



FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1.	Name of the company	CHANNEL NINE ENTERTAINMENT LIMITED
2.	Annual financial statements for the year ended	31 st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	<ul style="list-style-type: none"> • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman 	<p align="center">  <u>V. Mishra</u> For Ranjan Gupta & Co. Chartered Accountants RANJAN GUPTA & CO. Chartered Accountants CA Ranjan Gupta Prop. Membership No. 82408 FRN: 17319N  </p>

CHANNEL NINE ENTERTAINMENT LIMITED

12th Annual Report
2013-2014

CONTENT OF ANNUAL REPORT

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2. Directors' Report
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CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Gaj Raj Singh

Ms. Neena Sood

Mr. Rajesh Kumar Ramjas Jaiswar

Ms. Asha Rani

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Bhagat Singh, Company Secretary and Compliance Officer

STATUTORY AUDITORS

M/s Ranjan Gupta & Co. Chartered Accountants

BANKER TO THE COMPANY

HDFC BANK LIMITED
Surya Kiran Building
K G Marg
New Delhi - 110001

REGISTERED OFFICE

3/12, Ground Floor, Asaf Ali Road, New Delhi-110002;
Phone: 011-32315575
Email Id: channelnineentertainment@yahoo.com
Website: www.channelnineentertainment.com

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial and Computers Services Private Limited
Beetal House, 3rd Floor, 99, Madangir,
Behind Local Shopping centre,
Near Dada Harsukh Das Mandir,
New Delhi-110062
Tel.: 011-29961281/83; Fax No. - 011-29961284
Email Id: beetal@rediffmail.com
Website: www.beetalfinancial.com

NOTICE

NOTICE is hereby given that the 12th Annual General Meeting of the members of the Company will be held at 3/12, Ground Floor, Asaf Ali Road, New Delhi-110002 on Monday the 22nd day of September, 2014 at 09:30 A.M. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt Balance Sheet as on 31st March, 2014 and the Profit & Loss Account for the year ended on that date along with Directors' and Auditors' Report thereon.
2. To appoint the Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration for the financial Year 2013 - 2014. M/s Ranjan Gupta & Co., Chartered Accountants, the retiring auditors, being eligible, offer themselves for re-appointment and for the aforesaid purpose to pass the following resolution:

“RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and the Rules made there under, and pursuant to the recommendations of the audit committee of the Board of Directors, M/s Ranjan Gupta & Co., Chartered Accountants (Firm Registration No-17319N), be and hereby re-appointed as the auditors of the Company, to hold office from the conclusion of this AGM to the conclusion of the next AGM and that the Board of Directors be and hereby authorized to fix such remuneration as may be determined by the audit committee in consultation with the auditors, and that such remuneration may be paid on progressive billing basis to be agreed upon between the auditors and the Board of Directors.”

SPECIAL BUSINESS

3. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 160, 149, 152 and all other applicable provisions and Schedule IV to the Companies Act, 2013, the Companies Appointment the Companies (Appointment and Qualifications of Directors) Rules, 2014, as may be amended, from time to time and Clause 52 of the SME Listing Agreement, Ms. Asha Rani, who was appointed as an Additional Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years commencing from the date of Annual General Meeting of the Company.”

4. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

“RESOLVED THAT Mr. Rajesh Kumar Ramjas Jaiswar who was co-opted as an Additional Director on the board of the company with effect from 31st May, 2014 and who ceases to hold the office at this Annual General Meeting and in respect of whom a notice under section 160 of the Companies Act, 2013 has been received from a member along with requisite deposit proposing his candidature for the office of a Director on the Board of the Company, be and is hereby appointed as a director on the Board, liable to retire by rotation.”

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 149, 152 and all other applicable provisions and Schedule IV to the Companies Act, 2013, the Companies (Appointment the Companies(Appointment and Qualifications of Directors) Rules, 2014, as may be amended, from time to time and Clause 52 of the SME Listing Agreement, Ms. Neena Sood, who was appointed as a Director liable to retire by rotation and whose term expires at this Annual General Meeting, be and is hereby appointed as an Independent Director of the Company, to hold office for a term of five consecutive years commencing from the date of Annual General Meeting of the Company.”

By Order of the Board
For CHANNEL NINE ENTERTAINMENT LIMITED
Sd/-

Date: 23.08.2014
Place: New Delhi

Gaj Raj Singh
Director
DIN: 02925387

NOTES:

1. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special businesses set out in the notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE (ONLY ON POLL) INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE DULY COMPLETED AND SIGNED PROXY FORM SHOULD REACH THE REGISTERED OFFICE OF THE COMPANY, NOT LESS THAN FORTY EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.
3. The Register of Directors and Key managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
4. The Register of Contracts or Arrangements in which Directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the AGM.
5. Members holding shares in physical form are requested to notify change in address, bank mandate and bank particulars for printing on the dividend warrants, if any, under their signatures to Beetal Financial & Computer Services Pvt. Ltd. Beetal House, 3rd Floor, 99, Madangir, Behind Local Shopping Centre, Near Dada HarsukdasMandir, New Delhi-110062. Members holding shares in electronic form may update such details with their respective Depository Participants.
6. The share transfer books and Members Register of the Company will remain closed from 11th September, 2014 to 15th September, 2014 (both days inclusive).
7. Members seeking any information regarding accounts should write to the Company at

least seven days before the date of the meeting so as to enable the management to keep the information ready.

8. All documents meant for inspection and referred in the accompanying Annual Report are open for inspection at the Registered Office of the Company during office hours between 11.00 am to 1.00 pm on all working days till the date of Annual General Meeting.
9. Members are required to bring their admission slip along-with copy of the Annual Report at the Annual General Meeting.

By Order of the Board
For CHANNEL NINE ENTERTAINMENT LIMITED
Sd/-
Gaj Raj Singh
Director
DIN: 02925387

Date : 23.08.2014
Place: New Delhi

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO. 3

Ms. Asha Rani, who was appointed as an Additional Director and Independent Director of the Company with effect from 14th November, 2013, she holds office until the date of the Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of Ms. Asha Rani for the office of the Director under the provisions of Section 160 of the Companies Act, 2013.

Pursuant to Section 149 of the Companies Act, 2013 (new act) read with the Rules made thereunder, the Independent Directors shall hold office for a period of upto 5 consecutive years and shall not be liable to retire by rotation. She may be appointed for a maximum of two consecutive terms of upto 5 years each. Ms. Asha Rani is the Independent Directors of the Company. As per her existing terms of appointment, she is liable to retire by rotation. However, under the new act and the Listing Agreement, she may be appointed afresh with a fixed period of upto 5 years.

Ms. Asha Rani is the independent director of the company and has been holding the office of Directorship. As per existing terms of appointment, the period of her office is liable to determination by retirement by rotation in terms of section 152 of the Act. The company has received notices in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of her for appointment as Independent Director of the Company. She is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given her consent to act as Director. The Company has also received declarations from her that she meet with the criteria of independence as prescribed under Section 149(6) of the Act and the Listing agreement.

The Board considered the independence of her in terms of Section 149 and Schedule IV to the Companies Act, 2013 and the Listing Agreement and was of the view that she fulfill the criteria of independence as mentioned in the above provisions and can be appointed in the above provisions and can be appointed as Independent Director. She possess requisite qualifications, appropriate skills, experience and knowledge in one or more fields of finance, law management, marketing, administration, technical operations and other disciplines related to Company business, positive attributes, already being on the Board of the Company and benefits that the Company will derive with their appointment, the Board has recommended her appointment as Independent Directors of the Company to hold office for a term of five consecutive years commencing from the date of Annual General Meeting of the Company.

No Directors, key Managerial Personnel and their relatives except Mrs. Asha Rani to whom the resolution relates is interested or concerned in the above said resolution.

ITEM NO. 4

Mr. Rajesh Kumar Ramjas Jaiswar, who was appointed as an Additional Director of the Company with effect from 31st May 2014, in terms of Section 161 of the Companies Act, 2013, he holds office until the date of the Annual General Meeting of the Company. The Company has received notice under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Rajesh Kumar Ramjas Jaiswar for the office of the Director under the provisions of Section 160 of the Companies Act, 2013.

Mr. Rajesh Kumar Ramjas Jaiswar is an eminent Professional and brings rich and varied experience to the Board. The Board of Directors recommends the resolution set out in Item no. 4 of the Notice for approval of the Members.

The Board recommends the resolution for your approval. Mr. Rajesh Kumar Ramjas Jaiswar is interested in the resolution to the extent of his appointment. None of the remaining Directors and their relatives is concerned or interested in the proposed resolutions.

