

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. OPERATING RESULTS OF THE COMPANY

During the Financial Year under consideration the performance of the Company was satisfactory. Net Profit for the year 2017-18 stood at Rs. 10,957,555/- as against Net Profit of Rs. 58,62,805/- in the year 2016-17. Furthermore, the total Revenue for the year ended March 31st, 2018 is Rs. 552,252,823/- as compared to Rs. 361,654,893/- revenue for the year 2016-17.

2. INDUSTRY STRUCTURE AND DEVELOPMENT

The Indian Media and Entertainment (M&E) industry is a sunrise sector for the economy. It is making high growth strides and is witnessing increased corporatization. The country is today producing some of the finest films based on varied subjects and winning accolades on all counts.

The Foreign Direct Investment (FDI) inflows in the information and broadcasting (I & B) sector in the period April 2000 - December 2015 stood at US\$ 4.55 billion, as per data released by Department of Industrial Policy and Promotion (DIPP).

3. OPPORTUNITY

The Government of India has supported Media and Entertainment industry's growth by taking various initiatives such as digitizing the cable distribution sector to attract greater institutional funding, increasing FDI limit from 74 per cent to 100 per cent in cable and DTH satellite platforms, and granting industry status to the film industry for easy access to institutional finance.

The Indian Media and Entertainment industry is on an impressive growth path. The revenue from advertising is expected to grow at a CAGR of 13 per cent and will exceed Rs 81,600 crore (US\$ 12.29 billion) in 2019 from Rs 41,400 crore (US\$ 6.24 billion) in 2014.

The television industry is witnessing the mushrooming of more niche channels. Here again, emerging technologies such as broadband, OTH, IP and digitalization will bring about more growth.

4. THREATS

i) With the increase in business segment, the competition has increased from Domestic and other Developed countries.

ii) Viewers no longer solely want a passive experience with a TV programme.

iii) An 'access anywhere, any time and on any platform' consumer is having a profound impact on

broadcasters, content owners and post houses – and they need to radically re–think how they set up and integrate their workflows and business processes. With an explosion in content and platforms to view media on, content owners have to fight much harder for the consumer’s attention.

iv) The appetite of the viewers is increasing and nowadays people are not satisfied with the conventional broadcasting only. Broadcasters need to provide their content on all possible carriage ways. New media including IPTV, mobile TV, YouTube, and the like, would complement traditional broadcasting.

The foremost challenges on the technology front are digitization of infrastructure and migration to HDTV. Broadcasters need to define how they traverse on the digitization path and put in serious efforts to decide what services they have to deliver to viewers. Systematic phasing out of analog system in broadcasting is a prominent task to meet the analog switch–off deadlines. Digital TV is not restricted to traditional home devices alone but is also available on personal devices.

5. PROSPECT & OUTLOOK

The management is of view that the future prospects of your company are bright and the performance in the current year is expected to be good. Television industry in India is on a transformation path. Multiple channels in each genre competing with each other for TRP, increasing pay TV penetration, expanding yet fragmented local as well as overseas viewership of Indian channels, demand for more specific content – clearly set the stage for the next level of growth and transition for players across the television value chain. Therefore, the Company needs to be cognizant of the ever increasing demand for differentiated content. While on one hand, new digital content distribution platforms are emerging; on the other hand, new formats of entertainment – computers, mobiles and other handheld devices are gaining importance. Monetization of content through these new opportunities in existing platforms and new media platforms are going to be key focus areas for the management of the Company. This outlook is based on assessment of the current business environment. It may vary keeping in view the further economic & other developments, both in India and abroad in coming future.

6. RISKS AND CONCERNS

The Company has taken adequate preventive and precautionary measures to overcome all the threats prevailing in the industry to ensure steady growth.

7. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

There are well–established procedures for Internal Controls for operations of the Company. The finance & audit functions are well equipped with professionally experienced qualified personnel & play important roles in implementing the statutory obligations. The Company has constituted Audit Committee for guidance and proper control of affairs of the Company.

8. HUMANRESOURCES

Human Resources are highly valued assets at M/s Sadhna Broadcast Limited. The Company seeks to attract, retain and nurture technical & managerial talent across its operations and continues to create,

sustain the environment that brings out the best in our people with emphasis on training, learning & development. It aims at career progression and fulfilling satisfactory needs. Performance is recognized and rewarded through up gradation & job enrichment, performance incentives.

**By order of the Board
For Sadhna Broadcast Limited**

**Sd/-
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Director
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**Sd/-
Tajinder Kaur
Managing Director
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Address: 302 A LIG Flats,
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**Place: Delhi
Date:16/07/2018**