

27th Annual Report 2010 - 2011



**JMD Telefilms
Industries Limited**

JMD Telefilms Industries Limited

27th Annual Report 2010 - 2011

Board of Directors

| | |
|------------------------|------------------------------|
| Kailash Prasad Purohit | Chairman & Managing Director |
| Jagdish Prasad Purohit | Executive Director |
| Pravin Sawant | Independent Director |
| Ashok Bothra | Independent Director |

Registered Office

105, Sagar Slopping Centre, J. P. Road,
Andheri (W), Mumbai - 400 058.

Studio Location

75C, Park Street, Basement, Kolkata 700 016.

Bankers

Axis Bank Limited
Kotak Mahindra Bank
HDFC Bank
Union Bank of India

Auditors

Mehta Kothari & Associates
Chartered Accountants
134, Great Western Building, 2nd Floor,
N. M. Road, Fort, Mumbai - 400 023.

Registrar & Share Transfer Agent

Purva Sharegistry (India) Pvt. Ltd.

No. 9, Shiv Shakti Ind. Estate,
Gr. Floor, J. R. Boricha Marg,
Lower Parel, Mumbai - 400 011.

ANNUAL GENERAL MEETING

Date : 23rd September 2011
Time : 11.00 A.M.
Venue : Axis Bank Hall, Springfields,
Lokhandwala Complex, Andheri (W),
Mumbai - 400 053.

C O N T E N T S

- ❖ Notice
- ❖ Report on Corporate Governance
- ❖ Auditors' Certificate on Corporate Governance
- ❖ Directors' Report
- ❖ Secretarial Compliance Report
- ❖ Auditors' Report
- ❖ Balance Sheet
- ❖ Profit & Loss Account
- ❖ Schedules
- ❖ Cash Flow Statement
- ❖ Balance Sheet Abstracts

Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the Twenty Seventh Annual General Meeting of the members of JMD Telefilms Industries Limited will be held on Friday, the 23rd September 2011 at 11.00 A.M. at Axis Bank Hall, Springfields, Lokhandwala Complex, Andheri (W), Mumbai- 400 053 to transact the following businesses as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2011.
2. To declare dividend.
3. To appoint Director in place of Mr. Pravin Sawant, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

Mumbai, June 30, 2011

By order of the Board
For **JMD Telefilms Industries Limited**

Registered Office :
105, Sagar Shopping Center, J. P. Road
Andheri (W), Mumbai-400 058.

Kailash Prasad Purohit
Chairman & Managing Director

Notes :

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 16th September 2011 to 23rd September 2011 (both days inclusive).
3. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
4. The Book Closure/Record Date for the purpose of declaration of Dividend shall be fixed in due course of time and shall be published in the newspapers pursuant to Section 154 of the Companies Act, 1956. The said information will also be intimated to the Stock Exchanges and Stock Exchanges will upload the same to their website and will also be uploaded to the Company's website. The Dividend as recommended by the Board of Directors, if declared at the time of Annual General Meeting, will be paid on or before 22nd October 2011.
5. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
6. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
7. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their

- office at No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
8. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
 9. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
 10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
 11. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
 12. Members are requested to quote Folio Number/Client ID in their correspondence.
 13. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Listing Fees for the financial year 2010-2011 have been paid to Bombay Stock Exchange Ltd.

Mumbai, June 30, 2011

By order of the Board
For **JMD Telefilms Industries Limited**

Registered Office :
105, Sagar Shopping Center, J. P. Road
Andheri (W), Mumbai-400 058.

Kailash Prasad Purohit
Chairman & Managing Director

DIRECTORS' REPORT & MANAGEMENT DISCUSSIONS & ANALYSIS

To The Members,

Your Directors have pleasure in presenting the Twenty Seventh Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2011.

(Rs. in Lacs)

| Financial Results | Year Ended 31.03.2011 | Year Ended 31.03.2010 |
|---|----------------------------------|--------------------------|
| Income | 10354.15 | 8626.24 |
| Profit before Tax & Extraordinary Items | 355.48 | 186.15 |
| Less : Provision for Taxation | 61.76 | 31.29 |
| Profit after Tax | 293.72 | 154.86 |
| Less : Prior Period Adjustments | 7.38 | 2.62 |
| Profit available for appropriation after adding to its Previous Years B/f | 286.34 | 152.24 |
| Appropriated as under : | | |
| Proposed Dividend | 72.15 | 70.15 |
| Corporate Tax on above Dividend | 11.70 | 11.92 |
| Transfer to General Reserve | 5.00 | 3.00 |
| Net Profit available for the year | 197.49 | 67.17 |
| Balance brought forward from Previous Year | 110.19 | 43.09 |
| Balance carried forward to Next Year | 307.68 | 110.19 |

Dividend

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2011 at 10 Paise (Ten Paise) per share or 10% (ten percent) on face value of Re 1/- each, subject to approval of Members at the ensuing Annual General Meeting.