ITEM NO.5

Pursuant to Section 149 of the Companies Act, 2013 (new act) read with the Rules made thereunder, the Independent Directors shall hold office for a period of upto 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of upto 5 years each. Ms. Neena Sood is the Independent Directors of the Company. As per their existing terms of appointment, she is liable to retire by rotation. However, under the new act and the Listing Agreement, they may be appointed afresh with a fixed period of upto 5 years.

Ms. Neena Sood is the independent director of the company and has been holding the office of Directorship. As per existing terms of appointment, the period of their office is liable to determination by retirement by rotation in terms of section 152 of the Act. The company has received notices in writing from a member along with the deposit of requisite amount under section 160 of the Act proposing the candidature of her for appointment as Independent Director of the Company. She is not disqualified from being appointed as Directors in terms of Section 164 of the Act and has given her consent to act as Director. The Company has also

received declarations from her that she meet with the criteria of independence as prescribed under Section 149(6) of the Act and the Listing agreement.

The Board considered the independence of her in terms of Section 149 and Schedule IV to the Companies Act, 2013 and the Listing Agreement and was of the view that she fulfill the criteria of independence as mentioned in the above provisions and can be appointed in the above provisions and can be appointed as Independent Director. she possess requisite qualifications, appropriate skills, experience and knowledge in one or more fields of finance, law management, marketing, administration, technical operations and other disciplines related to Companys business, positive attributes, already being on the Board of the Company and benefits that the Company will derive with their appointment, the Board has recommended her appointment as Independent Directors of the Company to hold office for a term of five consecutive years commencing from the date of Annual General Meeting of the Company.

No Directors, key Managerial Personnel and their relatives except Ms. Neena Sood to whom the resolution relates is interested or concerned in the above said resolution

By Order of the Board
For CHANNEL NINE ENTERTAINMENT LIMITED
Sd/-
Gaj Raj Singh
Director
DIN: 02925387

Date: 23.08.2014
Place: New Delhi

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting the report together with the Audited Balance Sheet as at 31st March, 2014 and Profit & Loss Account for the year ended on that date.

FINANCIAL HIGHLIGHTS

The summarized performance of the Company for the years 2013-14 and 2012-13 is given below:

(In Lacs)

Particulars	For Financial Year Ended	
	31st March, 2014	31st March, 2013
Total Income	285.09	314.80
Total Expenditure	268.37	298.27
Profit before Tax	16.71	16.52
Less: Tax Expense	11.4	4.85
Profit / (Loss) After Tax	5.26	11.7

OPERATIONS

During the year under review, your Company has recorded a total income of Rs. 285.09 lacs, against Rs. 314.80 lacs in the previous year. Net Profit before Taxation for the financial year ended March 31, 2014 increased to Rs. 16.71 Lacs from Rs. 16.52 Lacs. Consequently, the Profit after Tax decreased from Rs. 11.7 Lacs to 5.26 Rs. Lacs.

DIVIDEND

To conserve the resources of the company, your directors do not recommend any dividend during the year under review.

FIXED DEPOSITES

We have not accepted any fixed deposits and as such, no amount of principal or interest was outstanding as on the date of Balance Sheet.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, and the Company's Articles of Association, Ms. Asha Rani and Mr. Rajesh Kumar RamjasJaiswar were appointed as Additional Directors of the Company and signifying his intention for appointed as Directors of Company. Your Directors recommend their appointments for your approval.

During the year, Mr. Dinesh Jhindal and Mrs. Kirti resigned from the Directorship.

INDEPENDENT DIRECTOR

Pursuant to Section 149 of the Companies Act, 2013 (new act) read with the Rules made thereunder, the Independent Directors shall hold office for a period of upto 5 consecutive years and shall not be liable to retire by rotation. They may be appointed for a maximum of two consecutive terms of upto 5 years each. In terms of Presently, Ms. Asha Rani and Ms. Neena Sood are the Independent Directors of the Company. As per their existing terms of appointment, all of them are liable to retire by rotation. However, under the new act and the Listing Agreement, they may be appointed afresh with a fixed period of upto 5 years.

The Board considered the independence of each of the above mentioned Directors in terms of Section 149 and Schedule IV to the Companies Act, 2013 and the Listing Agreement and was of the view that the proposed directors fulfill the criteria of independence as mentioned in the above provisions and can be appointed in the above provisions and can be appointed as Independent Directors. All the proposed Directors possess requisite qualifications, appropriate skills, experience and knowledge in one or more fields of finance, law management, marketing, administration, technical operations and other disciplines related to Companys business, positive attributes, already being on the Board of the Company and benefits that the Company will derive with their appointment, the Board has recommended their appointment as Independent Directors of the Company to hold office for a term of five consecutive years commencing from the date of Annual General Meeting of the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

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

1. That in the preparation of the annual accounts for the year ended March 31 2014, the applicable Accounting Standards read with the requirements set out under Schedule VI of the Companies Act, 1956 have been followed and there are no material departures from the same, if any;
2. That they 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 as at March 31, 2014 and of the Profit of the Company for the year ended on that date;
3. That they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That they have prepared the Annual accounts of the Company on a 'going concern' basis.

STATUTORY AUDITORS

M/s Ranjan Gupta & Co., Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting of the Company. They have offered

themselves for re-appointment as Statutory Auditors and have provided a certificate that their appointment, if made, will be in conformity with the provisions of Section 224(1B) of the Companies Act, 1956. The Board of Directors and the Audit Committee recommend their appointment for the ensuing year.

SUBSIDIARIES

Since the Company has no subsidiaries as on 31st March, 2014, provision of section 212 of the Companies Act, 1956 is not applicable.

SHARE CAPITAL

During the year under review, the authorized share capital of the Company was increased from Rs.16 Crores divided into 1,60,00,000 equity shares of Rs. 10/- each to Rs. 25 Crores divided into 2,50,00,000 equity shares of Rs. 10/- each.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

As required under Clause 52 of the Listing Agreement to be entered into with Bombay Stock Exchange Ltd., Management Discussion and Analysis Report is presented in the separate section and forms an integral part of the Directors Report.

CORPORATE GOVERNANCE

Your Company's Equity Shares got listed on 12th March, 2013 on SME platform of BSE Ltd. (BSE). A Certificate from Statutory Auditors of the Company on the compliance with Corporate Governance requirements by your Company is attached to the Report on Corporate Governance.

PARTICULARS OF EMPLOYEES

No Employee of the Company draws remuneration in excess of limit prescribed under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

ENERGY CONSERVATION MEASURES, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The provisions of Section 217(1) (e) of the Companies Act, 1956 read with Rule 2 of the Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 are not applicable to the Company. Therefore, the information relating to conservation of energy or technology absorption etc. is not given. There has been no foreign exchange earning and outgo during the year under Report.

ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation of the co-operation and assistance received from Shareholders, Bankers, regulatory bodies and other business constituents during the year under review.

Your Directors also wish to place on record their deep sense of appreciation for the

commitment displayed by all executives, officers and staff, resulting in successful performance of the Company during the year.

By Order of the Board
For CHANNEL NINE ENTERTAINMENT LIMITED

Sd/-

Sd/-

Rajesh Kumar
Director
DIN: 06845321

Gaj Raj Singh
Director
DIN: 02925387

Date: 23.08-2014
Place: New Delhi

REPORT ON CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY ON THE CODE OF GOVERNANCE

The Company's philosophy of corporate governance stems out from its belief that timely disclosures, transparent accounting policies, and a strong and independent Board go a long way in preserving shareholders trust while maximizing long term corporate values.

Keeping in view the Company's size and complexity in operations, the company's corporate governance framework is based on the following main principles:

- a. Appropriate composition and size of the Board, with each Director bringing in key expertise in different areas.
- b. Timely and accurate disclosure of all material operational and financial information to the stakeholders.

2. BOARD OF DIRECTORS

As on 31st March 2014, Board of Directors of the Company has optimum combination of Executive & Non-Executive Directors.

Mr. Gajraj Singh acts as the Executive Director and Ms. Asha Rani is the Non Executive Director and Mr. Rajesh Kumar RamjasJaiswar and Mrs. Neena Sood are non Executive Independent Directors on the Board of the Company.

None of the Directors hold directorship in more than 15 public limited companies nor is a member of more than 10 committees or chairman of more than 5 committees across all the public limited companies in which they are Directors.

