy of internal controls as well as compliance with Accounting Standards.

In order to adhere to high standards of business ethics and corporate governance, the Company administers an ongoing program for re-enforcement of business ethics guided by its core values. All employees of the Company including senior management are regularly exposed to such programs to facilitate compliance with business principles contained in the code of conduct.

7. CAUTIONARY STATEMENT

Statement in this Management Discussion of Analysis describing the Company's objective, projections, estimates, expectations or predictions may be forward-looking statement with the meaning of applicable securities laws and regulations. Actual result could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include cyclical demand and pricing in the Company's principal market change in Government regulations, tax regimes, economics developments within India and the markets in which the Company conducts business and other incidental factors. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information future events, or otherwise. Readers are cautioned not to place undue reliance on these forward looking statements that speak only as of their dates.

CORPORATE GOVERNANCE REPORT

(Pursuant to Clause 49 of the Listing Agreement)

1. Company's Philosophy on Corporate Governance

Kohinoor Broadcasting Corporation Ltd. has implemented and continuously improved upon various Corporate Governance practices over the last few years. As part of the Company's philosophy on Corporate Governance, which is founded upon a rich legacy of fair, ethical and transparent governance practices, Corporate Governance practices like the prior intimation of Board meeting dates which are convened at frequent intervals, constitution of audit Committee of Directors with specific terms of reference, attendance of directors at general meetings and ensuring liquidity of the Company's scrip by listing on prominent stock exchange, have been in place even before they have been mandated, by adopting highest standards of professionalism, honesty, integrity and ethical behavior. The Board, being elected by the shareholders, is their representative and a bridge between them and the executive management. Since shareholders are residual claimants, the value creation and sustainability of all the other stakeholder viz., customers, creditors, employees, vendors, community and the State are of paramount significance to the Company and its shareholders. The Board would therefore have a fiduciary relationship and a corresponding duty to all its stakeholders to ensure that their rights are protected. The Company is in full compliance with all mandatory requirements under Clause 49 of the Listing Agreement with the Stock Exchange.

2. Board of Directors

The Board of Directors along with its Committees provides leadership and guidance to the Company's management and directs, supervises and controls the performance of the Company. The one half members of the Board of Directors presently comprise Independent Directors out of the total strength of the Board.

None of the Directors on the Company's Board is a Member of more than 10 Committees and Chairman of more than 5 Committees (Committees being Audit Committee and Investors' Grievance Committee) across all the Companies in which he is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other Companies and do not hold the office of Director in more than 15 Companies.
Mr Gunjot Singh, Whole Time Director is a relative of Mr Harjinder Singh, Executive Director of the Company.

The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the declaration made by the Managing Director and the Executive Director regarding compliance with all applicable laws on a quarterly basis.

During the year under review, the Board of Directors met 5 times on 14th May 2011; 12th August, 2011; 30th August 2011; 30th September, 2011; 1st November, 2011 and 11th February, 2012. The gap between any two Board Meetings did not exceed four months. The composition of Board, attendance at Board meetings held during the year and at the last AGM, Number of directorships in other public Companies and committees across various public Companies of which the director is a member, Chairman are given below:

<table>
<tr><th rowspan="3">Name of Director</th><th rowspan="3">Category</th><th colspan="2">FY ended 31st March 2012 Attendance at</th><th colspan="3">As on March 31st 2012</th><th rowspan="3">Shareholding in the Company</th></tr>
<tr><th rowspan="2">Board Meetings</th><th rowspan="2">Last AGM</th><th rowspan="2">No of Directorships @</th><th colspan="2">Committee Positions</th></tr>
<tr><th>Member $</th><th>Chairman</th></tr>
<tr><td>Mr. Mangal Singh</td><td>Managing Director</td><td>5</td><td>Yes</td><td>3</td><td>2</td><td>1</td><td>400000*</td></tr>
<tr><td>Mr. Harjinder Singh</td><td>Executive Director</td><td>4</td><td>NA</td><td>3</td><td>1</td><td>NIL</td><td>-</td></tr>
<tr><td>Mr. Gunjot Singh</td><td>Executive Director</td><td>2</td><td>NA</td><td>1</td><td>NIL</td><td>NIL</td><td>-</td></tr>
<tr><td>Mr. Kulwinder Singh</td><td>Non-Executive Independent Director</td><td>5</td><td>Yes</td><td>2</td><td>1</td><td>2</td><td>-</td></tr>
<tr><td>Mr. Daljeet Singh</td><td>Non-Executive Independent Director</td><td>4</td><td>Yes</td><td>1</td><td>2</td><td>1</td><td>-</td></tr>
<tr><td>Mr. Shivinder Pal Singh</td><td>Non-Executive Independent Director</td><td>3</td><td>Yes</td><td>1</td><td>3</td><td>NIL</td><td>-</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td><td></td><td></td></tr>
</table>

* *Equity Shares of ₹10 each fully paid* $ *Member does not include Chairman*

@ *Excluding Directorships in Private and Foreign Companies*

As required under Annexure 1 to 49 of the Listing Agreement with the Stock Exchanges, all the necessary information was placed before the Board from time to time.

The Board has been provided with all material and substantial information that facilities them for imparting significant decision while discharging its duties as trustees of shareholders.

Independent Directors

The Independent directors are paid sitting fees for attending Board meetings and Committee meetings of the Company. Apart from receiving sitting fees, there are no other pecuniary transactions or relationships of the Independent Directors vis-à-vis the Company, its directors, promoters etc. None of the Independent director is related with each other or with other Directors inter-se in any manner.

Code of Conduct

A declaration signed by the Managing Director in respect of compliance with the code of the conduct of Company by Directors and senior management personnel for the year ended 31st March, 2012 is enclosed at the end of the Report. The code of conduct is also posted on the website of the company that is *www.kohinoorbroadcasting.com*.

Prevention of Insider Trading

Pursuant of the requirement of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended our Company has adopted the code of conduct for prevention of Insider Trading. This Code is applicable to all Board Members/officers/designated employees. The objective of this Code is to prevent purchase and/or sale of share of the Company by an insider of the basis of unpublished price sensitive information.

3. Audit Committee-

The Audit Committee of Directors comprises of 3 Independent Directors, all of whom are financially literate and have relevant finance and/or audit exposure. Mr. Daljeet Singh (Chairman of the Committee) is the financial expert. The quorum of the Committee is two members or one-third of its members, whichever is higher. The composition of the Audit Committee and attendance at its meetings is as follows:

During the period under review, 4 Audit Committee meetings were held on 14th May 2011; 12th August 2011; 1st November 2011 and 11th February, 2012. The composition of the Audit Committee and attendance at its meetings is given hereunder-

Sr. no	Composition of the Audit Committee	No. of meetings attended
1.	Mr. Daljeet Singh	4
2.	Mr. Kulwinder Singh	4
3.	Mr. Harjinder Singh *(ceased from being member as on 1st November 2011)*	2
4.	Mr. Shivinder Pal Singh *(Admitted on 1st November 2011)*	2

The Audit Committee meetings are held at Registered Office and usually attended by the Executive Director(s), and the Chief Internal Auditor. Representatives of the Statutory Auditors and Operation Heads are invited to the meetings, as required.

The Company complies with the provisions of the recently introduced Section 292A of the Companies Act, 1956 pertaining to the Audit Committee and its functioning. The scope of the Committee includes:

(a) Overseeing the Company's financial reporting process and the disclosure of its financial information, to ensure that the financial statement is correct, sufficient and credible;

(b) Recommending the appointment and removal of statutory auditors, fixation of the audit fees and also approval for payment for any other services.

(c) Reviewing with management the annual financial statements before submission to the Board for approval, with particular reference to:
   - Matter required being included in the Board's Report in term of clause 2AA of Section 217 of the Companies Act, 1956.
   - Any changes in announcing policies and practices and reasons thereof.
   - Major accounting entries based on the exercise of judgment by the Management.
   - Qualifications in the draft audit report.
   - Significant adjustments made in the financial statements, arising out of audit findings.
   - The Going Concern assumption.
   - Compliance with Accounting Standards.
   - Compliance with listing the other legal requirement relating to financial statements.
   - Any related party transactions i.e. transactions of the Company of material nature, with Promoters or the Management, their subsidiaries or relatives etc. that may have potential conflict with the interest of the Company at large.

(d) Reviewing with the Management, the quarterly financial statements before submission to the Board of the approval.

(e) Reviewing, with the Management, the statement of uses/ application of fund raised through an issue (public issue, right issue, preferential issue etc.) the management of funds utilized for purposes other than those stated in the Offer Document/ Prospectus/ notice and the report submitted by the Monitoring Agency monitoring the utilization of the Proceeds of a public or right issue and making appropriate recommendation to the Board's to take steps in this matter.

(f) Reviewing, with the Management, performance of statutory and internal auditors and the adequacy of internal control system.

(g) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

(h) Discussion with internal auditors on any significant findings and follow-up thereon.

(i) Reviewing the finding of any internal investigation by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control system of material nature and reporting the matter to the Board.

(j) Discussion with external/statutory auditors before the audit commences, nature and scope of audit, as well as hold post-audit discussion to ascertain any area of concern.

(k) Reviewing the Company's financial and risk management policies.

(l) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment of declared dividends) and creditors.

4. Managerial Remuneration Committee

The Managerial Remuneration committee comprises of Mr. Kulwinder Singh (Chairman), Mr. Daljeet Singh and Mr. Shivinder Pal Singh, all Independent Directors. The Remuneration Committee recommends to the Board the remuneration package for the Whole-time Director including Managing Director. While deciding the remuneration for Executive Directors, the said Committee considers the performance of the Company, the current industry trends and other relevant factors.

The Non-executive Independent Directors are paid sitting fees for Board meetings and Committee meetings attended by them which are in accordance with the Companies Act, 1956. During the year, the committee met once for annual review of the remuneration. The minutes of the Remuneration Committee are reviewed and noted by the Board. During the year, following remuneration / compensation was paid to the Directors.

(a) Managing/Executive Directors

(in ₹)

Name	Salary	Perks	Others
Mr. Mangal Singh	2,16,000/-	NIL	Nil
Mr. Harjinder Singh	2,16,000/-	80,000	Nil
Mr. Gunjot Singh*	108,000/-	Nil	Nil

*From 1st October 2011 to 31st March 2012

(b) Non-Executive /Independent Directors

(in ₹)

Name	Sitting Fee
Mr. Kulwinder Singh	150,000/-
Mr. Daljeet Singh	150,000/-
Mr. Shivinder Pal Singh	150,000/-

The terms of appointment and payment of remuneration to Managing Director and Whole-time Director are as follows:

Period of Appointment/ Re-appointment	Mr. Mangal Singh : 5 Years w.e.f 1st January, 2011 Mr. Harjinder Singh : 5 Years w.e.f 1st January, 2011 Mr. Gunjot Singh : 5 Years w.e.f 30th September, 2011
Remuneration	
Salary Scale	₹ 20,000/- (Rupees Twenty Thousand only) per month.
Perquisites	Perquisites shall be allowed in addition to salary, and shall be restricted to an amount of ₹ 1,00,000/- (Rupees One Lac Only) per annum.
Minimum Remuneration in case of inadequacy of profits	The salary shall be reduced by 10%.
Notice Period on either Side	3 Months

5. Investors' Grievances Committee

The Investors' Grievances Committee looks into the speedy disposal of grievances of shareholders' like non-receipt of annual report, issue of duplicate certificates, transfer and transmission and other allied transactions. The redressal of investors' grievances has always remained on highest priority of the Company. The Committee comprises Mr. Kulwinder Singh (Chairman), Mr. Mangal Singh & Mr. Shivinder Pal Singh. Ms. Nidhi Verma, Company Secretary acted as Compliance Officer and Secretary to the Committee until 11th February 2012. The Committee met Four times during the year and was attended by all the members. The details of Investors Complaints for the FY 2011-12 are as follows:

1.	No. of Complaints pending to be resolved as at 01.04.2011	NIL
2.	No. of Complaints received during the year 2011 - 2012	10
3.	No. of Complaints resolved during the year 2011 – 2012	9
4.	No. of Complaints pending to be resolved as at 31.03.2012	1

6. Share Transfer and Transmission Committee

The Share Transfer and Transmission committee oversee and review all matters connected with transfers, transmissions, transpositions, splitting, consolidation of shares, DEMAT and REMAT requests. The Share Transfer and Transmission committee comprises Mr. Mangal Singh, Managing Director as Chairman and Mr. Daljeet Singh, Director as member. The Committee met Four times during the year and was attended by both the members.

7. Committee of Directors

In addition to the above committees, the Board has constituted a Committee of Directors to look into matter pertaining to finance and banking transactions, granting power of attorney, property matters and other day-to-day operation of the Company. The Committee comprises Mr. Harjinder Singh (Chairman) and Mr. Kulwinder Singh, Independent Director.

8. General Body Meetings

(i) **Annual General Meetings**

Location and time of Annual General Meetings held in the last three years:

Year	**Date**	**Venue**
2011	30th September 2011	Hotel K C Residency, SCO 377-380, Sector 35-B, Chandigarh-160 022
2010	31st August 2010	Hotel K C Residency, SCO 377-380, Sector 35-B, Chandigarh-160 022
2009	30th September 2009	Hotel K C Residency, SCO 377-380, Sector 35-B, Chandigarh-160 022

(ii) **Extra Ordinary General Meetings**

During the year under review No Extra Ordinary General meetings were held.

(iii) **Special Resolutions passed in the previous 3 Annual General Meetings**

No Special Resolution was proposed/passed by the Company in the previous three Annual General Meetings.

(iv) **Postal Ballot**

During the year under review no resolution was passed through postal ballot. Further, management does not propose any special resolution to be conducted with Postal Ballot in recent future.

9. Management Disclosures

- During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with its promoter, directors, management and subsidiaries that had a potential conflict with the interest of the Company at large.
- There were no case of non-compliance by the Company, nor any cases of penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital markets during the last three years.
- The senior management has made disclosures to the Board relating to all material financial and commercial transactions stating that they did not have personal interest that may have a potential conflict with the interest of the Company at large.
- The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.
- A qualified practicing Company Secretary carried out a Secretarial Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of share in physical form and the total number of share in dematerialized form (held with NSDL and CDSL).
- The Company duly complies with all applicable mandatory requirements of Clause 49 of Listing Agreement relating to Corporate Governance. Further, with regards to adoption of the non-mandatory requirements of this clause, the Company has set up a Remuneration Committee details of which have been provided earlier in this report under the heading 'Remuneration Committee' and seeks to adhere to the requirements of the clause to the extent possible from time to time.