Industry Structure and Development**Music & Software Industry**

The entertainment sector in India is poised for a compounded annual growth rate of 20% according to a recent KPMG report. The key factors that are driving the growth of the media and entertainment industry in India are the favourable demographics, growing literacy, increasing affluence, development of technology, government support and the growing interest in the Indian way of life. Entertainment demographics (population in age groups that are the highest consumers of entertainment) are more acute indicators of the future of the entertainment business: North America has 65 million in that demographic, while China and India have almost 700 million. In India alone over the next 10 years, 40% of our existing population will come from this demographic. The corresponding figure for the US is just 15%. Aided by the large number of Asians in the West, Asian culture will make inroads into the West. The never before seen growth in the sector has been the result of the growing number of television channels, FM radio channels, rising popularity of social media, growing demand for content

from mobile operators which is expected to further increase with the growth of 3G services and innovations of technology. This has resulted in the availability of entertainment anywhere and at anytime at the touch of a button and has ensured wide spread reach of the industry. During the year 2010, the media and entertainment industry grew by 11 percent and recorded revenues of Rs. 65,200 crore. The growth in advertising revenues by 17 per cent to Rs. 26,600 crore, increase in subscription revenues, increasing variety of rich content coupled with the opportunity for its monetization and the government's thrust to digitization are expected to aid in the robust growth of the sector.

Leading chambers of commerce such as FICCI and CII have identified entertainment as a fast growing industry. Revenues are projected to increase to \$15 billion in 2015 from \$6 billion currently. The global entertainment industry is projected to grow to Rs. 235000 Crore in the next 10 years with nearly half of the revenues emanating from Asia. The PWC report prepared for FICCI forecasts an annual CAGR of 18% predicting the industry will touch Rs. 1,45,000 crore on 2015. The KPMG CII study is more optimistic estimating the current industry size at Rs. 22,200 crore and predicting that it will grow at 18% to touch Rs. 151500 Crore by 2015.

Mobile Industry

The growth performance of the Indian mobile communications services industry is now reasonably well recorded. It is one of the few industries in India which has travelled significantly from being a monopolistic and somnolent industry from the innovation point of view to an extremely competitive and technologically speaking dynamic industry. The very recent distinction that is made between active users and the total number of subscribers (the former is only 70 per cent of the latter); the industry has witnessed a phenomenal increase in the length and indeed breadth of its coverage.

India now has one of the most competitive telecom services in the world and this has positive implications for its outsourcing industry where significant decline in communications costs is tremendously helpful for making this industry too remaining competitive when other factor prices have been showing an increasing trend. While all these augur well, questions had been raised about the ever rising trade balance in telecom equipments as the phenomenal growth of new subscribers that are added per month was met with equal amount of equipment imports. The increasing share of equipment imports was due to the weak manufacturing base that India possessed. In the context the paper argues that the growth of market for telecom equipments precipitated by the growth of services has jump started an extremely dynamic manufacturing industry, especially over the last five years or so. The dynamism of the industry can be gauged from the fact that for the first time, India has a positive trade balance in mobile handsets facilitated by India emerging as a manufacturing and export base for cheaper handsets. Although the industry is dominated by MNCs, domestic firms have started making an entry into domestic manufacturing and indeed in innovations as well. However there is some evidence to show that most of the manufacturers are now more of assemblers of imported parts and components than manufacturers per se.

Capital Market & Investment Sector

The global economic and financial situation is recovering slowly. The large fiscal deficits and high debt ratios coupled with slow economic growth have created unsettling conditions for business and have potential for causing great volatility in financial markets. It is hard to visualize strong economic growth in the advanced economies in 2010 and to a large extent in 2011. The implications of this, for India's strategy to return to the 9.0 per cent growth trajectory, are that public policy must promote business confidence and facilitate increased investment.