BOARD MEETING:

As on March 31, 2014, the Board consisted of four Members. The Composition and the category of Directors on the Board of the Company were as under:

Category	Name of Director
Executive Director	Mr. Gajraj Singh
Non-Executive Director and Non Independent Director	Mrs Kirti
Non-Executive and Independent Director	Mrs Neena Sood
Non-Executive and Independent Director	Mrs. Asha Rani

During the financial year 2013-14, Seven Meetings of the Board of Directors were held on the following dates:

16/04/2013, 29/05/2013; 27/06/2013; 20/08/2013; 27/08/2013; 14/11/2013; 11/02/2014

The Details of Directorship and Membership / Chairmanship of the Committee of the Board held by the Directors as on 31st March, 2014 and their attendance at the meetings during the year are as follows:

Name of the Director	Category	Attendance Particulars for FY 2013-14		No. of other Directorships	Committee Membership in other public limited Co	Committee Chairmanships in other public limited Co
		Board Meetings	AGM (held on 25.09.2013)			
Mr. Gaj Raj Singh	Whole time Director	7	Yes	1	1	1
Mr. Dinesh* Kumar Jindal	Independent Director	1	No	NIL	NIL	NIL
Mrs Kirti*	Non Executive Director	7	Yes	NIL	NIL	NIL
Mrs. Neena Sood	Independent Director	6	Yes	NIL	NIL	NIL
Mrs. Asha Rani	Independent Director	2	No	1	NIL	NIL
Mr. Rajesh** Kumar RamjasJaiwar	Non Executive Director	NA	NA	NA	NA	NA

* Mr. Dinesh Kumar Jindal and Mrs. Kirti has resigned from the Directorship w.e.f 27.06.2013.

** Mr Rajesh Kumar Ramjas Jaiswar appointed as Director in the Company w.e.f 31.05.2014.

3. AUDIT COMMITTEE

The Audit Committee of the Company consist three Directors out of which two are Non Executive Director of the Company. All the Directors have good knowledge of Finance, Accounts and Company Law. The Chairman of the Committee is Mrs. Asha Rani.

The Audit Committee advises the Management on the areas where internal control system can be improved. The Terms of reference of the Audit Committee are in accordance with all the items listed in Clause 52 (II)(D) and (E) of the Listing Agreement and Section 292A of the Companies Act, 1956 as follows:

- Oversight of the Issuer's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient

- and credible;
- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 1. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956;
 2. Any changes in accounting policies and practices and reasons for the same;
 3. Major accounting entries involving estimates based on exercise of judgment by management;
 4. Significant adjustments made in the financial statements arising out of audit findings;
 5. Compliance with listing and other legal requirements relating to financial statements;
 6. Disclosure to any related party transactions;
 7. Qualifications in the draft audit report.
- Reviewing with the management the half yearly financial statements before submission to the Board for approval.
- Reviewing with the management, performance of statutory and internal auditors, adequacy of internal control systems;
- 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.
- Discussion with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matters to the Board;
- Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- Mandatorily Review the following information:
 1. Management Discussion and Analysis of financial condition and results of operations;
 2. Statement of significant related party transactions (as defined by the audit committee) submitted by management;
 3. Management letters / letters of internal control weaknesses issued by statutory auditors;
 4. Internal audit report relating to internal control weaknesses; and
 5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be review by the Audit Committee.

The Audit Committee has the following powers:

- to investigate any activity within its terms of reference.
- to seek information from any employee.
- to obtain outside legal and professional advice.
- to secure attendance of outsiders with relevant expertise, if it considers necessary.

COMPOSITION AT THE MEETING

During the year ended on 31st March, 2014, the composition of the Audit committee has been as under:

- Mrs. Asha Rani (Chairman)
- Mrs. Neena Sood (member)
- Mrs. Kirti (Member)

Meetings of Audit Committee and their attendance

During the year under review, Meeting of Audit Committee were held Four times on 29th May, 2013, 17th August, 2013, 14th November, 2013 and 11th February, 2014.

Name of Member	Designation	Attendance
Mrs. Asha Rani	Chairman	2
Mrs. Neena Sood	Member	4
Mrs. Kirti	Member	4

4. SHAREHOLDERS' / INVESTOR'S GRIEVANCES COMMITTEE

Our Company has a shareholder / investors grievance committee ("Shareholders / Investors Grievance Committee") to redress the complaints of the shareholders. The committee currently comprises of three Directors. Mrs. Neena Sood is the Chairman of the Shareholders/ Investors Grievance committee.

ROLE OF SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE

The Shareholder's Committee is empowered to perform all the functions of the Board in relation to handling of Shareholder's grievances. It primarily focuses on:

- Review of investor complaints and their redressal.
- Review of the queries received from the investors.
- Review of the work done by Share Transfer Agent.
- Review of corporate actions related work.

During the year ended on 31st March, 2014, the composition of Shareholders' / Investors Grievance Committee has been as under:

Mrs. Neena Sood - Chairman
 Mrs. Asha Rani- Member
 Mrs. Kirti- Member

Meetings of the Committee and their attendance

During the year under review, Meeting of the Committee were held Four times on 29th May, 2013, 17th August, 2013, 14th November, 2013 and 11th February, 2014.

Name of Member	Designation	Attendance
Mrs. Neena Sood	Chairman	4
Mrs. Asha Rani	Member	2
Mrs. Kirti	Member	4

5. NAME, DESIGNATION AND ADDRESS OF THE COMPLIANCE OFFICER

Mr. Bhagat Singh
 Company Secretary and Compliance officer
 3/12, Ground Floor, Asaf Ali Road, New Delhi-110002
 Email: channelnineentertainment@yahoo.com
 Contact: 011-32315575

6. STATUS OF COMPLAINTS RECEIVED, RESOLVED AND PENDING AS ON 31ST MARCH, 2014

Number of Shareholders' Complaints received during the year	Nil
Number of Shareholders' Complaints resolved during the year	Nil
Number of Shareholders' Complaints Pending at the end of the year	Nil

7. GENERAL BODY MEETINGS

The details of Annual General Meetings held during the last three years are as follows:

Year	Day, Date and Time	Venue	Special Resolution
2010-11	Friday, 30th September, 2011 at 11.30 a.m.	912, Kailash Building, 26 Kasturba Gandhi Marg, New Delhi-110001	No
2011-12	Saturday, 29th September, 2012 at 11:30 a.m.	3/12, Asaf Ali Road, New Delhi-110002	No
2012-13	Wednesday, 25 th September 2013 at 11.00 am	3/12, Asaf Ali Road, New Delhi-110002	No

8. EXTRAORDINARY GENERAL MEETING

During the year under review, No Extra Ordinary General Meeting was held.

9. POSTAL BALLOT

No resolution was passed through postal ballot pursuant to section 192A of the Companies Act, 1956 read with Companies (Passing of the Resolution by Postal Ballot) Rules 2011 for obtaining the consent of the shareholders of the Company during the year 2013-14.

DISCLOSURES

10. RELATED PARTY TRANSACTION

The Company has no material significant transactions with its related parties which may have a potential conflict with the interest of the Company at large. The details of transactions with the Company and related parties are given for information under notes to Accounts.

11. STATUTORY COMPLIANCE, PENALTIES AND STRUCTURES

The Company has complied with the requirements of the Stock Exchanges / SEBI / and Statutory Authorities to the extent applicable, and accordingly no penalties have been levied or strictures have been imposed on the Company on any matter related to capital markets during the last three years.

12. WHISTLE BLOWER POLICY

The Company has framed a Code of Conduct for Directors and Senior Management. At present, the Company does not have any formal Whistle Blower Policy. The Directors of the Company affirms that no personnel have been denied access to the Audit Committee.

13. RECONCILIATION OF SHARE CAPITAL AUDIT

In line with the requirements stipulated by Securities and Exchange Board of India (SEBI), Reconciliation of Share Capital Audit is carried out on a quarterly basis by a Practicing Company Secretary to confirm that the aggregate number of equity shares of the Company held in National Securities Depository Limited (NSDL), Central Depository Services (India) Limited (CDSL) and in physical form tally with the total number of issued, paid-up, listed and admitted capital of the Company.

14. NON-MANDATORY REQUIREMENTS

The Company does not comply with the non-mandatory requirements.