10. Means of Communication

In accordance with Clause 54 of the Listing Agreement, the company has maintained a functional website at ***www.kohinoorbroadcasting.com*** containing basic information about the Company viz., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of designated officials etc. The contents of the website are updated from time to time.

The Quarterly Un-audited Financial Results and Annual Audited Accounts are published in leading newspapers such as Indian Express/Financial Express etc. in English and vernacular language. Press releases are given for all important details.

Further, the Company disseminates to the Bombay Stock Exchange where the shares of the company are listed, all mandatory and price sensitive information which has a bearing on the performance of the company.

11. General Shareholder Information

i. Forthcoming Annual General Meeting

(a)	Date, Day and Time of AGM	:	Saturday, the 29th day of September , 2012 at 9:30 A.M.
(b)	Venue of AGM	:	Hotel K C Residency, SCO 377-380, Sector 35-B, Chandigarh-160 022
(c)	Date of Book Closure	:	18th September, 2012 to 29th September, 2012 (Both days inclusive)

ii. Financial Year :

The financial year of the company covers the financial period from 1st April, 2011 to 31st March, 2012. The due dates for consideration of financial results for the next year ending on 31st March, 2012 are as follows:

Financial reporting for the quarter ending June 30, 2012	14th August, 2012
Financial reporting for the quarter ending September 30, 2012	14th November, 2012
Financial reporting for the quarter ending December 31, 2012	14th February, 2013
Financial reporting for the quarter ending March 31, 2012	15th May, 2013
Annual General Meeting for the year ended March 31, 2013	30th September, 2013

iii. Dividend Payment Date : Not Applicable

iv. Listing on Stock Exchange :

Presently, the Equity Shares of the Company are listed on the Bombay Stock Exchange. The Global Depository Receipts of the Company are listed on Luxembourg Stock Exchange. The company is yet to pay the annual listing fees for the year 2012-13 to BSE and custodial fees for the year 2012-13 to NSDL and CDSL.

v. BSE Stock Code : 531366

vi. Market Price Data : High, Low of each month of the last financial year

(in ₹)

Month	High Price	Low Price	Month	High Price	Low Price
April, 2011	2.37	1.43	October, 2011	1.10	0.92
May, 2011	1.52	1.31	November, 2011	1.06	0.76
June, 2011	1.51	1.29	December, 2011	0.85	0.56
July, 2011	1.40	1.21	January, 2012	1.04	0.58
August, 2011	1.31	0.84	February, 2012	0.97	0.78
September, 2011	1.19	0.90	March, 2012	0.89	0.56

(Source: www.bseindia.com)

vii. Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc has remained below the Index.

viii. Registrar and Transfer Agents:
Skyline Financial Services Pvt. Ltd., D-153A, First floor, Okhla Industrial Area, Phase-I, New Delhi-110020.

ix. Share Transfer System:
As on 31st March 2012 out of the total listed capital 99.79% shares are held by the shareholders in dematerialised Form {70.55% with NSDL and 29.24% with CDSL}. Generally, the Company does not receive any request for transfer/re-materialisation of shares. Therefore, the Company seeks to conduct transfer of shares as and when received.

x. Dematerialization of shares and liquidity:
Trading in Equity Shares of the Company has become mandatory in dematerialized form. To facilitate trading in DEMAT form, in India, there are two depositories i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company has entered into agreement with both these depositories. Shareholders can open account with any of the Depository Participant registered with any of these depositories. As on 31st March 2012 out of the total listed capital 99.79% shares are held by the shareholders in Dematerialised Form {70.55% with NSDL and 29.24% with CDSL}.

xi. Shareholding Pattern as at 31st March, 2012 is given as under:

Shareholding of Promoter and Promoter Group	Number of Shares	% Of Total Equity
-Indian	400000	0.36
-Foreign	NIL	NIL
Public shareholding		
-Foreign Institutional Investors	3710460	3.37
-Shares underlying GDR's	20377540	18.49
-Body Corporate	10296143	9.34
-General Public	75421557	68.44
TOTAL	**110205700**	**100.00**

xii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity:
As on 31st March 2012 the total number of underlying shares outstanding GDR which are pending conversion is 20377540.

xiii. Address for correspondence:
Members are requested to correspond with the Company, quoting their folio no. at the following addresses:

(i) Share Transfer Department	Skyline Financial Services Pvt. Ltd. D-153A, First floor, Okhla Industrial Area, Phase-I New Delhi-110020 {I N D I A}
(ii) Registered Office	Kohinoor Broadcasting Corporation Ltd. SCO 87, Level-II, Sector 46-C, Chandigarh – 160 047 {I N D I A}
(iii) Corporate Office	Kohinoor Broadcasting Corporation Ltd. Tagore Theatre Complex, Model Town, Patiala-147 001 {I N D I A}
(iv) Compliance Officer	Mr. Mangal Singh, Managing Director, SCO 87, Level-II, Sector 46-C, Chandigarh – 160 047 {I N D I A} info@kohinoorbroadcasting.com

xiv. Register email address:
As you all may be aware, Ministry of Corporate Affairs has taken a 'Green Initiative in Corporate Governance' by issuing Circulars 17/2011 and 18/2011 dated 21st April, 2011 and 29th April, 2011 respectively, whereby Companies are permitted to send Notices/documents including Annual Report comprising Balance Sheet, Profit and Loss Account, Directors Report, Auditors Report etc. in electronic mode.

MCA has clarified that the Company would be in full compliance with Sections 53 and 219(1) of the Companies Act, 1956 in case a copy of Balance Sheet etc. is sent by electronic mail to its members subject to the fact that the company has obtained:-

1. Email addresses of its members for sending the documents through email by giving an advance opportunity to every shareholder to register their email address and changes therein from time to time with the company or with the concerned depository.
2. Company's website displays full text of these documents well in advance prior to mandatory period and these documents be made available for inspection at the registered office of the company. Website must be designed in such a way that documents can be opened easily and quickly.
3. In case where any member has not registered his email address with the company, the service of the documents will be affected by other modes of service as provided under Section 53 of the Companies Act, 1956.

4. Where any member insists for physical copies of the above documents, the same would be sent to him physically by post free of cost.

Accordingly, shareholders holding shares in physical form are requested to register their email address and changes therein form time to time by sending the relevant email address along with details such as name, address, folio no, no. of shares held to the Registrar and Share Transfer Agents, M/s Skyline Financial Services (P) Ltd.
In respect of shares held in electronic form, the email address along with DP ID/Client ID and other shareholder details as mentioned above should be registered by the shareholders with their respective Depository Participant.
Upon registration of the email address, the Company proposes to send notices and documents, in electronic form, to such shareholders.

Change of Address:
Members holding equity share in physical form are requested to notify the change of address/dividend mandate, if any, to the Company's share department.

Members holding equity share in dematerialized form are requested to notify the change of address/dividend mandate, if any, to their respective DP.

DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT

In accordance with Clause 49 Sub-Clause (D) of the Listing Agreement with the Stock Exchange, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes, as applicable to them for the Financial Year ended March 31, 2012.

For **Kohinoor Broadcasting Corporation Ltd.**

(Mangal Singh)
Managing Director

Chandigarh, 14th August 2012

<u>AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE</u>

The Members of
Kohinoor Broadcasting Corporation Ltd.

We have examined the compliance of the conditions of Corporate Governance by Kohinoor Broadcasting Corporation Ltd., for the financial year ended on 31st March, 2012 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange(s).

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementations thereof, adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that while the Shareholders/Investors' Grievance Committee was constituted and has maintained records to show the investor grievances pending exceeding one month against the Company, The Share Transfer Department of the Company have certified that as on March 31, 2012 there were no investor grievances remaining unattended/ pending for more than 30 days.

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 **Amit K Arora & Co.**
Chartered Accountants,

(Amit Kumar Arora)
Proprietor
Membership No. F-096831

Chandigarh, 14th August, 2012

AUDITORS' REPORT

To the Members of
Kohinoor Broadcasting Corporation Ltd.

1. We have audited the attached Balance Sheet of **Kohinoor Broadcasting Corporation Ltd.** as at 31st March 2012 and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date both 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. On the basis of written representation received from the directors as on 31st March, 2012 and taken on record by Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as director in terms of clause (g) of sub-Section (1) of Section 274 of the Companies Act, 1956.

4. As required by the Companies (Auditor's Report) Order, 2004 (as amended) issued by Ministry of Finance Department of Company Affairs, in terms of Section 227 (4-A) of the Companies Act, 1956 we annexed hereto a statement on the matters specified in paragraphs 4 and 5 of the said order.

5. Further to our comments in the annexure referred to in paragraph 4 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 purpose of our audit.

   (ii) In our opinion, proper books of accounts as required by law have been kept by the Company, so far as appears from our examination of the books.

   (iii) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with books of accounts.

   (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 the Section (3)(c) of Section 211 of the Companies Act, 1956 and rules there under; and

   (v) In our opinion and to the best of our information and according to explanations given to us, the said accounts read together with other notes and their effect on the accounts if any, give the information required by the Companies Act, 1956 in the manner so required and also 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 31st, 2012;
   (b) In the case of Profit & Loss Account, of the loss 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 **Amit K Arora & Co.**
Chartered Accountants,

(Amit Kumar Arora)
Proprietor
Membership No.: F 096831

Chandigarh, 14th August, 2012

ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in paragraph 4 of our Report of even Date)

(i)

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

(b) As explained to us major assets of the Company were physically verified by the Management in terms of a phased programme. No discrepancies were noticed on verification carried out.

(c) According to the information and explanation given to us no substantial part of fixed assets has been disposed of during the year. Since no substantial part of fixed assets has been disposed of during the year, the concept of Going Concern has not been affected.

(ii)

(a) Physical Verification of Raw Materials, work in progress, finished goods and stores and spare parts has been conducted by the Management during the year at reasonable intervals.

(b) Procedure of physical verification of inventories followed by the Company is reasonable and adequate in relation to the size of the Company and nature of its business.

(c) As explained to us the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of stocks were not material as compared to the book records and have been properly dealt with in the books of accounts.

(iii) The Company has not taken or granted loans, Secured or Unsecured, from/to the Companies, Firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 within the meaning of Section 370 (1B) of the Companies Act, 1956. So, sub-clauses (b) (c) (d) relating to rate of interest and other terms and conditions of loans, repayment of the principal amount and interest thereon, steps taken for recovery/repayment of the principal and interest thereon, in our opinion are not applicable in respect of the Company.

(iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventories and fixed assets and also with regard to sale of goods. We have not noticed any continuing failure to correct major weaknesses in internal control.

(v)

(a) In our opinion and according to the information and explanations given to us, the company no transaction is required to be entered into in the register in pursuance of Section 301 of the Act.

(b) According to the information and explanations given to us, during the year there is no transaction made in pursuance of the contracts or agreements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating to ₹ Five lacs p.a. or more in respect of each party.

(vi) The Company has not accepted or renewed deposits from the public during the year to which provisions of Section 58A of the Companies Act, and the applicable rules framed there under including the directives issued by the Reserve Bank of India apply.

(vii) The Company has its own internal audit system, which in our opinion is commensurate with the size of the Company and the nature of its business.

(viii) We have broadly reviewed the cost records maintained by the company pursuant to the Companies (Cost Accounting Records) Rules 2011 prescribed the Central Government under Section 209 (1) (d) of Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the Cost records with a view to determine whether they are accurate or complete.

(ix)

(a) As explained to us, the Company has not deposited the TDS regularly with the authorities. The company is regular in paying other applicable undisputed statutory dues with the appropriate authorities. As per the information provided to us, the arrears of outstanding statutory dues as at the last day of the financial year concerned for a period of more than six months from the date they became payable amounts to ₹ 377844.

(b) According to the information and explanations given to us, there were no dues on account of Wealth Tax, Service tax, Sales tax (VAT), Custom Duty, Excise Duty, Entry Tax, Stamp Duty and other statutory material dues which were not deposited on account of any dispute. However, the particulars of Income Tax which have not been deposited on account of dispute are as referred to in the details of Contingent Liabilities in Note no. 25.

(x) In our opinion, the Company has been registered for a period not less than five years and it has no accumulated losses at the end of the financial year. We further report that the Company has incurred cash losses in the current financial year and but not in the immediately preceding financial year.

(xi) As per information provided to us, the Company has not taken any loans, credit facilities or other loans of whatsoever nature from any financial institution and/or bank and/or debenture holders.

(xii) According to the information and explanations given to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Thus, the directions regarding maintenance of adequate documents and records are not applicable to the Company.

(xiii) As explained to us the Company is not a nidhi / mutual benefit fund / society and the provisions of any special statute are not applicable in respect of the Company. Thus the sub-clauses (a) to (d) of this clause are not applicable.

(xiv) According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments, thus the disclosure regarding maintenance of records and holding securities in its own name are not applicable in respect of the Company.

(xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Thus, the disclosure regarding the terms and conditions is not required.

(xvi) According to the information and explanations given to us, the Company has not obtained any term loan during the year accordingly there is nothing to report under this clause.

(xvii) According to the information and explanations given to us, the Company has not raised any funds on Short term or Long term basis during the year.

(xviii) As explained to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained under Section 301 of the Act. Thus, the disclosure regarding pricing under this clause is not applicable.

(xix) As explained to us, the Company has not issued any debentures during the year. Thus, the disclosure regarding securities is not applicable.

(xx) As explained to us, the Company has not raised any money by way of public issue during the year. Thus, the disclosure regarding end use of money is not applicable.

(xxi) According to the information and explanations given to us, and further as certified by the management, no fraud on or by the Company has been noticed or reported during the year.

For **Amit K Arora & Co.**
Chartered Accountants,

(Amit Kumar Arora)
Proprietor
Membership No.: F 096831

Chandigarh, 14th August, 2012

Kohinoor Broadcasting Corporation Limited

Balance Sheet as at 31st March, 2012

(in ₹)

	PARTICULARS	Note No.	As at 31/03/12		As at 31/03/11	
I.	**EQUITY AND LIABILITIES**					
1.	**Shareholders' funds**					
	(a) Share Capital	3	1,102,057,000		1,102,057,000	
	(b) Reserves and Surplus	4	(241,681,254)		(12,938,581)	
				860,375,746		1,089,118,419
2.	**Share application money pending allotment**			-		-
3.	**Non- current liabilities**					
	a) Long Term Borrowings		-		-	
	b) Other Long Term Liabilities		-		-	
				-		-
4.	**Current Liabilities**					
	(a) Short Term Borrowings		-		-	
	(b) Trade payables	5	11,499,114		6,464,338	
	(c) Other current liabilities	6	1,489,583		866,038	
	(d) Short term provisions	7	186,789		88,614	
				13,175,486		7,418,990
	TOTAL			873,551,232		1,096,537,409
II	**ASSETS**					
1.	**Non-current assets**					
	(a) Fixed assets	8				
	(i) Tangible assets		142,145,603		123,692,184	
	(ii) Intangible assets		5,386,893		42,918,928	
	(iii) Capital work-in-progress		10,082,887		8,985,651	
	(iv) Intangible assets under development		-		-	
				157,615,383		175,596,763
	(b) Non-current investments	9	697,223,129		853,234,734	
	(c) Deferred tax assets (net)	10	13,777,292		6,544,610	
	(d) Long-term loans and advances	11	2,201,425		2,201,425	
	(e) Other Non-current assets		-		-	
				713,201,846		861,980,769
2.	**Current assets**					
	(a) Current Investments		-		-	
	(b) Inventories	12	18,725		18,725	
	(c) Trade receivables	13	-		4,500,000	
	(d) Cash and Cash Equivalents	14	560,301		1,042,632	
	(e) Short-term loans and advances	15	2,154,977		53,398,520	
	(f) Other current assets		-		-	
				2,734,003		58,959,877
	TOTAL			873,551,232		1,096,537,409
	Significant Accounting Policies	2				
	Notes to Accounts	3-30				

As per our report of even date | **For & on behalf of the Board**

For Amit K Arora & Co.
Chartered Accountants

(Mangal Singh)
Managing Director

(Amit Kumar Arora)
Proprietor
Membership No. F-096831

(Harjinder Singh)
Director

Chandigarh, 14th August, 2012

Kohinoor Broadcasting Corporation Limited
Statement of Profit and Loss for the year ended 31st March, 2012

(in ₹)

	PARTICULARS	Note No.	Year Ended 31st March, 2012		Year Ended 31st March, 2011	
I	**Revenue from operations**	16	**6,675,000**		17,041,112	
II	**Other Income**	17	**372,288**		7,790,027	
III	**Total Revenue (I + II)**			**7,047,288**		24,831,139
IV	**Expenses**					
	Cost of Materials Consumed	18	**-**		-	
	Purchases of Stock in Trade	18	**-**		-	
	Changes in inventories of finished goods, work in progress and Stock-in- trade	18	**-**		-	
	Employee benefits expense	19	**1,510,468**		1,336,062	
	Finance Costs		**-**		-	
	Depreciation and amortization expense	20	**62,404,459**		69,022,522	
	Other expense	21	**23,929,362**		23,479,557	
	Total Expense			**87,844,289**		93,838,141
V	**Profit before exceptional and extraordinary items and tax (III-IV)**			**(80,797,001)**		(69,007,002)
VI	**Exceptional Items:**					
	Gratuity provision Written Back			**-**		(67,640)
	Provision for Diminution in value of investments			**280,196,233**		-
VII.	**Profit before extraordinary items and tax (V-VI)**			**(360,993,234)**		(68,939,362)
VIII	**Extraordinary items**					
IX	**Profit before tax (VII-VIII)**			**(360,993,234)**		(68,939,362)
X	**Tax expense:**					
	(1) Current tax		-		-	
	(2) Deferred tax	22	(7,232,682)		(10,542,092)	
	(3) Tax in respect of earlier years	23	21,781		12,391	
				(7,210,901)		(10,529,701)
XI	**Profit/(Loss) for the period from continuing operations (IX - X)**			**(353,782,333)**		(58,409,661)
XII	**Profit/(Loss) for the period from discontinuing operations**			**-**		-
XIII	**Tax expense of discontinuing operations**			**-**		-
XIV	**Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)**			**-**		-
XV	**Profit/(Loss) for the period (XI + XIV)**			**(353,782,333)**		(58,409,661)
XVI	**Earnings per equity share:**	24				
	(1) Basic			**(3.21)**		(0.53)
	(2) Diluted			**(3.21)**		(0.53)
	Significant Accounting Policies	2				
	Notes to Accounts	3-30				

As per our report of even date | **For & on behalf of the Board**

For Amit K Arora & Co.
Chartered Accountants

(Mangal Singh)
Managing Director

(Amit Kumar Arora)
Proprietor
Membership No. F-096831

(Harjinder Singh)
Director

Chandigarh, 14th August, 2012

Kohinoor Broadcasting Corporation Limited

Cash Flow Statement Statement for the year ended 31st March, 2012

(in ₹)

	PARTICULARS	2011-12		2010-11	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Profit and Loss Account		**(360,993,234)**		(68,939,362)
	Adjusted for:				
	Depreciation and Amortisation Expense	**62,404,459**		69,022,522	
	Deferred Revenue expenses written off	**2,988,860**		2,988,860	
	Diminution in value of investments	**280,196,233**		-	
	Provision for doubtful advances	**0**		897,426	
	Provision for gratuity	**98,175**		(67,640)	
	Effect for Exchange Rate Change	**(227,830)**		(7,779,763)	
	Interest Income	**(9,981)**		(8,174)	
			345,449,916		65,053,231
	Operating Profit before Working Capital		**(15,543,318)**		(3,886,131)
	Adjusted for:				
	Trade and other receivables	**4,500,000**		33,403,575	
	Inventories	**-**		-	
	Trade and other payables	**5,658,321**		(3,738,337)	
			10,158,321		29,665,238
	Cash generated from operations		**(5,384,997)**		25,779,107
	Taxes Paid (earlier years)		**21,781**		12,391
	Net Cash (used in)/from Operating Activities		**(5,406,778)**		25,766,716
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	**(44,423,079)**		(64,495,165)	
	Purchase of Investments	**(4,119,191)**		(12,707,344)	
	Sale of Investments	**2,213,193**		71,311,386	
	Interest Income	**9,981**		8,174	
	Movement in Loans & Advances	**51,243,543**		(21,157,813)	
	Net Cash from Investing Activities		**4,924,447**		(27,040,762)
C.	**CASH FLOW FROM FINANCE ACTIVITIES**				
	Proceeds from issue of share capital/ application	**-**		-	
	Proceeds from Long Term/ Short Term borrowings	**-**		-	
	Repayment of Long Term/ Short Term borrowings	**-**		-	
	Dividend Paid	**-**		-	
	Net Cash (used in)/from Financing Activities		**-**		-
	Net Increase in Cash & Cash Equivalents		**(482,331)**		(1,274,046)
	Opening Balance of Cash & Cash Equivalents		**1,042,632**		2,316,678
	Closing Balance of Cash & Cash Equivalents		**560,301**		1,042,632

As per our report of even date | **For & on behalf of the Board**

For Amit K Arora & Co.
Chartered Accountants

(Mangal Singh)
Managing Director

(Amit Kumar Arora)
Proprietor
Membership No. F-096831

(Harjinder Singh)
Director

Chandigarh, 14th August, 2012

Cash Flow Statement is prepared as per **AS 3 (Cash Flow Statements)** under “indirect method”.
Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily convertible known amounts of cash and subject to insignificant risk of changes in value and also include bank overdrafts.

NOTE `1' CORPORATE INFORMATION

The company's principal business is Broadcasting Activities. The Company has Uplinked its free-to-air channel, "KBC News". The channel is available on Satellite-INSAT 4A, 83 Degrees East, Symbol Rate 3000, FEC-3/4, Downlink Frequency- 3868, Pole- Vertical. The company is in the process of making the channel available on DTH and cable network.

NOTE `2' STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis of Preparation and Presentation

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The Financial Statements comply in all material aspects with all the applicable accounting standards notified u/s 211 3(c) of the Companies Act 1956 and the relevant provisions of the Companies Act 1956.

All significant accounting policies adopted in the Preparation and Presentation of financial statements has been disclosed. The fundamental accounting assumptions, viz. Going Concern, Consistency and Accrual are being followed in financial statements. There is no change in policies being followed by the Company.

2.2. Use of Estimates

The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amount 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 end. Although these estimates are based upon managements' best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Deferred revenue expenditure on account of fee for increase in the Authorized capital and the GDR issue expenses is amortized over a period of 5 years.

2.4 Preliminary expenditure is amortized over a period of five years in equal instalments.

2.5 Accounting policies not specifically referred to herein above is in consistent with generally accepted accounting practices.

2.6 Inventories (AS 2)

Inventories of Raw Materials, Work-in-Progress and Finished Goods are valued at lower of cost or estimated net realizable value. Cost is taken on FIFO or specific identification basis. Net realizable value of Raw Materials, Work-in-Progress and Finished Goods is taken as estimated by the management.

2.7 Cash Flow Statement (AS 3)

Cash Flow Statement is prepared under "indirect method". Cash and Cash Equivalents are defined as cash in hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of change in value. For the purpose of Cash Flow Statement, cash and cash equivalents include bank overdraft.

2.8 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies (AS 4)

All items of income and expense, recognised in a period are included in the determination of net profit or loss for the period. This includes profit or loss from ordinary activities, extraordinary items and the effects of changes in accounting estimates/ policies. The nature and amount of prior period items are separately disclosed in the statement of profit and loss in a manner that their impact on the current profit or loss can be perceived.

2.9 Contingencies and Events Occurring after the Balance Sheet Date (AS 5)

As per AS 4, assets and liabilities are adjusted for events occurring after the balance sheet that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date or those indicating the fundamental accounting assumption of going concern is not appropriate.

Those events occurring after the balance sheet date that represent material changes and commitments affecting the financial position of the enterprise are disclosed in the Director's Report.

2.10 Depreciation (AS 6)

Depreciation for all assets is provided on Written Down Value Method in the manner laid down in Schedule XIV to the Companies Act, 1956. The depreciation has been calculated on a pro-rata basis from the date on which the asset is purchased or put to use whichever is later.

2.11 Construction Contracts (AS 7)

Since the company is not into the business of construction, the policy related to the same has not been formulated.

2.12 Revenue Recognition (AS 9)
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue will be relatively measured.
For advertisements, the commission is recognized when the related advertisement or commercial appears before the public i.e. on telecast. Programmes/Modules production and acquisition costs are net of recoveries. Sale is recognized when risk and reward of ownership is passed on to the customers. For services revenue is recognized when the service is completed.

2.13 Fixed Assets (AS 10)
Fixed assets are stated at cost less depreciation. Cost comprises of capital costs and incidental expenses attributable to bringing the assets to working condition for its intended use. All capital costs and incidental expenditure relating to pre operational period are shown as capital work in progress. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.
Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/ (loss). On disposal of revalued assets, amounts in revaluations reserve relating to those assets are transferred to accumulated profits.

2.14 Accounting For Effects of Changes in Foreign Exchange Rate (AS 11)
Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transaction. Gain/Loss arising on account of rise or fall in overseas currencies vis-a-vis reporting currency between the date of transaction and that of payment is charged to Profit and Loss Account.
Receivables/payables {Excluding for fixed assets} in foreign currencies are translated at the exchange rate ruling at the year ended date and resultant gain or loss is accounted for in the Profit and Loss Account. Increase/decrease in foreign currency loan on account of exchange fluctuation is debited or credited to the Profit and Loss Account. Impact of Exchange fluctuation is separately disclosed in notes to accounts.
Gain / Loss on translation of financial statements of non-integral foreign operations as on Balance Sheet date is recognized in Foreign Currency Translation Reserve {FCTR} Account, included in Reserves and Surplus, till the disposal of foreign operations.

2.15 Government Grants (AS 12)
Grants from government are recognised where there is reasonable assurance that the company will comply with the conditions attached and that the ultimate collection will be made.

2.16 Accounting for Investments (AS 13)
Current Investments are held at lower of cost and NAV/market value.
Long term investments are held at cost less diminution, if any, in the carrying cost of investment other than temporary in nature. Loss, if any, sustained by any subsidiary is not recognized unless it is permanent in nature.

2.17 Accounting for Amalgamations (AS 14)
The company has no plans for undergoing any amalgamation or de-merger and hence, no policy has been formulated for the same.

2.18 Accounting for Employees Benefits (AS-15)
Liabilities in respect of retirement benefits to employees are provided for as follows:-
-Contribution to Provident Fund and other recognized Funds are charged to Profit & Loss Account.
-The Gratuity liability is paid by the Company out of own funds. The Provision for the gratuity is made on the basis of Actuarial Valuation. The provision for gratuity is recomputed at the end of each financial year.

2.19 Borrowing Costs (AS 16)
Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense.

2.20 Segment Reporting (AS 17)
The company discloses information if any to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.

2.21 Related Party Disclosure (AS 18)
For the purpose of the financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating, decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities, corporations and associates of common significant influence.

2.22 Accounting for Leases (AS 19)
For lease agreements where all the risks and rewards incident to ownership of an asset are substantially transferred to the lessee (Finance Lease), they are recognised as liability since the inception of agreement. For others, (Operating Lease), the lease payments are recognised as expense in the Profit & Loss Statement on a straight line basis over the term of agreement.

2.23 Earnings Per Share (AS 20)
For the purpose of calculation of EPS (Basic and Diluted) the net profit attributable to Equity Shareholders as per Profit and Loss Account is taken. The weighted number of shares is considered for the purpose of calculation of Basic and Diluted EPS.

2.24 Consolidated Financial Statements (AS 21)
The company prepares and publish consolidated financial statements in respect of the group as per AS-21.

2.25 Accounting for Taxes on Income (AS 22)
Income tax expense is determined on the taxable profits under Income Tax Act after setting off of unabsorbed losses and unabsorbed depreciation. Provision for MAT is made if current tax on taxable profits is less than the MAT applicable. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date. DTA is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

2.26 Accounting for investment in associates in Consolidated Financial Statements (AS 23)
An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor. The company has no associate concern.

2.27 Discontinuing Operations (AS 24)
During the year the Company has not discontinued any of its operations nor has planned any discontinuation.