15. MEANS OF COMMUNICATION

The half yearly financial results are regularly submitted to the Stock Exchange in

accordance with provisions of the Listing Agreement and also uploaded on the Company's website – www.channelnineentertainment.com

16. GENERAL SHAREHOLDER INFORMATION

The Annual General Meetings is scheduled to be held on 22nd September, 2014 at 09:30 a.m. at 3/12, Ground Floor, Asaf Ali Road, New Delhi-110002

- The Financial year of the company is from April to March. The financial Calendar 2014-2015 (tentative) is as per following.
 - ✓ First Half yearly results (30th September) 2nd week of November, 2014
 - ✓ Second Half yearly / Annual Results (31st March) 2nd week of May, 2015
- Book Closure dates are from 11th September 2014 to 15th September 2014 (both days inclusive).
- The Board of Directors has not proposed any dividend for the current financial year.
- The Company's shares are listed at SME Platform of BSE Limited.
Scrip Code: 535142
ISIN: INE437O01017

a. MARKET PRICE DATA

Table below gives the monthly high and low prices and volumes of the Company's equity shares at SME Platform of BSE Limited for the year 2013-2014:

Month	BSE SME PLATFORM	
	High	Low
April, 2013	N.A	N.A
May, 2013	N.A	N.A
June, 2013	36.75	31.80
July, 2013	42.45	38.55
August, 2013	44.55	44.55
September, 2013	N.A	N.A
October, 2013	49.05	46.75
November, 2013	56.75	51.50

December, 2013	79.60	59.55
January, 2014	119.55	83.55
February, 2014	194.50	125.50
March, 2014	367.20	204.20

b. DISTRIBUTION OF SHAREHOLDINGS AS ON 31ST MARCH, 2014

Shareholding of Nominal Value		Shareholders		Share Amount	
		Number	% to total	In Rs.	% total
Up to	5000	4	0.81	15000	0.01
5001	10000	4	0.81	37720	0.02
10001	20000	4	0.81	72280	0.05
20001	30,000	35	7.15	1010000	0.65
30,001	40,000	6	1.22	238000	0.15
40,001	50,000	0	0	0	0
50,001	1,00,000	230	47.03	14405000	9.27
1,00,001	Above	206	43.13	139486000	89.84
TOTAL		489	100.00	155264000	100.00

c. CATEGORY OF SHAREHOLDERS AS ON 31ST MARCH, 2014

Category	No. of Shares	Shareholding %
Resident Individuals	9064200	58.37
Bodies Corporate	2225100	14.33
Market Maker	231000	1.5
Promoter/ Relative	3195600	20.58
Hindu Undivided Family	810500	5.22
TOTAL	15526400	100.00

d. REGISTRAR AND TRANSFER AGENTS:

M/s Beetal Financial and Computers Services Private Limited
 Beetal House, 3rd Floor, 99, Madangir,
 Behind Local Shopping centre,
 Near Dada Harsukh Das Mandir,
 New Delhi-110062
 Tel.: 011-29961281/83
 Fax No. - 011-29961284
 Email Id: beetal@rediffmail.com

e. SHARE TRANSFER SYSTEM

Shares held in Physical form are processed by the Registrar and Share Transfer Agent in the prescribed manner and if the documents are complete in all

respects, are transferred within the timeframe under the applicable provisions of law.

f. DEMATERIALIZATION OF SHARES AND LIQUIDITY

As on 31st March, 2014, a total of 13,979,600 equity shares aggregating to 90.03 % of the total issued, subscribed and paid-up equity share capital of the Company were in dematerialized form.

The equity Share of the Company are regularly traded on the BSE Limited.

ADDRESS FOR CORRESPONDENCE:

Shareholders of the company can send correspondence at company's share & Transfer Agent's Office or at the Registered Office of the company situated at following address:

REGISTERED OFFICE ADDRESS:

3/12, Ground Floor, Asaf Ali Road, New Delhi-110002;
Phone: 011-32315575
Email Id:channelnineentertainment@yahoo.com
Contact :011-32315575

BRIEF PROFIEL OF THE DIRECTORS

Mr. RAJESH KUMAR RAMJAS JAISWAR, aged 27 years, is the Non-Executive Non Independent Director of our Company. He is graduate and has 4 Years of experience in marketing. He is associated with day to day affairs of this company. He has been on the Board of our Company since May, 2014

Mrs. NEENA SOOD, aged 43 years is an Independent Director of our Company. She holds bachelor degree in arts and possesses 21 years of experience in marketing and business development of allied sector. She has been on the Board of our Company since April, 2011.

Mrs. ASHA RANI, aged 35 years is an Independent Director of our Company. She holds Post Graduate degree and possesses 12 years of experience in business development. She has been on the Board of our Company since November 2013.

By Order of the Board
For CHANNEL NINE ENTERTAINMENT LIMITED

Sd/-

Sd/-

Rajesh Kumar
Director
DIN: 06845321

Gaj Raj Singh
Director
DIN:

Date: 23.08-2014
02925387
Place: New Delhi

ANNUAL DECLARATION BY DIRECTOR PURSUANT TO CLAUSE 52 (1)(D)(ii) of the
LISTING AGREEMENT

I, Gajraj Singh, Executive Director of Channel Nine Entertainment Limited hereby declare that all the members of the Board of Directors of the Company and Senior Management Personnel have affirmed compliance with the Code of Conduct applicable to them as laid down by the Company in terms of Clause 52(1)(D)(ii) of the Listing Agreement entered into with the Stock Exchanges for the financial year ended 31st March, 2014.

By Order of the Board
For CHANNEL NINE ENTERTAINMENT LIMITED

Sd/-

Gaj Raj Singh
Director
DIN: 02925387

Date: 23.08.2014
Place: New Delhi

CERTIFICATION BY THE MANAGING DIRECTOR ON FINANCIAL STATEMENTS OF
THE COMPANY

I, Gaj Raj Singh, Executive Director of Channel Nine Entertainment Limited, certify that:

- a. I have reviewed the financial statements and the Cash Flow Statement for the year and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. There are, to the best our knowledge the belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c. We are responsible for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these

deficiencies.

d. We have indicated to the auditors and the Audit Committee:

- significant changes in internal control over financial reporting during the year;
- significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Sd/-
Gajraj Singh
Director
02925387

Place: New Delhi
Date: 23.08.2014

AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members,
Channel Nine Entertainment Limited

We have reviewed the compliance of the conditions of Corporate Governance by M/s. Channel Nine Entertainment Limited for the year ended 31st March, 2014, as stipulated in Clause 52 of the Listing Agreement of the said Company with the Stock Exchange in India.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 52 of the above mentioned Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Sd/
For Ranjan Gupta & Co.
Chartered Accountants
Membership No. 500-824
Firm Regd. No. 17319N

Place: New Delhi
Date: 23.08.2014

MANAGEMENT DISCUSSION AND ANALYSIS

A) INDUSTRY STRUCTURE AND DEVELOPMENT:

The size of the Indian media and entertainment industry will touch Rs.102,800crore in 2014 with an estimated growth of 11.8 per cent and is projected to grow at a healthy compounded annual growth rate (CAGR) of 15.2 per cent to reach Rs.1.66 lakh crore by 2017, says the FICCIKPMG Media and Entertainment 2013 report.

Besides adaptation to high-end digital technology, the entertainment industry is also witnessing rapid development of state-of-the-art studios and post production facilities.

The impetus introduced by digitisation, the continued growth of regional media, the upcoming elections, the strength in the film sector and the fast-increasing new media businesses offered a positive growth chart for the industry.

B) SEGMENTWISE PERFORMANCE:

We are dealing more on the animation front than the regular entertainment companies as we foresee further growth in this segment since Kids are always accompanied by their parents and the repeat value for the same is comparatively much higher.

C) OPPORTUNITIES/OUTLOOK:

Apart from making animation films we are targeting products at the children segment. This age-group is easier to please as they do not have any pre-notions about the products they view. Hence they form an excellent audience. Also all products aimed at this segment have a higher repeat value ensuring better sales in fields of home video and merchandise. If kids like one thing, they would repeatedly want to do the same thing time and over again.

We are using the best of hardware and software apart from specialized man-power. We aim at delivering traditional 2D animation 90 minute films in a span of 9 to 12 months which usually take 25 - 30 months. After the setup of our own animation studio which is one of the best in country in terms of human resources, hardware & software we can now undertake projects for other firms & individuals.

The Company is also in talks with various other media companies to foray more and increase its base into the television industry. With the launch of more television channels, there is an acute shortage of material to telecast increasing our opportunities to exploit better prices for our content.

D) THREATS:

Increased Payouts: With a view to produce differentiated content, the production cost has increased.

Consistency: Consistency of picture quality is essential to maintain targeted revenue.

E) DISCUSSION ON FINANCIAL PERFORMANCE:

The financials of the Company has prepared by ensuring the objectivity, credibility, and correctness through proper financial reporting and disclosure processes, internal control, risk management policies and processes, tax policies, compliance and legal requirements and associated matters.

F) RISKS AND CONCERNS:

CHANGE IN CONSUMER PREFERENCE RISK:

The content developed by the Company need not appeal the target audience always as the target audience preferences are bound to change. The level of creativity required for the audience targeted varies with the available options to the consumers.

ARTIST ATTRITION RISK:

The reason for which the Company's content is preferred by the audience includes artist attrition also. These artists are an important part for the content produced by the Company.

TECHNOLOGICAL RISK:

Advancement of technology for creation of the picture is necessary with the new technologies being adopted by the competitors.

REGULATORY RISK:

The business may have a positive or a negative impact on the revenues in future due to changes in the regulatory framework and the tax laws as compared to the current scenario.

Management continuously monitors and makes efforts to arrest decline and adverse output on any of these factors.

G) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:

The Company has customized accounting packages, which has built in security, which prohibits deletions and overwriting once accounting entry is passed. The Company has introduced checks at various levels to monitor the expenses.

H) HUMAN RESOURCES POLICIES:

Human capital is a very important asset in a media company. Over the years, the Company has built up a human resource structure, which has enabled the Company to grow and take up challenges. The Company has a qualified team of professionals.

I) CAUTIONARY STATEMENT:

Statements in the Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations maybe 'forward - looking statement'

within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include economic conditions affecting demand / supply and price conditions in the domestic and overseas market in which the Company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.

AUDITORS' REPORT

To,

THE MEMBERS OF CHANNEL NINE ENTERTAINMENT LTD

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of CHANNEL NINE ENTERTAINMENT LTD. ("the Company) which comprise the balance sheet as at 31st March 2014, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of these financial statements that give true and fair view of the financial position, financial performance and cash flows of the company in accordance with accounting standard referred to in sub section (3G) of section 211 of companies Act 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenances of internal control relevant to the preparation and presentation of financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the standards on auditing issued by the Institute of chartered accountant of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the Company's Preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, and to the best of our information and according to the explanation given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of balance sheet , the state of affairs of the company as at March 31 , 2014,
- (b) the case of statement of profit and loss of the profit for the year ended on that date, and
- (c) In the case of the cash flow statement, of the cash flows of the company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the companies (Auditor's report) Order, 2003 ("the Order") issued by the Central government of India in terms of sub-section (4a) of section 227 of the Act, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
2. As required by the section 227(3) of the act, we report that :
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the audit.
 - (b) In our opinion, proper books of accounts as required by law have been kept by the company so far as appears from our examination of those books.
 - (c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this report are in agreement with the books of account.
 - (d) In our opinion , the balance sheet, statement of profit and loss, and the cash flow statement comply with the accounting standards referred to in sub-section (3C) of section 211 of companies act 1956
 - (e) On the basis of written representation received from the directors as on 31st march 2014, and taken on record by the board of directors, none of the directors is disqualified as on 31st march 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of Companies Act, 1956.

Sd/
For Ranjan Gupta & Co.
Chartered Accountants
Membership No. 500-824
Firm Regd. No. 17319N

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF THE AUDITOR'S REPORT OF EVEN DATE IN THE ACCOUNTS FOR THE YEAR ENDED ON 31.3.2014 OF M/S CHANNEL NINE ENTERTAINMENT LTD. DELHI

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

- (b) The Company has physically verified during the year all its Fixed Assets. In accordance with a programme of verification, which in our opinion provides for physical verification of the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) In our opinion and according to the information and explanations given to us, the Company has not made any disposals of any fixed assets during the year.
- ii) (a) The Inventory has been physically verified by the management during the current year. In our opinion the frequency of such verification is reasonable.
 - (b) The procedure for the physical verification of inventories followed by the management is reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) The company has maintained proper records of inventory. No discrepancies were noticed on the physical verification between the physical stock and books records were not material.
- iii)(a) The Company has granted certain unsecured loans to Companies, Firms or other Parties covered in the Register maintained under Section 301 of the Companies Act, 1956. The terms and conditions of which is prima-facie prejudicial to the company to the extent of interest not charged.
 - (b) Since the company has not taken any loans from Companies, Firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, therefore the issue of rate of interest and the other terms and conditions of loan taken or granted are not applicable.
- (iv)(a) Based on the audit procedure applied by us and according to the information and explanations provided by the management, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 has been so entered.
 - (b) In our opinion and according to the information and explanations give to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 and exceeding the value of Five lakh rupees in respect of any party during the year, have been made at prices which are reasonable having regard to prevailing market prices at the relevant time wherever applicable.
- (v) The company has not accepted any deposit during the year from the public with in the meaning of provisions of Section u/s 58 A and 58 AA of the Companies Act 1956 and the rules made there under. Hence, this clause is not applicable to the company.
- (vi)a) In our opinion, the company has an internal audit system commensurate with its size and the nature of its business.
 - b) 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 the business for the purchase of inventory and fixed assets and for the sale of goods.

- (vii) As informed to us, the Central Government has not prescribed the maintenance of cost records under section 209(1) (d) of the companies Act, 1956.
- (viii)(a) According to the information and explanations given to us, the company is regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales tax, Wealth Tax, Custom Duty, Excise Duty, cess and any other statutory dues as applicable with appropriate authorities during the year. As at 31.3.2014 there are no undisputed dues payable for a period of more than six months from the date they became payable.
 - (b) According to the information and explanation given to us there are no dues in respect of Sales Tax / income tax/ custom duty / wealth tax / cess that have not been deposited with the appropriate authorities on account of any dispute.
- (ix) The Company has accumulated losses less than the 50% of the net worth of the company at the end of the year and has not incurred any cash losses during the current year and immediately preceding financial year.
- (x) According to the information and explanation given to us there are no dues payable to any financial institution or bank or any debenture holder.
- (xi) The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xii) The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the company.
- (xiii) The company is dealing in shares and other investments and proper records have been maintained of the transactions and contracts and timely entries have been made there in. The shares and other securities have been held by the company in its own name except to the extent of exemption granted under section 49 of the act.
- (xiv) According to the information and explanation given to us, the company has not given any guarantee for the loans taken by others from banks and financial institutions.
- (xv) The company has not taken any term loan during the year.
- (xvi) In our opinion and according to the information and explanations given to us and as shown by the records examined by us no funds raised on short term basis have been used for long term investment and vice versa.
- (xvii) The company has not made any preferential allotment of shares to parties and companies covered in the register maintained u/s 301 of the Companies Act, 1956 during the year.

(xviii) The company has not issued any debenture; therefore the clause is not applicable.

(xix) The company has not raised any money by public issues during the year.

(xx) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company was noticed or reported during the year.

Sd/
For Ranjan Gupta & Co.
Chartered Accountants
Membership No. 500-824
Firm Regd. No. 17319N

Place: New Delhi
Date: 27.05.2014

CHANNEL NINE ENTERTAINMENT LIMITED
Balance Sheet as on 31st March 2014

(Amount in Rs.)

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
<u>(1) Shareholder's Funds</u>			
(a) Share Capital	1	155,264,000.00	155,264,000.00
(b) Reserves and Surplus	2	73,421,743.29	72,895,285.00
(c) Money received against share warrants		-	-
<u>(2) Share application money pending allotment</u>			
(a) Share Application Money		-	-
<u>(3) Non-Current Liabilities</u>			
(a) Long-term borrowings	3	-	-
(b) Deferred tax liabilities (Net)	4	1673749.10	851,855.00
(c) Other Long term liabilities	5	23,000,000.00	-
(d) Long term provisions	6	-	-
<u>(4) Current Liabilities</u>			
(a) Short-term borrowings	7	-	-
(b) Trade payables	8	17,067,690.00	6,795,500.00
(c) Other current liabilities	9	12,474,552.00	19,83,326.00
(d) Short-term provisions	10	3,34,408.00	3,22,360.00
Total		283,236,142.39	238,112,326.00
II.Assets			
<u>(1) Non-current assets</u>			
<u>(a) Fixed assets</u>			
(i) Tangible assets	11	68,091,393.19	70,009,497.00
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investments	12	29,928,000.00	26,928,000.00
(c) Deferred tax assets (net)	13	-	-
(d) Long term loans and advances	14	1,964,124.00	1,964,124.00
(e) Other non-current assets	15	4,850,835.00	-
<u>(2) Current assets</u>			
(a) Current investments	16	-	-
(b) Inventories	17	-	-
(c) Trade receivables	18	34,275,401.00	24,975,985.00
(d) Cash and cash equivalents	19	1,582,566.96	6,594,255.00

(e) Short-term loans and advances	20	139,806,625.00	104,471,088.00
(f) Other current assets	21	2,737,198.00	3,169,377.00
Total		283,236,145.15	238,112,326.00

NOTES TO ACCOUNTS

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Sd/-

For Ranjan Gupta & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Channel Nine Entertainment Limited

Sd/-

Gajraj Singh
(Director)
02925387

Sd/-

Kirti
(Director)
06403097

Membership No.: 500-82408

Firm Regd.No.17319N

Place:- New Delhi

Date:- 27.05.2014

Sd/-
Bhagat Singh
Company Secretary

CHANNEL NINE ENTERTAINMENT LIMITED
CIN: L92132DL2002PLC116330
Profit and Loss statement for the period ended 31 March 2014

Amount in Rs.