2.28 Interim Financial Reporting (AS-25)
The Company is publishing un-audited quarterly financial results as per clause 41 of the Listing Agreement with BSE and the same have been duly limited reviewed by the statutory auditors.

2.29 Accounting for Intangible Assets (AS 26)
Film and Program and Broadcasting Rights ("Satellite Rights")
Acquired Satellite Rights for the broadcasting of feature films and other purchasing such as multi-episode television serials are stated at cost. All expenditure on Satellite Rights is recognized as intangible assets, till they become available for telecast on television. Satellite Rights disclosed under intangible assets represent rights, which are available for use as at the date of Balance Sheet. Expected benefits from use or sale of satellite rights are estimated by the management. These are amortized over pattern of economic benefits as per best estimates by the management. While estimating economic benefits management consider variety of factors such as the level of market acceptance of television products, programming viewership, advertisement rates etc.

Film Production costs, distribution and related rights
Upon the theatrical release of a content, the cost of production/acquisition of all the rights related to each such content is amortized in the ratio that current period revenue for the content bears to the management's estimate of the remaining unrecognized revenue for all the rights arising from the content, as per the individual-film-forecast method. The estimates for remaining unrecognized revenue for each of the content is reviewed periodically and revised if necessary.
Expenditure incurred towards production of content not complete as at the date of Balance Sheet and amounts paid under contractual terms for acquiring distribution rights and related rights of content not released in theatres as the date of Balance Sheet are classified as intangible assets under development.

2.30 Financial reporting of interest in Joint Ventures (AS 27)
The Company has no Joint Venture.

2.31 Impairment of Assets (AS 28)
The carrying amounts of the Company's assets, are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss is charged to the Profit and Loss Account unless it reverses a previous revaluation, credited to reserves, in which case it is charged to reserves.

2.32 Provisions and Contingent Liabilities (AS 29)

(a) *Provisions*: A provision is recognized when an enterprise has a present obligation as a result of past event and 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. These are reviewed at each Balance Date and adjusted to reflect the management's current estimates.

(b) *Contingent Liabilities*: A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

2.33 Trade Receivables and Payables

Trade and other receivables are stated at their original invoice amount less allowance for doubtful debts based on a review of all outstanding amounts at year end. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Bad debts are written off when identified.

Trade and other payables are stated at cost.

(in ₹)

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `3'		
SHARE CAPITAL		
-Authorised	**1,160,000,000**	1,160,000,000
11,60,00,000 Equity Shares of ₹ 10/- each		
[Previous Year : 11,60,00,000 Equity Shares of ₹ 10/- each]		
-Issued, Subscribed and Paid up	**1,102,057,000**	1,102,057,000
11,02,05,700 Equity Shares of ₹ 10/- each		
[Previous Year : 11,02,05,700 Equity Shares of ₹ 10/- each]		
TOTAL	**1,102,057,000**	1,102,057,000

The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per However, 20377540 underlying equity shares held by the Deuetsche Bank Trust Company Americas, representing 2037754 GDRs do hold any voting rights. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, distribution of all preferential amounts, in proportion of their shareholding. preferential amounts, in proportion of their shareholding.

- Reconciliation of Shares:	**Nos**	**Amt(₹)**	Nos	Amt(₹)
Opening Share Capital	**110205700**	**1,102,057,000**	110,205,700	1,102,057,000
Add: Shares issuued During the year	**-**	**0**	-	0
Add: Rights/Bonus Shares Issued	**-**	**0**	-	0
Total	**110205700**	**1,102,057,000**	110205700	1,102,057,000
Less: Buy back of Shares	**-**	**0**	-	0
Less Reduction in Capital	**-**	**0**	-	0
Closing Share Capital	**110205700**	**1,102,057,000**	110205700	1,102,057,000

-List of Share holders having 5% or more Shares (In Nos)

Name Of Shareholders	**In Nos**	In %	In Nos	In %
		NIL		NIL

Particulars		On 31st March, 2012		On 31st March, 2011
NOTE `4'				
RESERVES AND SURPLUS				
General Reserve				
Opening Balance	**5,029,868**		5,029,868	
Add : Transfer from Profit and Loss Account	**0**		0	
Less : Appropriations	**0**		0	
Closing Balance		**5,029,868**		5,029,868
Deferred Revenue Expenditure				
Opening Balance	**5,977,715**		8,966,575	
Less: Amortized	**-2,988,860**		-2,988,860	
Closing Balance		**-2,988,855**		-5,977,715
Profit and Loss Account				
Opening Balance	**-104,848,221**		-46,438,560	
Loss During The Year	**-353,782,333**		-58,409,661	
Closing Balance		**-458,630,554**		-104,848,221
Foreign Currency Translation Reserve				
Opening Balance	**92,857,487**		110,755,326	
Movement during the year	**122,050,801**		-17,897,839	
Closing Balance		**214,908,288**		92,857,487
TOTAL		**-241,681,253**		-12,938,581

Rate of exchange prevailing at the year-end is US$ 1= ₹ 51.16, US$ 1=AED 3.67, AED 1= ₹ 13.94

(in ₹)

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `5'		
TRADE PAYABLES		
Due to Micro and Small Enterprise	**0**	0
Due to Others	**11,499,114**	6,464,338
TOTAL	**11,499,114**	6,464,338

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `6'		
OTHER CURRENT LIABILITIES		
Statutory Dues	**749,157**	281,480
Other Payables *	**740,426**	584,558
TOTAL	**1,489,583**	866,038

*Includes amount due in respect of Expenses. Amount Payable to Directors in respect of their remuneration: ₹ 88400

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `7'		
SHORT TERM PROVISIONS		
Provision for Employee Benefits *	**186,789**	88,614
Other Provisions:		
Provision for Taxation	**0**	0
Proposed Dividend	**0**	0
TOTAL	**186,789**	88,614

* Calculated as per **AS 15 (Accounting for Employee Benefits)** and includes Gratuity Liability, which is paid by the Company out of
The Provision for the gratuity is made on the basis of Actuarial Valuation and recomputed at the end of each financial year.
The Actuarial Valuation has been carried out on the following assumptions:
Salary Escalation Rate 5%, Average age 41 years. The estimates of future salary increases,considered in Actuarial Valuation, takes seniority, promotion and other relevant factors.

Particulars		On 31st March, 2012		On 31st March, 2011
NOTE `9'				
NON-CURRENT INVESTMENTS				
Investments in Subsidiaries				
(Unquoted Non Trade Equity Shares, at Cost)				
1. Kohinoor Broadcasting Corporation, FZE	*- AED 150000*	**2,090,865**	*AED 150000*	1,703,008
	- USD 18736660	**958501962**	*USD 18786660*	838,824,382
Less: Provision for Diminution in value of investments		**280196233**		0
		680396594		840527390
2. KBC Power Corporation Limited		**3,756,535**		3,684,750
Investments in Other Companies				
(Unquoted Non Trade, at Cost)				
1. Tagore Theatres Private Limited		**0**		9,022,594
2. Asian IT Education Private Limited		**4,900,000**		0
3. Creative Infosystems Private Limited		**8,170,000**		0
TOTAL		**697,223,129**		853,234,734

Aggregate Market Value of Quoted Investment: NIL (Previous Year - NIL)
Aggregate Book Value of Quoted Investment: NIL (Previous Year - NIL)
Aggregate Book Value of Unquoted Investment: ₹ 97,74,19,362 (Previous Year - ₹ 85,32,34,734)
Aggregate Provision for Diminution in value of investments: ₹ 28,01,96,233 (Previous Year - NIL)

Kohinoor Broadcasting Corporation Limited
NOTE '8' FIXED ASSETS

(in ₹)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		COST AS ON 01.04.2011	ADDITION DURING THE YEAR	ADJ. DURING THE YEAR	TOTAL COST AS AT 31.03.2012	DEPRECIATION AS AT 01.04.2011	DURING THE YEAR	DEP ADJ.	TOTAL DEPRE. AS AT 31.3.2012	AS AT 31.03.2012	AS AT 31.03.2011
	Tangible Assets:										
1	Land										
	- *Lease Hold*	43,418,223	-	-	43,418,223	-	-	-	-	43,418,223	43,418,223
	- *Free Hold*	-	-	-	-	-	-	-	-	-	-
2	Building	35,212,904	-	-	35,212,904	10,032,812	2,518,009	-	12,550,821	22,662,083	25,180,092
3	Plant & Machinery	95,185,662	29,368,650	-	124,554,312	44,593,861	10,222,041	-	54,815,902	69,738,410	50,591,801
4	Furniture & Fixtures	9,888,903	2,001,700	-	11,890,603	7,764,583	485,689	-	8,250,272	3,640,331	2,124,320
5	Vehicles	1,977,471	-	-	1,977,471	1,149,928	214,251	-	1,364,179	613,292	827,543
6	Office Equipments	2,067,826	995,293	-	3,063,119	1,234,788	193,186	-	1,427,974	1,635,145	833,038
7	Computers	4,652,882	10,200	-	4,663,082	3,935,715	289,248	-	4,224,963	438,119	717,167
	Total	**192,403,871**	**32,375,843**	**-**	**224,779,714**	**68,711,687**	**13,922,424**	**-**	**82,634,111**	**142,145,603**	**123,692,184**
	Previous Year	186,274,044	6,129,827		192,403,871	52,708,094	16,003,593		68,711,687	123,692,184	133,565,950
	Intangible Assets:										
1	Intellectual Property Rights	95,937,857	10,950,000	-	106,887,857	53,018,929	48,482,035	-	101,500,964	5,386,893	42,918,928
	Total	**95,937,857**	**10,950,000**	**-**	**106,887,857**	**53,018,929**	**48,482,035**	**-**	**101,500,964**	**5,386,893**	**42,918,928**
	Previous Year	45,493,170	50,444,687	-	95,937,857	-	53,018,929	-	53,018,929	42,918,928	45,493,170
	Capital Work in Progress	**8,985,651**	**1,097,236**	**-**	**10,082,887**	**-**	**-**	**-**	**-**	**10,082,887**	**8,985,651**
	Previous Year	1,065,000	7,920,651	-	8,985,651	-	-	-	-	8,985,651	1,065,000

(in ₹)

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `10'		
DEFERRED TAX ASSETS (Net)		
Deferred Tax Assets		
Related to Difference in Depreciation rate	**12,852,045**	6,517,228
Disallowances under the Income Tax Act, 1961	**925,247**	27,382
TOTAL	**13,777,292**	6,544,610

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `11'		
LONG TERM LOANS AND ADVANCES		
UnSecured Considered Good:		
Capital Advances	**0**	0
Security Deposits	**2,201,425**	2,201,425
Other Loans and Advances	**0**	0
TOTAL	**2,201,425**	2,201,425

Unless otherwise stated, all amounts are recoverable in cash or in kind or value to be received. Amount Recoverable from Directors, Company Officials, Firms or Private Companies in which any director is a partner or director or a member, Companies under Same Management & companies in which Director's are interested and other related parties is- NIL

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `12'		
INVENTORIES		
Raw Material *	**18,725**	18,725
Work In Process	**0**	0
Finished Goods	**0**	0
TOTAL	**18,725**	18,725

*Valued as per **AS 2 (Inventories)**, at lower of Cost (taken as FIFO basis) or estimated Net Realizable Value as taken, valued and Certified by the Management.

Particulars		On 31st March, 2012		On 31st March, 2011
NOTE `13'				
TRADE RECEIVABLES				
Over Six Months				
Secured - Considered Good	**0**		0	
Unsecured - Considered Good	**0**		0	
Doubtful	**0**		0	
		0		0
Below Six Months				
Secured - Considered Good	**0**		0	
Unsecured - Considered Good	**0**		4,500,000	
Doubtful	**0**		0	
		0		4,500,000
TOTAL		**0**		4,500,000

Dues from Directors, Company Officials, Firms or Private Companies in which any director is a partner or director or a member, Companies under Same Management & companies in which Director's are interested and other related parties is NIL.

(in ₹)

Particulars		On 31st March, 2012		On 31st March, 2011
NOTE `14'				
CASH AND CASH EQUIVALENTS				
Balance with Banks		22,325		198,219
Cash on hand		398,943		714,383
Fixed deposits with banks		139,033		130,030
TOTAL		**560,301**		1,042,632

Particulars		On 31st March, 2012		On 31st March, 2011
NOTE `15'				
SHORT TERM LOANS AND ADVANCES				
Balance with Statutory Authorities		**978**		2,728
Other Advances	**3,051,426**		54,293,219	
Less: Provision for doubtful advances	**897,427**		897,427	
		2,153,999		53,395,792
TOTAL		**2,154,977**		53,398,520

Unless otherwise stated all amounts are recoverable in cash or in kind or value to be received. Amount Recoverable from Directors, Company Officials, Firms or Private Companies in which any director is a partner or director or a member, Companies under Same Management & companies in which Director's are interested and other related parties is- NIL

Particulars		2011-12		2010-11
NOTE `16'				
REVENUE FROM OPERATION				
Sale of Products	**6675000**		17,041,112	
Sale of Services	**0**		0	
Less: Excise Duty	**0**		0	
		6,675,000		17,041,112
Other Operating Revenues		**0**		0
TOTAL		**6,675,000**		17,041,112

Particulars	2011-12	2010-11
NOTE `17'		
OTHER INCOME		
Interest	**9,981**	8,174
Foreign Exchange Rate Difference	**227,830**	7,779,763
Discount Received	**125,000**	0
Other non-operating income (net of expenses)	**9,477**	2,090
TOTAL	**372,288**	7,790,027

Tax deducted at source on interest income is NIL (Previous Year NIL).

Rate of exchange prevailing at the year-end is US$ 1= ₹ 51.16, US$ 1=AED 3.67, AED 1= ₹ 13.94

(in ₹)

Particulars		2011-12		2010-11
NOTE `18'				
COST OF MATERIAL CONSUMED				
Raw Materials' Consumption				
Stock at Commencement	**18,725**		18,725	
Add: Purchases	**0**		0	
Less : Stock at Close	**18,725**		18,725	
		0		0
Cost of Trading Materials Sold				
Purchase of Trading Materials		**0**		0
Movement of Stock				
Stock at Commencement	**0**		0	
Stock at Close	**0**		0	
		0		0
TOTAL		**0**		0

Particulars	2011-12	2010-11
NOTE `19'		
EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages*	**1,028,000**	1,023,000
Compensation to Independent Directors	**375,000**	300,000
Contribution to P.F, E.S.I and Other Statutory Funds	**98,175**	0
Workmen and Staff Welfare Expenses	**9,293**	13,062
TOTAL	**1,510,468**	1,336,062

* Salaries includes Remuneration to Directors is in terms of Section 198, 269, 309 read with Schedule XII and other applicable Companies Act, 1956 amounts to ₹ 6.30 Lac (Previous Year ₹ 5.22 Lacs)

Particulars	2011-12	2010-11
NOTE `20'		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation*	**13,922,424**	16,003,593
Amortisation*	**48,482,035**	53,018,929
TOTAL	**62,404,459**	69,022,522

* Please refer note 8

(in ₹)

Particulars	2011-12	2010-11
NOTE `21'		
OTHER EXPENSES		
Production Expenses	**690,431**	529,157
Bandwidth Charges	**6,384,310**	4,950,849
Audit Fee *	**120,000**	120,000
AGM Expenses	**2,500**	2,746
Charity & Donation	**0**	11,000
Newspapers, Books and Periodicals	**3,955**	3,322
Rent	**90,000**	90,000
Repairs and Maintenance - Plant & Machinery	**395,000**	0
Repairs and Maintenance - Building	**476,813**	11,327
Repairs and Maintenance - Others	**188,353**	103,596
Advertising & Publicity	**121,244**	1,870,135
Fee & Taxes	**1,084,580**	470,415
Insurance	**184,921**	175,440
Legal & Professional Charges	**2,435,610**	3,641,100
Misc. Expenses	**13,052**	189,859
Deferred Revenue expenses written off	**2,988,860**	2,988,860
Provision for doubtful advances	**0**	897,426
Power & Fuel	**267,256**	97,760
Printing & Stationery	**25,318**	291,157
Postage & Courier	**249,030**	362,320
Telephone & Communication	**146,830**	229,794
Travelling & Conveyance - Directors	**6,632,822**	2,064,872
Travelling & Conveyance - Others	**1,086,470**	3,874,407
Vehicle Running & Maintenance	**252,783**	414,549
Website Maintenance	**2,205**	56,253
Bank Charges & Other Interest	**87,019**	33,213
TOTAL	**23,929,362**	23,479,557

* Audit Fee Comprises:-
Statutory Audit - ₹ 1.05 Lacs (Previous Year ₹ 1.05 Lac)
Certification Matters - ₹ 0.10 Lacs (Previous Year ₹ 0.10 Lacs)
Reimbursement of Expenses - ₹ 0.05 Lacs (Previous Year ₹ 0.05 Lacs)

			Tax Rate	Deferred Tax Asset/ (Liability)
NOTE '22'				
DEFERRED TAX CALCULATION			**30.90%**	
Difference in WDV as per IT Act and Companies Act:				
WDV as per Income Tax Act	199,207,760			
WDV as per Companies Act	157,615,383	41,592,377		12,852,045
Disallowance U/s 40 (a) (ia):				
Expenses incurred on which TDS deducted, but not deposited		2,994,328		925,247
Deferred Tax Asset as on 31.03.2012				13,777,292
Deferred Tax Asset as on 01.04.2011				6,544,610
Fresh Provision to be made during 2011-12				**7,232,682**

NOTE '23'
PRIOR PERIOD ITEMS
An amount of ₹ 21781/- (previous year ₹ 12391/-) relating to taxes paid for the prior years has been debited to Profit and Loss Account.

NOTE '24'
EARNING PER SHARE

Basic and Diluted		**2011-12**	**2010-11**
(a) Profit after Tax		**(353,782,333)**	(58,409,661)
(b) The weighted average number of ordinary shares of ₹ 10 each			
Total number of Shares	Nos.	**110205700**	110205700
(c) Earning Per Share		**(3.21)**	(0.53)

(in ₹)

NOTE '25'

CONTINGENT LIABILITIES

Contingent Liabilities provided for: Nil. Contingent Liability in respect of Income Tax Demand for the Assessment year 2009-10 for has been filed before the CIT (Appeals): ₹ 189.41 Million.
Contingent Liabilities not provided for on account of capital commitments towards capital expenditure (Net of Advances): ₹ 1 Million (Previous Year ₹ 100 Million)
The Company does not have any other contested liabilities.

NOTE '26'

RELATED PARTY DISCLOSURE

(a) List of Related Parties:-

(i) Subsidiary Company (Overseas) : Kohinoor Broadcasting Corporation FZE, Sharjah, UAE.
(ii) Subsidiary Company (Indian) : KBC Power Corporation Limited.
(iii) Joint Venture : NIL
(iv) Holding Company : NIL
(v) Group Company : NIL
(vi) Associate Company : NIL
(vii) Key Managerial Persons : Mr. Mangal Singh, Mr. Harjinder Singh and Mr. Gunjot Singh
(viii) Relatives of Key Managerial Persons : NIL
(ix) Entities over which Key Managerial persons / their relatives are able to exercise significant influence:
Tagore Theatres Private Limited, Asian IT Education Private Limited and Creative Infosystems Private Limited.

(b) Transactions Carried Out with related parties:-

(i) Investments Realized During the Year from wholly owned subsidiary Company viz. Kohinoor Broadcasting Corporation Limited FZE, Sharjah, UAE ₹ 1.98 Million
(ii) Investments made in the Indian subsidiary stood at ₹ 3.76 Million
(iii) Investment made in following related party entities stood at:
-Asian IT Education Pvt Ltd: ₹ 4.9 Million
-Creative Infosystems Pvt Ltd.: ₹ 8.17 Million
(iv) Remuneration to Key Managerial Persons ₹ 0.63 Million

NOTE '27'

LIABILITIES TOWARDS SSIs.

As per the information available with the Company, amount due to Small Scale Ancillary Industry Undertakings as at 31st March 2012 (Previous Year - NIL)

NOTE '28'

DISCLOSURE IN TERMS OF CLAUSE 32 OF LISTING AGREEMENT WITH STOCK EXCHANGE

• The Company has not given any Loans and Advances to its subsidiaries for which disclosure is required.
• The Company does not have any Holding Company.
• The company has a wholly owned Indian subsidiary KBC Power Corporation Limitied and another wholly owned subsidiary, Broadcasting Corporation FZE, registered at Hamriyah Free Trade Zone, Sharjah – UAE.

NOTE '29'

ADDITIONAL INFORMATION REQUIRED TO BE GIVEN PURSUANT TO PART II OF SCHEDULE VI TO THE COMPANIES

• The Company is not engaged in any manufacturing activity. The Company is in the business of producing television content, which subject to any license. Hence licensed capacity is not given. Further the nature of business of Company is such that the installed quantifiable.
• The Company is not engaged in to any manufacturing activity. Therefore, the additional information with respect to Raw Material, Sale and quantity details thereof has not been given.
• CIF Value of Imports NIL (Previous Year NIL)
• Other Expenditure in Foreign Currency-
a) Consultancy Fee: NIL (Previous Year NIL)
b) Securities: NIL (Previous Year NIL)
c) Travelling Expenditure: US$ 7250 (Previous Year US$ 18500)
d) Investment in wholly owned subsidiaries during the year: NIL (Previous Year NIL)
• Earning in Foreign Exchange (FOB value of Exports): NIL (Previous Year NIL)
• Receipts in Foreign Exchange-US$ 0.05 Million (Previous Year US$ 1.6 Million)

NOTE '30'

PREVIOUS YEAR FIGURES

The revised schedule VI has become effective from 01.04.2011 for the preparation of the financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year figures have been re-grouped/ re-classified wherever necessary to correspond with the current year's classification/ disclosure.

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956 RELATING TO SUBSIDIARIES

(₹ Million)

Sr. No.	Particulars	Kohinoor Broadcasting Corporation FZE, UAE	KBC Power Corporation Limited
1.	Financial Year of the Subsidiary	01-04- 2011 to 31-03-2012	01-04- 2011 to 31-03-2012
2.	Shares of the subsidiary held by the holding Company on the Balance Sheet date	One Share of AED 150000	50000 Equity Shares of ₹ 10 each
3.	Extent of interest of Holding company at the end of the financial year of subsidiary company	100%	100%
4.	Changes in Interest	Does not Arise	Does not Arise
5.	Net Aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary not dealt with in the Company's accounts		
	(a) For the financial Year of the Subsidiary	(1185.09)	(0.10)
	(b) For the previous Financial years since it became a subsidiary	990.11	(0.07)
6.	Net aggregate amount of profits/(losses) of the subsidiary for the above financial year of the subsidiary dealt within the Company's accounts		
	(a) For the financial Year of the Subsidiary	NIL	NIL
	(b) For the previous Financial years since it became a subsidiary	NIL	NIL
7.	Changes in the interest of Holding company between the end of subsidiary's financial year and 31st March 2012	Does not Arise	Does not Arise
8.	Material changes between the end of subsidiary's financial year and 31st March 2012 in Fixed Assets, Investments, Money lent and money borrowed by subsidiaries other than for meeting current liabilities.	Does not Arise	Does not Arise

For **Kohinoor Broadcasting Corporation Ltd.**

(Mangal Singh)
Managing Director

(Harjinder Singh)
Director

Chandigarh , 14th August, 2012

AUDITOR'S REPORT

To the Board of Directors of
Kohinoor Broadcasting Corporation Limited
On the Consolidated Financial Statements

1. We have audited the attached Consolidated Balance Sheet of Kohinoor Broadcasting Corporation Limited ("the Company") and its subsidiary companies (the Company and its subsidiaries together constitute "the Group") as 31st March, 2012, the consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statement include investments in associates, accounted for on the equity method, in accordance with Accounting Standard 23 (Accounting for Investments in Associates in Consolidated in Financial Statement) (AS 23) as notified by the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Group's Management. Our responsibilities to express an opinion on this Consolidated Financial Statement based on our audit.

2. We conducted our audit in accordance with the Generally Accepted Auditing Standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amount and the disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by the Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. We did not audit the financial statement of one overseas subsidiary, M/s Kohinoor Broadcasting Corporation FZE included in the consolidated financial statements, which constitute total assets of ₹ 678.89 million as at 31st March, 2012; total revenue of ₹ 722.44 million, net loss of ₹ 1185.09 Million and net cash inflows amounting to ₹ 8.22 Million for the year then ended. These financial statements have been audited by other auditors, whose reports have been furnished to us and our opinion on the consolidated financial statements to the extent they have been derived from such financial statements in respect of that subsidiary is based solely on the report of such other auditors.

4. We report that the Consolidated Financial Statements have been prepared in accordance with the requirement of Accounting Standard-21 (Consolidated Financial Statements) and AS-23 as notified by Companies (Accounting Standards) Rules 2006 and on the basis of the separate Audited Financial Statements of the Company and its subsidiaries included in the consolidated financial statements referred to in paragraph 3 above.

5. Based on our audit and on consideration of the separate audit report on individual financial statements of the Company and its aforesaid subsidiary referred to in paragraph 3 above, and to the best of our information and according to the explanations given to us, we are of the opinion that the aforesaid Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   a) In the case of Consolidated Balance Sheet, to the state of affairs of the Group as at 31st March, 2012;
   b) In the case of the Consolidated Profit and Loss Accounts, of the profit of the Group for the year ended on that date and
   c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

For **Amit K Arora & Co**.
Chartered Accountants,

(Amit Kumar Arora)
Proprietor
Membership No.: F-096831

Chandigarh, 14th August, 2012

Kohinoor Broadcasting Corporation Limited

Consolidated Balance Sheet as at 31st March, 2012

(in ₹)

	PARTICULARS	Note No.	As at 31/03/12		As at 31/03/11	
I.	**EQUITY AND LIABILITIES**					
1.	**Shareholders' funds**					
	(a) Share Capital	3	**1,102,057,000**		1,102,057,000	
	(b) Reserves and Surplus	4	**(244,338,855)**		976,768,834	
				857,718,145		2,078,825,834
2.	**Share application money pending allotment**	5		**2,445,730**		-
3.	**Non- current liabilities**					
	a) Long Term Borrowings		**-**		-	
	b) Other Long Term Liabilities		**-**		-	
				-		-
4.	**Current Liabilities**					
	(a) Short Term Borrowings	6	**-**		200,000	
	(b) Trade payables	7	**11,499,114**		9,811,263	
	(c) Other current liabilities	8	**2,100,025**		1,257,024	
	(d) Short term provisions	9	**186,789**		88,614	
				13,785,928		11,356,901
	TOTAL			**873,949,802**		2,090,182,735
II	**ASSETS**					
1.	**Non-current assets**					
	(a) Fixed assets	10				
	(i) Tangible assets		**142,428,013**		123,981,923	
	(ii) Intangible assets		**5,386,893**		42,918,928	
	(iii) Capital work-in-progress		**14,323,693**		11,136,449	
	(iv) Intangible assets under development		**-**		-	
				162,138,599		178,037,300
	(b) Non-current investments	11	**13,070,000**		9,022,594	
	(c) Deferred tax assets (net)	12	**13,851,856**		6,576,056	
	(d) Long-term loans and advances	13	**2,539,797**		2,496,760	
	(e) Other Non-current assets		**-**		-	
				29,461,653		18,095,410
2.	**Current assets**					
	(a) Current Investments		**-**		-	
	(b) Inventories	14	**417,703,880**		1,565,887,276	
	(c) Trade receivables	15	**258,998,478**		188,815,297	
	(d) Cash and Cash Equivalents	16	**3,324,946**		2,772,739	
	(e) Short-term loans and advances	17	**2,322,246**		136,574,713	
	(f) Other current assets		**-**		-	
				682,349,550		1,894,050,025
	TOTAL			**873,949,802**		2,090,182,735
	Significant Accounting Policies	2				
	Notes to Accounts	3-34				

As per our report of even date | **For & on behalf of the Board**

For Amit K Arora & Co.
Chartered Accountants

(Mangal Singh)
Managing Director

(Amit Kumar Arora)
Proprietor
Membership No. F-096831

(Harjinder Singh)
Director

Chandigarh, 14th August, 2012

Kohinoor Broadcasting Corporation Limited
Consolidated Statement of Profit and Loss for the year ended 31st March, 2012

(in ₹)