Particulars	Note No	As at 31.03.2014	As at 31.03.2013
I. Revenue from operations	22	26,119,540.00	26,044,600.00
II. Other Income		2,389,838.00	5,434,453.00
III. Total Revenue (I +II)		28,509,378.00	31,479,053.00
IV. Expenses:			
Cost of materials consumed	23	-	-
Purchase of Stock-in-Trade		-	-
Purchase		19,679,990.00	25,666,900.00
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	24	-	-
Employee benefit expense	25	832,911.00	485,300.00
Financial costs	26	-	-
Depreciation and amortization expense	27	4,029,128.81	2,031,762.45
Other expenses	28	2,295,823.80	1,642,714.72
Total Expenses		26,837,853.61	29,826,677.17
V. Profit before exceptional and extraordinary items and tax.	(III - IV)	1,671,524.39	1,652,375.83
VI. Exceptional Items		-	-
VII. Profit before extraordinary items and tax (V - VI)		1,671,524.39	1,652,375.83
VIII. Extraordinary Items		-	-

IX. Profit before tax (VII - VIII)		1,671,524.39	1,652,375.83
X. Tax expense:			
(1) Minimum Alternate Tax		323,172.00	314,860.00
(2) Deferred tax		821,894.10	169,640.00
(3) Income tax Adjustment		-	
(4) Deffered tax Adjustment		-	-
XI. Profit/ (Loss) for the Year	(IX-X)	526,458.29	1,167,875.83
XII. Profit(Loss) from the last year (B/F)		1,959,284.37	791,408.54
XIV. Profit/(Loss) for the year transfer to Balance Sheet. (XI+XII)		2,485,742.66	1,959,284.37
XV. Profit/(Loss) for the period (XI + XIV)		2,485,742.66	1,959,284.37
XVI. Earning per equity share:			
(1) Basic		0.034	0.140
(2) Diluted		0.034	0.140

Notes referred to above and notes attached there to form an integral part of Profit & Loss Statement

Sd/-

For Ranjan Gupta & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Channel Nine Entertainment Limited

Sd/-

Gajraj Singh
(Director)
02925387

Sd/-

Kirti
(Director)
06403097

Membership No.: 500-82408
Firm Regd.No.17319N
Place:- New Delhi
Date:- 27.05.2014

Sd/-
Bhagat Singh
Company Secretary

Notes Forming Part of the Balance Sheet

Note : 1 Share Capital

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<u>AUTHORIZED CAPITAL</u> (Equity Shares Of Rs 10 Each)	160,000,000.00	160,000,000.00
2	<u>ISSUED</u> (Equity Shares Of Rs 10 Each)	155,264,000.00	155,264,000.00
3	<u>SUBSCRIBED & PAID UP CAPITAL</u> (Equity Shares Of Rs 10 Each)	155,264,000.00	155,264,000.00
	Total	155,264,000.00	155,264,000.00

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
(2)	(a) Share Application Maoney	-	-
	Total	-	-

A) Reconciliation of Number of Shares:

Particulars	As at 31.03.2014		As at 31.03.2013	
	Number	Amounts	Number	Amounts
Shares outstanding at the beginning of the year	15526400.00	155264000.00	530,100.00	530,100.00
Shares Issued during the year	-	-	14,996,300.00	14,996,300.00
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of year	-	-	-	-
Total	15526400.00	155264000.00	15526400.00	15526400.00

Details of Shareholders holding more then 5% Shares

Particulars	As at 31.03.2014		As at 31.03.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Name of Shareholders				
Gajraj Singh	2,447,600	15.76	2,447,600	15.76
Total	2,447,600	15.76	2,447,600	15.76

Note : 2 Reserve & Surplus

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Capital Reserve	-	-
2	Reserve & Surplus	6,46,000.00	32,400,000.00
3	Securities Premium	70,290,000.00	49,549,000.00
	Add: Share Premium (in Current Year)	-	70,290,000.00
	Less: Bonus Share (in Current Year)	-	(81,303,000.00)
	Total (A)	70,936,000.00	70,936,000.00
4	Debenture Redemption Reserve	-	-
5	Revaluation Reserve	-	-
6	Shares Option Outstanding Account	-	-
7	Other Reserve (General Reserve)	-	-
8	<u>Surplus (Profit & Loss Account)</u>	-	-
	Op. Balance of Profits & Loss A/C	1,959,285.00	791,409.00
	Current Year Profit & Loss A/C	5,26,458.29	1,167,876.00
	Total (B)	2,485,743.29	1,959,285.00
	Total (A) + (B)	73,421,743.29.00	72,895,285.00

Note : 3 Long Term Borrowings

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Bonds / Debentures	-	-
2	<u>Term Loan</u>	-	-
	- From Bank	-	-
	- From Other Parties	-	-
3	Deferred Payment Liabilities	-	-
4	Deposit	-	-
5	Loans & Advances From Related Parties	-	-
6	Long Term Maturities of Finance lease obligation	-	-
7	Loans From Directors	-	-
8	<u>Other Loans</u>	-	-
	Total	-	-

Note : 4 Defferred Tax Liabilities (Net)

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Defferred Tax Liability	16,73,749.10	851,855.00
	Total	16,73,749.10	851,855.00

Note : 5 Other Long Term Liabilities

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Liabilities & Payables	-	-
2	Other Payables	23,000,000.00	-
	Total	-	-

Note : 6 Long Term Provisions

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Provision from Employment Benefit	-	-
2	Other	-	-
	Total	-	-

Note : 7 Short Term Borrowings

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<u>Loan Repayable on Demand</u>		
	- From Bank	-	-
	- From Other Parties	-	-
	Borrowings from Parties	-	-
	Other Payable	-	-
2	Loans & Advances From Related Parties	-	-
3	Deposits	-	-
4	Others	-	-
	Total	-	-

Note : 8 Trade Payables

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Sundry Creditors	17,067,690.00	6,795,500.00
	Total	17,067,690.00	6,795,500.00

Note : 9 Other Current Liabilities

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	TDS on Rent	50,904.00	50,904.00
2	TDS on Payable	21,350.00	2,653.00
3	TDS Professional	-	2,11,150.00
4	Other Payable	1,718,619.00	140,619.00
	Total	12,474,552.00	1,983,326.00

Note : 10 Short Term Provisions

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Provision From Employees Benefit	-	-
2	<u>Others:-</u>		
3	Audit Fees Payable	11,236.00	7,500.00
4	Provision For Income Tax	323,172.00	314,860.00
	Total	3,34,408.00	3,22,360.00

Note : 12 Non Current Investment

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Investment in Property	-	-
2	Investment in Equity Instrument	-	-
3	Other Investment		
	Other Investment (Long Term)	26,928,000.00	26,928,000.00
4	Investment in Mutual Fund	-	-
5	Investment in Partnership Firm	-	-
	Total	26,928,000.00	26,928,000.00

Note : 13 Defferred Tax Assets (Net)

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
	-	-	-
	Total	-	-

Note : 14 Long Term Loans and Advances

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
i)	<u>Capital Assets</u>		
	a) Secured, Considered Good :	-	-

	<u>b) Unsecured, Considered Good :</u>	-	-
	<u>c) Doubtful</u>	-	-
II)	<u>Security Deposit</u>		
	<u>a) Secured, Considered Good :</u>	-	-
	<u>b) Unsecured, Considered Good :</u>	-	-
	<u>c) Doubtful</u>	-	-
III)	<u>Loans & Advances to related parties</u>	-	-
IV)	<u>Other Loans & Advances</u>		
	Other Advances	1,964,124.00	1,964,124.00
	Total	1,964,124.00	1,964,124.00

Note : 15 Other Non Current Assets

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Long Term Trade Recievables		
	<u>a) Secured, Considered Good :</u>	-	-
	<u>b) Unsecured, Considered Good :</u>	-	-
	<u>c) Doubtful</u>	-	-
2	<u>Others Non CurrentAssts</u>	-	-
	Deferred Revenue Expenditure	4,850,835.00	-
	Total	4,850,835.00	-