	PARTICULARS	Note No.	Upto 31st March, 2012		Upto 31st March, 2011	
I	**Revenue from operations**	18	**729,117,708**		1,620,582,294	
II	**Other Income**	19	**250,364**		7,790,027	
III	**Total Revenue (I + II)**			**729,368,072**		1,628,372,321
IV	**Expenses**					
	Cost of Materials Consumed	20	-		-	
	Purchases of Stock in Trade	20	**461,549,882**		1,505,642,318	
	Changes in inventories of finished goods, work in progress and Stock-in- trade	20	**1,148,183,396**		(44,872,993)	
	Employee benefits expense	21	**4,315,906**		4,614,370	
	Finance Costs		-		-	
	Depreciation and amortization expense	22	**62,454,026**		69,065,757	
	Other expense	23	**319,016,368**		32,880,178	
	Total Expense			**1,995,519,578**		1,567,329,630
V	**Profit before exceptional and extraordinary items and tax (III-IV)**			**(1,266,151,506)**		61,042,691
VI	**Exceptional Items**					
	Gratuity provision Written Back			-		(67,640)
VII.	**Profit before extraordinary items and tax (V-VI)**			**(1,266,151,506)**		61,110,331
VIII	**Extraordinary items**					
IX	**Profit before tax (VII-VIII)**			**(1,266,151,506)**		61,110,331
X	**Tax expense:**					
	(1) Current tax		-		-	
	(2) Deferred tax	24	(7,275,799)		(10,573,538)	
	(3) Tax in respect of earlier years	25	21,781		12,391	
				(7,254,018)		(10,561,147)
XI	**Profit/(Loss) for the period from continuing operations (IX - X)**			**(1,258,897,488)**		71,671,478
XII	**Profit/(Loss) for the period from discontinuing operations**			-		-
XIII	**Tax expense of discontinuing operations**			-		-
XIV	**Profit/(Loss) from discontinuing operations (after tax) (XII-XIII)**			-		-
XV	**Profit/(Loss) for the period (XI + XIV)**			**(1,258,897,488)**		71,671,478
XVI	**Earnings per equity share:**	26				
	(1) Basic			**(11.42)**		0.65
	(2) Diluted			**(11.42)**		0.65
	Significant Accounting Policies	2				
	Notes to Accounts	3-34				

As per our report of even date
For Amit K Arora & Co.
Chartered Accountants

For & on behalf of the Board

(Mangal Singh)
Managing Director

(Amit Kumar Arora)
Proprietor
Membership No. F-096831

(Harjinder Singh)
Director

Chandigarh, 14th August, 2012

Kohinoor Broadcasting Corporation Limited

Cash Flow Statement Statement for the year ended 31st March, 2012

(in ₹)

	PARTICULARS	2011-12		2010-11	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Net Profit before tax as per Profit and Loss Account		**(1,266,151,506)**		61,110,331
	Adjusted for:				
	Depreciation	**13,971,991**		16,046,828	
	Amortisation Expense	**48,482,035**		53,018,929	
	Write Off's	**288,633,639**		-	
	Deferred Revenue expenses written off	**3,038,860**		3,038,860	
	Provision for doubtful advances	**0**		897,426	
	Provision for gratuity	**98,175**		(67,640)	
	Effect for Exchange Rate Change	**34,708,699**		(7,541,808)	
	Interest Income	**(9,981)**		(8,174)	
			388,923,418		65,384,421
	Changes		**(877,228,088)**		126,494,752
	Adjusted for:				
	Trade and other receivables	**(275,562,821)**		49,932,499	
	Inventories	**1,148,183,396**		(44,872,993)	
	Trade and other payables	**2,530,852**		(426)	
			875,151,427		5,059,080
	Cash generated from operations		**(2,076,661)**		131,553,832
	Taxes Paid (earlier years)		**21,781**		12,391
	Net Cash (used in)/from Operating Activities		**(2,098,442)**		131,541,441
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Purchase of Fixed Assets	**(46,513,087)**		(66,645,963)	
	Purchase of Investments	**(4,047,406)**		-	
	Sale of Investments	**-**		997,406	
	Interest Income	**9,981**		8,174	
	Preliminary Expenses			(500,000)	
	Movement in Loans & Advances	**50,955,431**		(65,202,688)	
	Net Cash from Investing Activities		**404,919**		(131,343,071)
C.	**CASH FLOW FROM FINANCE ACTIVITIES**				
	Proceeds from issue of share capital/ application	**2,445,730**		-	
	Proceeds from Long Term/ Short Term borrowings	**-**		200,000	
	Repayment of Long Term/ Short Term borrowings	**(200,000)**		-	
	Dividend Paid	**-**		-	
	Net Cash (used in)/from Financing Activities		**2,245,730**		200,000
	Net Increase in Cash & Cash Equivalents		**552,207**		398,370
	Opening Balance of Cash & Cash Equivalents		**2,772,739**		2,374,369
	Closing Balance of Cash & Cash Equivalents		**3,324,946**		2,772,739

As per our report of even date **For & on behalf of the Board**

For Amit K Arora & Co.
Chartered Accountants

(Mangal Singh)
Managing Director

(Amit Kumar Arora)
Proprietor
Membership No. F-096831

(Harjinder Singh)
Director

Chandigarh, 14th August, 2012

Cash Flow Statement is prepared as per **AS 3 (Cash Flow Statements)** under "indirect method".
Cash and cash equivalents are defined as cash in hand, demand deposits and short-term, highly liquid investments readily
known amounts of cash and subject to insignificant risk of changes in value and also include bank overdrafts.

NOTE `1' CONSOLIDATED ACCOUNTS

Consolidated Financial Statements
Consolidated financial statement of the Company and its subsidiary are drawn as per AS 21.
(a) Basis of accounting
The Financial statements are prepared under the historical cost convention and comply with the applicable accounting standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956 as provided u/s 211 (3)(c).

(b) Translation of Foreign currency statements
In translating the financial statement of foreign entities for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at closing rate, income and expenses items are translated at the average exchange rate. The resulting differences are classified as Foreign Currency Translation Reserve.

(c) Principles of Consolidation
(i) Consolidated Financial statements relate to M/s Kohinoor Broadcasting Corporation Limited, India (The Company), and its subsidiaries viz. M/s Kohinoor Broadcasting Corporation FZE, UAE and M/s KBC Power Corporation Limited.
(ii) The Consolidated financial statements have been prepared on the following basis:
- The financial statements of the Company and its subsidiaries have been prepared on a line by line consolidation by adding the book values of like items of assets, liabilities, incomes and expenditure as per the respective audited financial statements of the respective Companies.
- The Accounts of the Subsidiary Company viz. M/s Kohinoor Broadcasting Corporation FZE, UAE, has been audited by Independent Auditors of the Company in accordance with the laws of UAE.
- The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the manner as Company's individual financial statement.
- Intra-group transactions and resulting unrealized profits have been eliminated.
(iii) The Subsidiary Company considered in consolidated financial statements are:

Sr no.	Name of Company	Country of Incorporation	Proportion of Ownership	Reporting Date	Difference in Reporting Date
1.	Kohinoor Broadcasting Corporation FZE, UAE	Hamriyah Free Zone, Sharjah-UAE	100%	31-03-2012	-
2.	KBC Power Corporation Limited	India	100%	31-03-2012	-

NOTE `2' STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation and Presentation
The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. The Financial Statements comply in all material aspects with all the applicable accounting standards notified u/s 211 3(c) of the Companies Act 1956 and the relevant provisions of the Companies Act 1956.
All significant accounting policies adopted in the Preparation and Presentation of financial statements has been disclosed. The fundamental accounting assumptions, viz. Going Concern, Consistency and Accrual are being followed in financial statements. There is no change in policies being followed by the Company.
The Company follows mercantile system of accounting and recognizes income and expenditure on accrual basis.

2.2 Use of Estimates
The preparation of Financial Statements in conformity with Generally Accepted Accounting Principles requires the management to make estimates and assumptions that affect the reported amount 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 end. Although these estimates are based upon managements' best knowledge of current events and actions, actual results could differ from these estimates.

2.3 Deferred revenue expenditure on account of fee for increase in the Authorized capital and the GDR issue expenses is amortized over a period of 5 years.

2.4 Preliminary expenditure is amortized over a period of five years in equal instalments.

2.5 Accounting policies not specifically referred to herein above is in consistent with generally accepted accounting practices.

2.6 Inventories (AS 2)
Inventories of Raw Materials, Work-in-Progress and Finished Goods are valued at lower of cost or estimated net realizable value. Cost is taken on FIFO or specific identification basis. Net realizable value of Raw Materials, Work-in-Progress and Finished Goods is taken as estimated by the management.

2.7 Cash Flow Statement (AS 3)
Cash Flow Statement is prepared under "Indirect Method". Cash and Cash Equivalents are defined as cash in hand, demand deposits and short term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of change in value. For the purpose of Cash Flow Statement, cash and cash equivalents include bank overdraft.

2.8 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies (AS 4)
All items of income and expense, recognised in a period are included in the determination of net profit or loss for the period. This includes profit or loss from ordinary activities, extraordinary items and the effects of changes in accounting estimates/ policies. The nature and amount of prior period items are separately disclosed in the statement of profit and loss in a manner that their impact on the current profit or loss can be perceived.

2.9 Contingencies and Events Occurring after the Balance Sheet Date (AS 5)
As per AS 4, assets and liabilities are adjusted for events occurring after the balance sheet that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date or those indicating the fundamental accounting assumption of going concern is not appropriate.
Those events occurring after the balance sheet date that represent material changes and commitments affecting the financial position of the enterprise are disclosed in the Director's Report.

2.10 Depreciation (AS 6)
Depreciation for all assets is provided on Written Down Value Method in the manner laid down in Schedule XIV to the Companies Act, 1956. The depreciation has been calculated on a pro-rata basis from the date on which the asset is purchased or put to use whichever is later.

2.11 Construction Contracts (AS 7)
Since the company is not into the business of construction, the policy related to the same has not been formulated.

2.12 Revenue Recognition (AS 9)
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue will be relatively measured.
For advertisements, the commission is recognized when the related advertisement or commercial appears before the public i.e. on telecast. Programmes/Modules production and acquisition costs are net of recoveries. Sale is recognized when risk and reward of ownership is passed on to the customers. For services revenue is recognized when the service is completed.

2.13 Fixed Assets (AS 10)
Fixed assets are stated at cost less depreciation. Cost comprises of capital costs and incidental expenses attributable to bringing the assets to working condition for its intended use. All capital costs and incidental expenditure relating to pre operational period are shown as capital work in progress. Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.
Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/ (loss). On disposal of revalued assets, amounts in revaluations reserve relating to those assets are transferred to accumulated profits.

2.14 Accounting For Effects of Changes in Foreign Exchange Rate (AS 11)
Transactions in foreign currencies are recognized at rate of overseas currency ruling on the date of transaction. Gain/Loss arising on account of rise or fall in overseas currencies vis-a-vis reporting currency between the date of transaction and that of payment is charged to Profit and Loss Account.
Receivables/payables {Excluding for fixed assets} in foreign currencies are translated at the exchange rate ruling at the year ended date and resultant gain or loss is accounted for in the Profit and Loss Account. Increase/decrease in foreign currency loan on account of exchange fluctuation is debited or credited to the Profit and Loss Account. Impact of Exchange fluctuation is separately disclosed in notes to accounts.
Gain / Loss on translation of financial statements of non-integral foreign operations as on Balance Sheet date is recognized in Foreign Currency Translation Reserve {FCTR} Account, included in Reserves and Surplus, till the disposal of foreign operations.

2.15 Government Grants (AS 12)
Grants from government are recognised where there is reasonable assurance that the company will comply with the conditions attached and that the ultimate collection will be made.

2.16 Accounting for Investments (AS 13)
Current Investments are held at lower of cost and NAV/market value.
Long term investments are held at cost less diminution, if any, in the carrying cost of investment other than temporary in nature. Loss, if any, sustained by any subsidiary is not recognized.

2.17 Accounting for Amalgamations (AS 14)
The company has no plans for undergoing any amalgamation or de-merger and hence, no policy has been formulated for the same.

2.18 Accounting for Employees Benefits (AS-15)
Liabilities in respect of retirement benefits to employees are provided for as follows:-
-Contribution to Provident Fund and other recognized Funds are charged to Profit & Loss Account.
-The Gratuity liability is paid by the Company out of own funds. The Provision for the gratuity is made on the basis of Actuarial Valuation. The provision for gratuity is recomputed at the end of each financial year.

2.19 Borrowing Costs (AS 16)
Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset form part of the cost of that asset. Other borrowing costs are recognised as an expense.

2.20 Segment Reporting (AS 17)
The company has disclosed all the information to enable users of its financial statements to evaluate the nature and financial effects of the business activities in which it engages and the economic environments in which it operates.
Since financial report contains both, consolidated financial statements of as well as the parent's separate financial statements, segment information is detailed in the consolidated financial statements.

2.21 Related Party Disclosure (AS 18)
For the purpose of the financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating, decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities, corporations and associates of common significant influence.

2.22 Accounting for Leases (AS 19)
The company is not engaged in the business of leasing out assets.
For lease agreements where all the risks and rewards incident to ownership of an asset are substantially transferred to the lessee (Finance Lease), they are recognised as liability since the inception of agreement. For others, (Operating Lease), the lease payments are recognised as expense in the Profit & Loss Statement on a straight line basis over the term of agreement.

2.23 Earnings Per Share (AS 20)
For the purpose of calculation of EPS (Basic and Diluted) the net profit attributable to Equity Shareholders as per Profit and Loss Account is taken. The weighted number of shares is considered for the purpose of calculation of Basic and Diluted EPS.

2.24 Consolidated Financial Statements (AS 21)
The Users of the financial statements of a parent are usually concerned with, and need to be informed about, the financial position and results of operations of not only the enterprise itself but also of the group as a whole.
This need is served by providing the users, a separate financial statement of the parent; and also consolidated financial statements, which present financial information about the group as that of a single enterprise without regard to the legal boundaries of the separate legal entities.
For the Company, Consolidated Financial Statements include the results of a wholly owned foreign subsidiary, Kohinoor Broadcasting Corporation FZE, registered at Hamriyah Free Trade Zone, Sharjah-UAE and a wholly owned Indian subsidiary- KBC Power Corporation Limited.