Note :16 Current Investment

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Investment in Equity	-	-
2	Investment in Prefrence Shares	-	-
3	Investment in Govt Securities	-	-
4	Investment in debentures & Bonds	-	-
5	Investment in Mutual Fund	-	-
6	Investment in Partnership Firm	-	-
7	Others		
	FDR & Accrued Interest	-	-
	Total	-	-

Note : 17 Inventories

Sr. No	Particulars	As at 31.03.2014	31.03.2013
1	Raw Material	-	-
2	Work-in-Progress	-	-
3	Finished Goods	-	-

4	Stock-in-Trade		
5	Stores & Spares	-	-
6	Loose Tools	-	-
7	Other (Specify the nature)	-	-
8	Goods-in-transit	-	-
Total		-	-

Note : 18 Trade Recievables

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<u>Outstanding for more than six months</u>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :	-	-
	c) Doubtful	-	-
2	<u>Others</u>		
	a) Secured, Considered Good :	-	-
	b) Unsecured, Considered Good :		
	Sundry Debtors	34,275,401.00	24,975,985.00
	c) Doubtful	-	-
	Total	34,275,401.00	24,975,985.00

Note : 19 Cash & Cash Equivalent

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<u>Cash-in-Hand</u>		
	Cash Balance	1,187,087.61	1,568,768.00
	Sub Total (A)	1,187,087.61	1,568,768.00
2	<u>Bank Balance</u>		
	Bank Balance (With Schedule Bank)- HDFC BANK	3,203.15	14,159.00
	Bank Balance (With Schedule Bank)- HDFC BANK	3,92,276.20	5,011,328.00
	FD with ICICI Bank	-	-
	Sub Total (B)	3,95,479.35	5,025,487.00
3	Cheques on Hand (C)	-	-
	Total [A + B + C]	1,582,566.96	6,594,255.00

Note :20 Short Terms Loans and Advances

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Loans & Advances from related parties		
	<u>a) Secured, Considered Good :</u>	-	-
	<u>b) Unsecured, Considered Good :</u>		
	Loans & Advances	-	-
	<u>c) Doubtful</u>	-	-
2	Others		
	Loans & Advances	1,39,806,625.00	104,471,088.00
	Total	1,39,806,625.00	104,471,088.00

Note : 21 Other Current Assets

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Advance Income Tax	-	-
2	TDS on Contractor	659.00	659.00
3	Prelimery Exp.	824,646.00	824,646.00
4	Issue Expenses	2,344,072.00	2,344,072.00
5	Filing Fees	3,60,000.00	-
	Total	2,737,198.00	3,169,377.00

Note : 22 Income

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
A	<u>Income</u>		
1	Sales	21,030,200.00	26,044,600.00
	Total	21,030,200.00	26,044,600.00
B	<u>Other Income</u>		
1	Duty Drawback	-	-
2	Foreign Currency Rate Difference	-	-
3	Interest from Bank	-	-
4	Profit from Jobbing Speculation	-	-
5	Income From Long Term Investments:	-	-
6	Income from Investment - Dividend Tax Free	-	-
7	Long Term Capital Gain	-	-
8	Short Term Capital Gain	-	-
9	Interest (Others)	2,233,541.00	144,453.00
10	Income From Joint Venture	-	1,000,000.00
11	Consultancy Charges	-	-
12	Misc. Income	-	4,290,000.00

	Total	2,233,541.00	5,434,453.00
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	Grand Total (A) + (B)	23,263,741.00	31,479,053.00
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Note : 23 Cost of Material Consumed

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Purchases	14,541,990.00	25,666,900.00
	Total	14,541,990.00	25,666,900.00

Note : 24 Change in Inventories

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Closing Stock	-	-
2	Opening Stock	-	-
	Total	-	-

Note : 25 Employment Benefit Expenses

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Remuneration to Director	3,00,000.00	-
2	Salary	476,591.00	485,300.00
3	Staff Welfare	56,320.00	-
	Total	832,911.00	485,300.00

Note :26 Financial Cost

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	Bank Interst	-	-
	Total	-	-

Note : 27 Depreciation &Amortized Cost

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013

1	Depreciation	4,029,128.81	2,031,762.45
	Total	4,029,128.81	2,031,762.45

Note : 28 Other Expenses

Sr. No	Particulars	As at 31.03.2014	As at 31.03.2013
1	<u>Administrative Expenses:</u>		
	Advertising Charges	960.00	-
	Audit Fees	11,236.00	7,500.00
	Bank Charges	891.80	1,300.72
	Business Promotion Exp.	65,000.00	113,640.00
	Custodian Fees	34,832.00	-
	Communication Expenses	15,074.00	-
	Convyance Exp.	-	93,580.00
	D P Charges	500.00	-
	Electricity Expenses	15,723.00	22,923.00
	Filing Fee	52,859.00	-
	General & Miscellaneous Expenses	3,53,634.00	-
	Interest Paid on Car Loan	-	-
	Interest paid on Income Tax	-	40,079.00
	Interest Paid on Tds	-	-
	Legal and Professional Expenses	109,825.00	29,000.00
	Legal Expenses	-	93,708.00
	Misc. Exp.	-	72,900.00
	Office Maintainance Exp.	60,540.00	48,450.00
	Office Rent	-	159,945.00
	Printing and Stationary Charges	66,412.00	26,310.00
	Postage & Courier	23,364.00	-
	Professional Charges	-	74,000.00
	Telephone Expenses	16,682.00	7,315.00
	Tour & Travelling Expenses	42,530.00	15,385.00
	Web Charges	4,600.00	4,500.00
	Wesite Expenses	-	40,000.00
	Preliminary expenses W/O	2,06,161.00	2,06,161.00
	Issue Exp W/O	5,86,018.00	5,86,018.00
	Filing Fees	90,000.00	-
	Deffered Revenue Exp W/O	5,38,982.00	-
	Total [A + B]	850,535.72	447,866.90

Note : 11 Fixed Assets

S No.	Particulars	Rate	Gross Block			Depreciaton				Net Block		
			Value as on 31.03.2013	Additi on during the period	Deducti on during the period	Value as on 31.03.2014	Value as on 31.03.2013	Depreciati on during the year	Deduct ion during the year	Value as on 31.03.2014	Balance as on 31.03.2014	Balance as on 31.03.2013
I	<u>Tangible Assets</u>	-										
	Air Conditioner	4.75%	48,457.00			48,457.00	24,074.00	2,301.71		26,375.71	22,081.29	24,383.00
	Camera	4.75%	591,349.00			591,349.00	293,762.00	28,089.08		321,851.08	269,497.92	297,587.00
	EPABX	4.75%	2,014.00			2,014.00	2,014.00	-		2,014.00	-	-
	Office Equipment	4.75%	18,251.00			18,251.00	8,984.00	866.92		9,850.92	8,400.08	9,267.00
	Inverters	4.75%	1,412.00			1,412.00	1,412.00	-		1,412.00	-	-
	DVD Player	4.75%	2,728.00			2,728.00	2,728.00	-		2,728.00	-	-
	Sony T.V.	4.75%	8,412.00			8,412.00	8,412.00	-		8,412.00	-	-
	Multimedia Projector	4.75%	171,789.00			171,789.00	171,789.00	-		171,789.00	-	-
	Digital Contents*	5.28%	72,500,000.00	-		72,500,000.00	2,970,000.00	3,828,000.00		6,798,000.00	65,702,000.00	69,530,000.00
	Furniture & Fixture	6.33%	226,756.00			226,756.00	149,490.00	14,353.65		163,843.65	62,912.35	77,266.00
	Scooter	9.50%	19,856.00			19,856.00	19,856.00	-		19,856.00	-	-
	Computer	16.21%	334,760.00			334,760.00	263,766.00	54,264.60		318,030.60	16,729.40	70,994.00
	Computer Software	16.21%		2,111,025.00		2,111,025.00	-	101,252.86		101,252.86	2,009,772.14	
	SUB TOTAL (A)		73,925,784.00	2,111,025.00	-	76,036,809.00	3,916,287.00	4,029,128.81	-	7,945,415.81	68,091,393.19	70,009,497.00
II	<u>Intangible Assets</u>	-										
	-	-										
	SUB TOTAL (B)	-	-	-	-	-	-	-	-	-	-	-
III	<u>Capital Work-in-progress</u>	-										

IV	-	-	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (C)	-	-	-	-	-	-	-	-	-	-	-
	<u>Intangible Assets Under Development</u>	-	-	-	-	-	-	-	-	-	-	-
	SUB TOTAL (D)	-	-	-	-	-	-	-	-	-	-	-
	Total [A + B + C + D] (Current Year)	73,925,784.00	2,111,025.00	-	76,036,809.00	3,916,287.00	4,029,128.81	-	7,945,415.81	68,091,393.19	70,009,497.00	
	(Previous Year)	38,852,794.00	35,072,990.00	-	73,925,784.00	1,884,525.00	2,031,762.45	-	3,916,287.00	70,009,497.00	36,968,269.00	

Note : 29 SIGNIFICANT ACCOUNTING POLICIES & NOTES TO THE ACCOUNTS

A- SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements are prepared under the historical cost convention on the concept of a going concern, in accordance with the Generally Accepted Accounting Principles and mandatory Accounting Standards as notified under the Companies (Accounting Standards) Rules, 2006 and as per the provisions and presentational requirements of the Companies Act, 1956.

Changes in Accounting policies

The accounting policies adopted are consistent with those of previous financial year. The management assures that there has been no change in accounting policies as compared to that of previous year which would have any significant effect on these financials.

Recognition of Income

Export Sales represents invoiced Value of goods Sold. Other Income is recognized and accounted for on accrual basis unless otherwise stated.

Tangible Fixed Assets

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

Depreciation on tangible fixed assets

No Depreciation has been provided on Land.

Taxes on Income

Current tax is determined and provided for on the amount of taxable income at the applicable rates for the relevant financial year. Deferred Tax Assets and Liabilities (DTA/ DTL) are recognised, subject to consideration of prudence, on timing differences, being the difference between taxable income and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. The DTA is recognised only to the extent that there is reasonable certainty of sufficient future profits against which such DTA can be realised.

Contingent Liability

The contingent liabilities, if any, are disclosed in the Notes to Accounts. Provision is made in the accounts, if it becomes probable that there will be outflow of resources for settling the obligation.

Events occurring after the balance sheet date

Adjustments to assets and liabilities are made for events occurring after the balance sheet date to provide additional information materially affecting the determination of the amounts of assets or liabilities relating to conditions existing at the balance sheet date.

Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year/ period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year/ period.

Use of estimates

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting year. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

Foreign Currency Transaction

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the time of the transaction. Monetary items denominated in foreign currencies at the year end are translated at the rate ruling at the year end rate.

B- NOTES TO THE ACCOUNTS

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary.

All the investments made by the company are valued at Cost .

The inventories of the company are valued as per cost price and market price which ever is less.

Deferred tax arising on account of timing difference and which are capable of reversal in one or more subsequent periods is recognised using the tax rates and tax laws that have been enacted or substantively enacted. Deferred tax assets are recognised unless there is virtual certainty with respect to the reversal of the same in future years.

The revised Schedule VI as notified under the companies Act,1956, has become applicable to the company for the presentation of its financial statements for the year ending JANUARY 31,2013. The adoption of the revised Schedule VI requirements has significantly modified the presentation and disclosures which have been complied with in these financial statements Previous year figures have been reclassified in accordance with current year requirements.

All schedules annexed to and form integral part of the Balance Sheet and Profit & Loss Account.

Minimum Alternative Tax (MAT) is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the specified period. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal Income Tax during the specified period.

Value of Import on CIF Basis Nil
Earnings in Foreign Exchange (FOB Value) Nil
Expenditure in foreign Currency Nil
The Company has no employee to whom the provisions of section 217 (2A) of the Companies Act, 1956 are applicable.

Earning Per Share:

Particulars	As at 31.03.2013
Net profit after tax available for Equity Shareholders (Rs.) (A)	1167875.828
Weighted Avg.Number Equity Shares outstanding (Nos.) (B)	530100
Dilutive potential Equity Shares (Nos.)	0
Dilutive shares outstanding (Nos.) (C)	530100
Nominal value per Equity Shares (Rs./ Share)	10
Basic Earnings per share (Rs./ Share) (A) / (B)	2.20
Diluted Earnings per share (Rs./ Share) (A) / (C)	2.20

Sd/-

For Ranjan Gupta & Co.
Chartered Accountants

For and on behalf of the Board of Directors

Channel Nine Entertainment Limited

Sd/-

Gajraj
Singh

(Director)

02925387

Sd/-

Kirti

(Director)

06403097

Membership No.: 500-82408

Firm Regd.No.17319N

Place:- New Delhi

Date:- 27.05.2014

Sd/-

Bhagat Singh
Company Secretary

Cash Flow Statement

For the Year Ending 31-Mar-2013	Amounts Rs. '000	Amounts Rs. '000
Particulars	31.03.14	31.03.13
<u>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</u>		
1. Net profit before tax	1,167.88	738.90
2. Adjustment for:		
Add: Depreciation & Amortisation Expenses	2,823.91	1,078.04
Less: Interest Received	(144.45)	-
Operating Profit before Working capital changes	3,847.34	1,816.94
<u>3. Working Capital Changes</u>		
Decrease (Increase) in Trade & Other Receivables	(17,645.44)	(2,463.00)
Decrease (Increase) in Inventories	-	-
Decrease (Increase) in Other Current Assets	-	-
Increase (Decrease) in Trade & Other Payables	-	-
Increase (Decrease) in Current Liabilities & Provisions	7,546.57	-
Increase (Decrease) in Other Liabilities	1,353.16	-
Net Changes in Working Capital	(8,745.71)	(2,463.00)
<u>Cash Generated from Operations</u>	(4,898.37)	(646.06)
Adjustment of Taxes	-	-
Net Cash Flow from Operating Activities (A)	(4,898.37)	(646.06)
<u>(B) CASH FLOW FROM INVESTING ACTIVITIES :</u>		
Purchase of Fixed Assets	(35,072.99)	(37,500.00)
(Increase)/Decrease in Other Non-Current Assets	-	-
(Increase)/Decrease in Other Long Term Loans & Advances	(1,167.00)	-
(Increase)/Decrease in Short Term Loans & Advances	(23,887.00)	25.00
Interest Received	144.45	-

Increase/(Decrease) in Current Investments	(96,210.04)	(9,069.21)
Increase/(Decrease) in Non Current Investments	-	-
Net Cash Flow from Investing Activities (B)	(156,192.58)	(46,544.21)
CASH FLOW FROM FINANCING ACTIVITIES :		
Issue of share capital and Proceeds from Share Application Money	171,350.00	47,250.00
Increase in Short Term Borrowings	-	-
Preliminary Expenses incurred	(3,960.90)	-
Net Cash Flow from Financing Activities (C)	167,389.10	47,250.00
Net Increase / (Decrease) in Cash & Cash Equivalents (A+B+C)	6,298.15	59.73
Cash and cash equivalents at the beginning of the year / Period	296.11	236.38
Cash and cash equivalents at the end of the year/ Period	6,594.25	296.11
* Note: The above Cash Flow Statement has been prepared under "Indirect Method" as set out in the Accounting Standard (AS) – 3 on Cash Flow Statements" issued by the Institute of Chartered of Accountants of India.		

As per our report of even date

Sd/-

For Ranjan Gupta & Co.
Chartered Accountants

For and on behalf of the Board of Directors
Channel Nine Entertainment Limited

Sd/-

Sd/-

Membership No.: 500-82408
Firm Regd.No.17319N
Place:- New Delhi
Date:- 27.05.2014

Gajraj Singh
(Director)
02925387

Kirti
(Director)
06403097

Sd/-
Bhagat Singh
Company Secretary

ATTENDANCE SLIP

CHANNEL NINE ENTERTAINMENT LIMITED
3/12, GROUND FLOOR, ASAF ALI ROAD, NEW DELHI INDIA - 110002

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

I hereby record my presence at the 12th Annual General Meeting of the Company on 22nd September, 2014.

Full Name of the Shareholder in Block Letters:.....

Folio No.:

No. of Shares held:

Name of Proxy (if any):

(In Block Letters)

Member's Signature

Signature of Proxy

*Strike out whichever is not applicable.

.....

PROXY FORM

CHANNEL NINE ENTERTAINMENT LIMITED
3/12, GROUND FLOOR, ASAF ALI ROAD, NEW DELHI INDIA - 110002

Name of the Member(s):	
Registered address:	
Folio No./Client Id.:	DP ID:
E-mail Id:	

I/We, being the member(s) of..... Shares of the above named Company, hereby appoint:

Name :	Address :
E-mail Id :	Signature :
or failing him/her	
Name :	Address :
E-mail Id :	Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Monday, September 22, 2014 at 9:30 a.m. at the Registered Office of the Company

Signed this _____ day of _____ 2014.



Signature of Shareholder

Signature of Proxy holder(s)

If undelivered, please return to:

Channel Nine Entertainment Limited

Registered Office

3/12, Ground Floor,

Asaf Ali Road,

New Delhi-110002

Ph: 011-32315575

Email: channelnineentertainment@yahoo.com