2.25 Accounting for Taxes on Income (AS 22)
Income tax expense is determined on the taxable profits under Income Tax Act after setting off of unabsorbed losses and unabsorbed depreciation. Provision for MAT is made if current tax on taxable profits is less than the MAT applicable. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantively enacted at the Balance Sheet date. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available which the deductible temporary differences, carry forward of unused tax assets and unused tax losses can be. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date. For and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

2.26 Accounting for investment in associates in Consolidated Financial Statements (AS 23)
An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor. The company has no associate concern.

2.27 Discontinuing Operations (AS 24)
During the year the Company has not discontinued any of its operations nor has planned any discontinuation.

2.28 Interim Financial Reporting (AS-25)
The Company is publishing the un-audited quarterly financial results as per clause 41 of the Listing Agreement with BSE and the same have been duly limited reviewed by the statutory auditors.

2.29 Accounting for Intangible Assets (AS 26)
Film and Program and Broadcasting Rights ("Satellite Rights")
Acquired Satellite Rights for the broadcasting of feature films and other purchasing such as multi-episode television serials are stated at cost. All expenditure on Satellite Rights is recognized as intangible assets, till they become available for telecast on television. Satellite Rights disclosed under intangible assets represent rights, which are available for use as at the date of Balance Sheet. Expected benefits from use or sale of satellite rights are estimated by the management. These are amortized over pattern of economic benefits as per best estimates by the management. While estimating economic benefits management consider variety of factors such as the level of market acceptance of television products, programming viewership, advertisement rates etc.

Film Production costs, distribution and related rights
Upon the theatrical release of a content, the cost of production/acquisition of all the rights related to each such content is amortized in the ratio that current period revenue for the content bears to the management's estimate of the remaining unrecognized revenue for all the rights arising from the content, as per the individual-film-forecast method. The estimates for remaining unrecognized revenue for each of the content is reviewed periodically and revised if necessary.
Expenditure incurred towards production of content not complete as at the date of Balance Sheet and amounts paid under contractual terms for acquiring distribution rights and related rights of content not released in theatres as the date of Balance Sheet are classified as intangible assets under development.

2.30 Financial reporting of interest in Joint Ventures (AS 27)
The Company has no Joint Venture.

2.31 Impairment of Assets (AS 28)
The carrying amounts of the Company's assets, are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss is charged to the Profit and Loss Account unless it reverses a previous revaluation, credited to reserves, in which case it is charged to reserves.

2.32 Provisions and Contingent Liabilities (AS 29)

(a) *Provisions*: A provision is recognized when an enterprise has a present obligation as a result of past event and 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. These are reviewed at each Balance Date and adjusted to reflect the management's current estimates.

(b) *Contingent Liabilities*: A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

2.33 Trade Receivables and Payables

Trade and other receivables are stated at their original invoice amount less allowance for doubtful debts based on a review of all outstanding amounts at year end. An allowance for doubtful debts is made when there is objective evidence that the Company will not be able to collect all amounts due according to original terms of receivables. Bad debts are written off when identified.

Trade and other payables are stated at cost

(in ₹)

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `3'		
SHARE CAPITAL		
-Authorised	**1,160,000,000**	1,160,000,000
11,60,00,000 Equity Shares of ₹ 10/- each		
[Previous Year : 11,60,00,000 Equity Shares of ₹ 10/- each]		
-Issued, Subscribed and Paid up	**1,102,057,000**	1,102,057,000
11,02,05,700 Equity Shares of ₹ 10/- each		
[Previous Year : 11,02,05,700 Equity Shares of ₹ 10/- each]		
TOTAL	**1,102,057,000**	1,102,057,000

The company has only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is eligible for one vote per share. However, 20377540 underlying equity shares held by the Deuetsche Bank Trust Company Americas, representing 2037754 GDRs do not hold any voting rights. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company, after distribution of all preferential amounts, in proportion of their shareholding, preferential amounts, in proportion of their shareholding.

- Reconciliation of Shares:	**Nos**	**Amt(₹)**	Nos	Amt(₹)
Opening Share Capital	**110205700**	**1,102,057,000**	110,205,700	1,102,057,000
Add: Shares issuued During the year	**-**	**0**	-	0
Add: Rights/Bonus Shares Issued	**-**	**0**	-	0
Total	**110205700**	**1,102,057,000**	110205700	1,102,057,000
Less: Buy back of Shares	**-**	**0**	-	0
Less Reduction in Capital	**-**	**0**	-	0
Closing Share Capital	**110205700**	**1,102,057,000**	110205700	1,102,057,000

-List of Share holders having 5% or more Shares (In Nos)

Name Of Shareholders	**In Nos**	In %	In Nos	In %
		NIL		NIL

Particulars		On 31st March, 2012		On 31st March, 2011
NOTE `4'				
RESERVES AND SURPLUS				
General Reserve				
Opening Balance	**8,375,576**		8,412,293	
Add : Transfer from Profit and Loss Account	**487,544**		-36,717	
(including currency fluctuations)	**0**		0	
Closing Balance		**8,863,120**		8,375,576
Deferred Revenue Expenditure				
Opening Balance	**6,427,715**		8,966,575	
Additions during the year	**0**		500,000	
Less: Amortized	**-3,038,860**		-3,038,860	
Closing Balance		**-3,388,855**		-6,427,715
Profit and Loss Account				
Opening Balance	**887,368,747**		815,697,269	
Loss During The Year	**-1,258,897,488**		71,671,478	
Closing Balance		**-371,528,741**		887,368,747
Foreign Currency Translation Reserve				
Opening Balance	**87,452,226**		110,755,326	
Movement during the year	**34,263,395**		-23,303,100	
Closing Balance		**121,715,621**		87,452,226
TOTAL		**-244,338,855**		976,768,834

Rate of exchange prevailing at the year-end is US$ 1= ₹ 51.16, US$ 1=AED 3.67, AED 1= ₹ 13.94

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `5'		
SHARE APPLICATION MONEY PENDING ALLOTMENT		
Share Application Money To the extent Not Refundable	**2,445,730**	0
TOTAL	**2,445,730**	0

(in ₹)

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `6'		
SHORT TERM BORROWINGS		
-Secured		
Working Capital Loans	0	0
-Unsecured		
Loans Repayable on Demand	**0**	200,000
TOTAL	**0**	200,000

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `7'		
TRADE PAYABLES		
Due to Micro and Small Enterprise	**0**	0
Due to Others *	**11,499,114**	9,811,263
TOTAL	**11,499,114**	9,811,263

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `8'		
OTHER CURRENT LIABILITIES		
Statutory Dues	**749,157**	281,480
Other Payables *	**1,350,868**	975,544
TOTAL	**2,100,025**	1,257,024

*Includes amount due in respect of Expenses. Amount Payable to Directors in respect of their remuneration: ₹ 88400

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `9'		
SHORT TERM PROVISIONS		
Provision for Employee Benefits *	**186,789**	88,614
Other Provisions:		
Provision for Taxation	**0**	0
Proposed Dividend	**0**	0
TOTAL	**186,789**	88,614

* Calculated as per **AS 15 (Accounting for Employee Benefits)** and includes Gratuity Liability, which is paid by the Company out of
The Provision for the gratuity is made on the basis of Actuarial Valuation and recomputed at the end of each financial year.
The Actuarial Valuation has been carried out on the following assumptions:
Salary Escalation Rate 5%, Average age 41 years. The estimates of future salary increases,considered in Actuarial Valuation, takes seniority, promotion and other relevant factors.

NOTE '10' FIXED ASSETS

(in ₹)

SR. NO.	DESCRIPTION OF ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		COST AS ON 01.04.2011	ADDITION DURING THE YEAR	EXCH. ADJ. DURING THE YEAR	TOTAL COST AS AT 31.03.2012	DEPRECIATION AS AT 01.04.2011	DEP. DURING THE YEAR	EXCH DEP ADJ.	TOTAL DEPRE. AS AT 31.3.2012	AS AT 31.03.2012	AS AT 31.03.2011
	Tangible Assets:										
1	Land										
	- *Lease Hold*	43,418,223	-	-	43,418,223	-	-	-	-	43,418,223	43,418,223
	- *Free Hold*	-	-	-	-	-	-	-	-	-	-
2	Building	35,212,904	-	-	35,212,904	10,032,812	2,518,009	-	12,550,821	22,662,083	25,180,077
3	Plant & Machinery	95,185,662	29,368,650	-	124,554,312	44,593,861	10,222,041	-	54,815,902	69,738,410	50,591,801
4	Furniture & Fixtures	10,154,036	2,001,700	38,635	12,194,371	7,919,233	504,925	22,536	8,446,694	3,747,677	2,234,803
5	Vehicles	1,977,471	-	-	1,977,471	1,149,928	214,251	-	1,364,179	613,292	827,543
6	Office Equipment	2,485,731	995,293	60,897	3,541,921	1,473,422	223,517	34,774	1,731,713	1,810,208	1,012,309
7	Computers	4,652,882	10,200	-	4,663,082	3,935,715	289,248	-	4,224,963	438,119	717,167
	Total	**193,086,909**	**32,375,843**	**99,532**	**225,562,284**	**69,104,971**	**13,971,991**	**57,310**	**83,134,272**	**142,428,012**	**123,981,923**
	Previous Year	186,964,563	6,129,827	(7,496)	193,086,894	53,061,985	16,046,828	(3,842)	69,104,971	123,981,923	133,902,578
	Intangible Assets:										
1	Intellectual Property Rights	95,937,857	10,950,000	-	106,887,857	53,018,929	48,482,035	-	101,500,964	5,386,893	42,918,928
	Total	**95,937,857**	**10,950,000**	**-**	**106,887,857**	**53,018,929**	**48,482,035**	**-**	**101,500,964**	**5,386,893**	**42,918,928**
	Previous Year	45,493,170	50,444,687	-	95,937,857	-	53,018,929	-	53,018,929	42,918,928	45,493,170
	Capital Work in Progress	**11,136,449**	**3,187,244**	**-**	**14,323,693**	**-**	**-**	**-**	**-**	**14,323,693**	**11,136,449**
	Previous Year	1,065,000	10,071,449	-	11,136,449	-	-	-	-	11,136,449	1,065,000

(in ₹)

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `11'		
NON-CURRENT INVESTMENTS		
Investments in Other Companies		
(Unquoted Non Trade Equity Shares, at Cost)		
1. Tagore Theatres Private Limited	**0**	9,022,594
2. Asian IT Education Private Limited	**4,900,000**	0
3. Creative Infosystems Private Limited	**8,170,000**	0
TOTAL	**13,070,000**	9,022,594

Aggregate Market Value of Quoted Investment: NIL (Previous Year - NIL)
Aggregate Book Value of Quoted Investment: NIL (Previous Year - NIL)
Aggregate Book Value of Unquoted Investment: ₹ 1,30,70,000 (Previous Year - ₹ 90,22,594)
Maximum amount invested in a non-scheduled bank at any time during the year: NIL (Previous Year - NIL)

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `12'		
DEFERRED TAX ASSETS (Net)		
Deferred Tax Assets		
Related to Unabsorbed Losses	**74,563**	31,446
Related to Difference in Depreciation rate	**12,852,045**	6,517,228
Disallowances under the Income Tax Act, 1961	**925,247**	27,382
TOTAL	**13,851,855**	6,576,056

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `13'		
LONG TERM LOANS AND ADVANCES		
UnSecured Considered Good:		
Capital Advances	**0**	0
Security Deposits	**2,539,797**	2,496,760
Other Loans and Advances	**0**	0
TOTAL	**2,539,797**	2,496,760

All amounts are recoverable in cash or in kind or value to be received. Amount Recoverable from Directors, Company Officials, Firms or Private Companies in which any director is a partner or director or a member, Companies under Same Management & companies in which Director's are interested and other related parties is- NIL

Particulars	On 31st March, 2012	On 31st March, 2011
NOTE `14'		
INVENTORIES		
Raw Material *	**18,725**	18,725
Work In Process	**0**	0
Finished Goods	**417,685,155**	1,565,868,551
TOTAL	**417,703,880**	1,565,887,276

*Valued as per **AS 2 (Inventories),** at lower of Cost (taken as FIFO basis) or estimated Net Realizable Value as taken, valued and Certified by the Management.

(in ₹)

Particulars		On 31st March, 2012		On 31st March, 2011
NOTE `15'				
TRADE RECEIVABLES				
Over Six Months				
Secured - Considered Good	**0**		0	
Unsecured - Considered Good	**0**		0	
Doubtful	**0**		0	
		0		0
Below Six Months				
Secured - Considered Good	**0**		0	
Unsecured - Considered Good	**258,998,478**		188,815,297	
Doubtful	**0**		0	
		258,998,478		188,815,297
TOTAL		**258,998,478**		188,815,297

Dues from Directors, Company Officials, Firms or Private Companies in which any director is a partner or director or a member, Companies under Same Management & companies in which Director's are interested and other related parties isNIL

Particulars		On 31st March, 2012		On 31st March, 2011
NOTE `16'				
CASH AND CASH EQUIVALENTS				
Balance with Banks		736,200		709,363
Cash on hand		2,449,713		1,933,346
Fixed deposits with banks		139,033		130,030
TOTAL		**3,324,946**		2,772,739

Particulars		On 31st March, 2012		On 31st March, 2011
NOTE `17'				
SHORT TERM LOANS AND ADVANCES				
Balance with Statutory Authorities		**978**		2,728
Other Advances	**3,218,695**		54,470,643	
Less: Provision for doubtful advances	**897,427**		897,427	
		2,321,268		53,573,216
Recoverable from Suppliers		**0**		82,998,769
TOTAL		**2,322,246**		136,574,713

Unless otherwise stated all amounts are recoverable in cash or in kind or value to be received. Amount Recoverable from Directors, Company Officials, Firms or Private Companies in which any director is a partner or director or a member, Companies under Same Management & companies in which Director's are interested and other related parties is- NIL

Particulars		2011-12		2010-11
NOTE `18'				
REVENUE FROM OPERATION				
Sale of Products	**729117708**		1,620,582,294	
Sale of Services	**0**		0	
Less: Excise Duty	**0**		0	
		729,117,708		1,620,582,294
Other Operating Revenues		**0**		0
TOTAL		**729,117,708**		1,620,582,294

(in ₹)

Particulars	2011-12	2010-11
NOTE `19'		
OTHER INCOME		
Interest	**9,981**	8,174
Foreign Exchange Rate Difference	**105,906**	7,779,763
Discount Received	**125,000**	0
Other non-operating income (net of expenses)	**9,477**	2,090
TOTAL	**250,364**	7,790,027

Tax deducted at source on interest income is NIL (Previous Year NIL).
Rate of exchange prevailing at the year-end is US$ 1= ₹ 51.16, US$ 1=AED 3.67, AED 1= ₹ 13.94

Particulars		2011-12		2010-11
NOTE `20'				
COST OF MATERIAL CONSUMED				
Raw Materials' Consumption				
Stock at Commencement	**18,725**		18,725	
Add: Purchases	**0**		0	
Less : Stock at Close	**18,725**		18,725	
		0		0
Cost of Trading Materials Sold				
Purchase of Trading Materials		**461,549,882**		1,505,642,318
Movement of Stock				
Stock at Commencement	**1,565,868,551**		1,520,995,558	
Stock at Close	**417,685,155**		1,565,868,551	
		1,148,183,396		-44,872,993
TOTAL		**1,609,733,278**		1,460,769,325

Particulars	2011-12	2010-11
NOTE `21'		
EMPLOYEE BENEFITS EXPENSES		
Salaries & Wages*	**3,833,438**	4,301,308
Compensation to Independent Directors	**375,000**	300,000
Contribution to P.F, E.S.I and Other Statutory Funds	**98,175**	0
Workmen and Staff Welfare Expenses	**9,293**	13,062
TOTAL	**4,315,906**	4,614,370

* Salaries includes Remuneration to Directors is in terms of Section 198, 269, 309 read with Schedule XII and other applicable Companies Act, 1956 amounts to ₹ 6.30 Lac (Previous Year ₹ 5.22 Lac)

Particulars	2011-12	2010-11
NOTE `22'		
DEPRECIATION AND AMORTISATION EXPENSE		
Depreciation*	**13,971,991**	16,046,828
Amortisation*	**48,482,035**	53,018,929
TOTAL	**62,454,026**	69,065,757

* Please refer note 10

(in ₹)

Particulars	2011-12	2010-11
NOTE `23'		
OTHER EXPENSES		
Production Expenses	**690,431**	529,157
Bandwidth Charges	**6,384,310**	4,950,849
Audit Fee *	**527,873**	509,986
AGM Expenses	**2,500**	2,746
Charity & Donation	**0**	11,000
Newspapers, Books and Periodicals	**3,955**	3,322
Commission Expenses	**0**	66,939
Marketing Expenses	**4,498,758**	6,964,123
Rent	**419,696**	338,394
Repairs and Maintenance - Plant & Machinery	**395,000**	0
Repairs and Maintenance - Building	**476,813**	11,327
Repairs and Maintenance - Others	**188,353**	108,462
Advertising & Publicity	**131,244**	1,870,135
Fee & Taxes	**1,087,580**	471,415
Insurance	**184,921**	175,440
Legal & Professional Charges	**3,201,356**	5,101,046
Misc. Expenses	**166,987**	243,620
Provision for doubtful advances	**0**	897,426
Write Off's	**288,633,639**	0
Deferred Revenue expenses written off	**3,038,860**	3,038,860
Power & Fuel	**267,256**	97,760
Printing & Stationery	**25,318**	291,157
Postage & Courier	**249,030**	362,320
Telephone & Communication	**261,577**	296,404
Travelling & Conveyance - Directors	**6,632,822**	2,112,308
Travelling & Conveyance - Others	**1,165,138**	3,874,407
Vehicle Running & Maintenance	**252,783**	414,549
Website Maintenance	**2,205**	56,253
Bank Charges & Other Interest	**127,963**	80,773
TOTAL	**319,016,368**	32,880,178

* Audit Fee Comprises:-
Statutory Audit - ₹ 1.05 Lacs (Previous Year ₹ 1.05 Lac)
Certification Matters -₹ 0.10 Lacs (Previous Year ₹ 0.10 Lacs)
Reimbursement of Expenses - ₹ 0.05 Lacs (Previous Year ₹ 0.05 Lacs)
To Auditors of Subsidiaries - ₹ 4.43 Lacs (Previous Year ₹ 3.90 Lacs) #
\# Audit fee to auditors of subsidiaries is inclusive of Foreign Currency Exchange Fluctuation amounting to ₹ 0.35 Lacs.

			Tax Rate	Deferred Tax
NOTE '24'			**Tax Rate**	**Deferred Tax**
DEFERRED TAX CALCULATION			**30.90%**	**Asset/(Liability)**
Unabsorbed Business Loss		241,304		74,563
Difference in WDV as per IT Act and Companies Act:				
WDV as per Income Tax Act	199,207,760			
WDV as per Companies Act	157,615,383	41,592,377		12,852,045
Disallowance U/s 40 (a) (ia):				
Expenses incurred on which TDS deducted, but not deposited		2,994,328		925,247
Deferred Tax Asset as on 31.03.2012				13,851,855
Deferred Tax Asset as on 01.04.2011				6,576,056
Fresh Provision to be made during 2011-12				**7,275,799**

NOTE '25'
PRIOR PERIOD ITEMS
An amount of ₹ 21781/- (previous year ₹ 12391/-) relating to taxes paid for the prior years has been debited to Profit and Loss Account.

(in ₹)

NOTE '26'
EARNING PER SHARE

Basic and Diluted		**2011-12**	**2010-11**
(a) Profit after Tax		**(1,258,897,488)**	71,671,478
(b) The weighted average number of ordinary shares of ₹ 10 each			
Total number of Shares	Nos.	**110205700**	110205700
(c) Earning Per Share		**(11.42)**	0.65

NOTE '27'
EXCHANGE RATES

In terms of AS-11, while translating the financial statements of non-integral foreign operations, the assets and liabilities, both monetary and non-monetary are translated at closing rate (US$1= ₹ 51.16), income and expenses items are translated at the average exchange rate (US$1= ₹ 46.84) ;The exchange rate for AED which is pegged with US$ has been considered at US$1=3.67 AED. All the resulting exchange differences are accumulated in foreign currency translation reserve until the disposal of the net investment.

NOTE '28'
CONTINGENT LIABILITIES

Contingent Liabilities provided for: Nil. Contingent Liability in respect of Income Tax Demand for the Assessment year 2009-10 for has been filed before the CIT (Appeals): ₹ 189.41 Million
Contingent Liabilities not provided for on account of capital commitments towards capital expenditure (Net of Advances):
INR 1 Million (Previous Year ₹ 100 Million)
The Company does not have any other contested liabilities.

NOTE '29'
INFORMATION RELATING TO SEGMENT REPORTING (in ₹ Millions)

Particulars	**Production**	**Trading**	**Total**
Segment Revenue from Sales to external customers			
1. External Sales	6.93	722.44	729.37
2. Inter Segment Sales	-	-	-
3.Total Revenue	6.93	722.44	729.37
4. Total Revenue of each segment as % age of Total revenue of all segments	0.95%	99.05%	100%
Segment Results			
5. Profits/ (Losses)	-73.80	-1,185.09	-1,258.89
6. Combined Results of all segments in Profit	0	-	-
7. Combined Results of all segments in Losses	-73.80	-1,185.09	-1,258.89
8. Segment result as a % age of the greater of the totals arrived at 6&7 above in absolute amount	5.86%	94.14%	100%
Carrying amount of segment assets	195.06	678.89	873.95
Segment Assets as a percentage of Total assets of all segments	22.32%	77.68%	100%
Segment Liabilities	13.20	0.59	13.79
Segment Liabilities as a percentage of Total Liabilities of all	95.75%	4.25%	100%
Cost to acquire tangible and intangible fixed assets	46.51	-	46.51
Depreciation & amortization expenses	62.40	0.05	62.45
Non-cash expenses other than depreciation and amortization	-	291.67	291.67

(in ₹)

NOTE '30'
RELATED PARTY DISCLOSURE
(a) List of Related Parties:-
(i) Subsidiary Company : Not Applicable
(ii) Joint Venture : NIL
(iii) Holding Company : NIL
(iv) Group Company : NIL
(v) Associate Company : NIL
(vi) Key Managerial Persons : Mr. Mangal Singh, Mr. Harjinder Singh and Mr. Gunjot Singh
(vii) Relatives of Key Managerial Persons : NIL
(viii) Entities over which Key Managerial persons / their relatives are able to exercise significant influence:
-Tagore Theatres Private Limited
-Asian IT Education Private Limited
-Creative Infosystems Private Limited.
(b) Transactions Carried Out with related parties:-
(i) Investments Realized During the Year from wholly owned subsidiary Company viz. Kohinoor Broadcasting Corporation Limited FZE, Sharjah, UAE ₹ 1.98 Million
(ii) Investments made in the Indian subsidiary stood at ₹ 3.76 Million
(iii) Investment made in following related party entities stood at:
-Asian IT Education Pvt Ltd: ₹ 4.9 Million
-Creative Infosystems Pvt Ltd: ₹ 8.17 Million
(iv) Remuneration to Key Managerial Persons ₹ 0.63 Million

NOTE '31'
LIABILITIES TOWARDS SSIs.
As per the information available with the Company, amount due to Small Scale Ancillary Industry Undertakings as at 31st March 2012 (Previous Year - NIL)

NOTE '32'
DISCLOSURE IN TERMS OF CLAUSE 32 OF LISTING AGREEMENT WITH STOCK EXCHANGE
• The Company has not given any Loans and Advances to its subsidiaries for which disclosure is required.
• The Ultimate Holding Company is Kohinoor Broadcasting Corporation Limited while the two wholly owned subsidiaries are:
- Kohinoor Broadcasting Corporation FZE registered at Hamriyah Free Trade Zone, Sharjah, UAE
- KBC Power Corporation Limited, Indian Subsidiary.

NOTE '33'
ADDITIONAL INFORMATION REQUIRED TO BE GIVEN PURSUANT TO PART II OF SCHEDULE VI TO THE COMPANIES
• The Company is not engaged in any manufacturing activity. The Company is in the business of producing television content, which subject to any license. Hence licensed capacity is not given. Further the nature of business of Company is such that the installed quantifiable.
• The Company is not engaged in to any manufacturing activity. Therefore, the additional information with respect to Raw Material, Sale and quantity details thereof has not been given.
• CIF Value of Imports NIL (Previous Year NIL)
• Other Expenditure in Foreign Currency-
a) Consultancy Fee: NIL (Previous Year NIL)
b) Securities: NIL (Previous Year NIL)
c) Travelling Expenditure: US$ 7250 (Previous Year US$ 18500)
d) Investment in wholly owned subsidiaries during the year: NIL (Previous Year NIL)
• Earning in Foreign Exchange (FOB value of Exports): NIL (Previous Year NIL)
• Receipts in Foreign Exchange-US$ 0.05 Million (Previous Year US$ 1.6 Million)

NOTE '34'
PREVIOUS YEAR FIGURES
The revised schedule VI has become effective from 01.04.2011 for the preparation of the financial statements. This has significantly the disclosure and presentation made in the financial statements. Previous year figures have been re-grouped/ re-classified wherever to correspond with the current year's classification/ disclosure.

SUMMARY OF FINANCIAL INFORMATION OF SUBSIDIARIES

(₹ Million)

Sr. No	Particulars	Kohinoor Broadcasting Corporation FZE, UAE	KBC Power Corporation Limited
1	Paid up share Capital	1.82	0.50
2	Share Premium	-	-
3	Reserves & Surplus	(282.29)	(0.57)
4	Total Assets	678.89	5.66
5	Total Liabilities	678.89	5.6
6	Investments (except in case of investment in subsidiaries)	-	-
7	Turnover/operating Results	722.44	-
8	Profit before Taxation	(1185.09)	(0.14)
9	Provision For Taxation	-	-
10	Profit after Taxation	(1185.09)	(0.10)
11	Proposed Dividend	-	-
12	Closing Exchange Rates	US$ 1= ₹ 51.16 US$ 1=AED 3.67 AED 1= ₹ 13.94	NA

For and on behalf of the Board

For **Kohinoor Broadcasting Corporation Ltd.**

(Mangal Singh)

Managing Director

(Harjinder Singh)

Director

Chandigarh, 14th August, 2012

Kohinoor Broadcasting Corporation Limited

Regd. Office: SCO 87, 2nd Floor, Sector 46-C, Chandigarh-160 047 (INDIA)

FORM OF PROXY

I/We .... of .... In the District of ……………………………………………. being a member/members of KOHINOOR BROADCASTING CORPORATION LIMITED hereby appoint………………………...of .... in the district of ……………………………….or failing him ……………………………………………. of …………………………………… in the district of …………………………………… as my/our proxy to attend and vote for me/us on my/our behalf at the 18th Annual General Meeting of the Company to be held on Saturday, the 29th September, 2012 at Hotel K C Residency, SCO 377-380, Sector 35-B, Chandigarh-160 022 (INDIA) or any adjournment thereof.

Signed this....................................day of ....2012.

Folio No. : ………………………DP ID No.……………………..Client ID No.…………...…………….

Affix a Rs 1 Revenue Stamp

(Signature of the Shareholder)

This form is to be used (in favor of/against)* the resolution. Unless otherwise instructed, the proxy will act as he thinks fit. * Strike out whichever is not applicable.

The Proxy Form completed and stamped must reach the registered office of the Company not later than 48 hours before the time for holding the aforesaid meeting.

………………........✂...................................Tear Here.................................✂.......................

Kohinoor Broadcasting Corporation Limited

Regd. Office: SCO 87, 2nd Floor, Sector 46-C, Chandigarh-160 047 (INDIA)

ATTENDANCE SLIP

(Member attending the meeting in person or by proxy is requested to complete the attendance slip and hand it over at the entrance of the meeting hall.)

I hereby record my presence at the 18th Annual General Meeting of the Company at Hotel K C Residency, SCO 377-380, Sector 35-B, Chandigarh-160 022 (INDIA) at 9.30 a.m. on 29th September, 2012.

Full name of the Member (In Block Letters) ____________________

Ledger Folio No. : ____________ DP ID No ____________ Client ID No ____________

Number of Shares held ____________________

Signature of the Shareholder/proxy ____________________

Full name of the Proxy (In Block Letters) ____________________

Please give full name of the 1st Joint Holder ____________________

NOTE:

1. Members/Proxy wishing to attend the meeting must bring attendance slip to the meeting.
2. In case of Multiple Folios, the additional attendance slip may be obtained on request.
3. The copy of Annual Report may please be brought to the meeting hall.