Opportunities & Threats

Music & Software Industry

Film music and devotional has been the dominant revenue stream in the Indian music industry and continues to do so. Though other streams of music such as western and pop music are becoming popular, film music is still the most popular segment in the music industry. With music being released much before the release of a movie, on an average the music sales contributes one fifth of the revenue from the movie and in many cases is the deciding factor for the success of failure of a movie. The music industry has been growing at a CAGR of over 25 per cent and its revenues are expected to cross \$567.6 million by 2014 according to PWC estimates.

On the other hand there are so many threats in Music Industry. The increased popularity of the internet has caused the economies of scale for the music industry to be moderately low. Independent artists and record labels can now offer their products online at very low cost, and in doing so skip several steps in the traditional value chain. Even though hard-copy CDs still account for the majority of industry sales, the significant shift towards digital downloading in the past several years has eliminate this "economies of scale" advantage. Overall, the moderately low level of economies of scale in the music industry leads to lower revenues and profits. Other threats are flop of music results in entire loss of cost and revenue, non-cycling of onetime recorded CDS as well as lack in demand due to invention of new recording label etc.

Mobile Industry

The rapid increase in mobile penetration with Indian being the second fastest growing mobile phone market in the world, next only to China and the emergence of new technologies such as 2G and 3G has further increased the growth potential of the industry. Sensing the opportunity, some of players in the arena have launched their mobile stores in few centers in India and plan to expand them on a national scale. Apart from Nokia many players are set to open music stores.

On other hand, with increased choice of telecom products and services, the bargaining power of buyers is rising. Let's face it; telephone and data services do not vary much, regardless of which companies are selling them. For the most part, basic services are treated as a commodity. This translates into customers seeking low prices from companies that offer reliable service. At the same time, buyer power can vary somewhat between market segments. While switching costs are relatively low for residential telecom customers, they can get higher for larger business customers, especially those that rely more on customized products and services. Products and services from non-traditional telecom industries pose serious substitution threats. Cable TV and satellite operators now compete for buyers. The cable guys, with their own direct lines into homes, offer broadband internet services, and satellite links can substitute for high-speed business networking needs. New technology is prompting a raft of substitute services. Nearly everybody already pays for phone services, so all competitors now must lure customers with lower prices and more exciting services. This tends to drive industry profitability down. In addition to low profits, the telecom industry suffers from high exit barriers, mainly due to its specialized equipment.

Investment Business Activities

The Company is also in a business of Investment in shares and securities as well as in various Mutual Fund schemes. Investment business activities need lot of experience, skills and passion as well as timely exit decision. Gain from Investment business lies on the investment decision and wise person with timely and accurate decision can perform better than a person investment without vision.

On the other hand changes in regulatory frameworks, slowing down of capital market, increase in inflation and decrease in earning of common consumer can lead to the loss in investment business.

Segment wise performance

Music & Software Segment

Your Company has done well in the Music Business segment by way of registering a growth of 16.72% in term of sale and however profit ratio has been rose to 3.13% due to competitive market, lack of buying interest by music lovers as well as for the reason of higher inflation.

Mobile Equipments trading Segment

During the year the Company has entered into the business of selling Mobile Instruments which Company use to import from China. The Company's performance in the sector was satisfactory looking to the fact that there are so many players in the market in arena and some of them are having their own brands and popularity in the market. The Company has earned Rs. 15.70 Lac from Mobile equipment trading business.

Income from Investment activities

The Company has done well in this segment of business and has earned a net profit of Rs. 301.71 Lac before provision of taxation. This has become possible only because of its focus on quality stocks and timely decision of entry and exit. Remember slowness in the Capital Market triggered loss to many of its investors and there are very few who have earned such a handsome gain from falling market and JMD is proud to be one of those winners.

Outlook

Your Company is one of the better players in the market and is having its presence in different business segment viz. entertainment industry, trading of mobile equipments as well as investment in capital market activities.

In term of Music business segment, your Company's outlook is positive looking the interest of common man in music. The branding and availability of its music rights in electronic media or internet is an added benefit to the Company. Anyone can logon on to our portal www.jmdmusic.com and with its vided range, can listen of download to their interest.

The demand of Mobile Phones is increasing tremendously and this will create an opportunity to the Company to provide value added services like different software which are used in Mobile Phone and thus will increase its profitability in the new sector of business also and thus the outlook of the Company on its new business segment is positive.

In term of Investment activities and in spite of slow down in the Capital Market as well rising interest rates and higher inflation, the Company believes to be doing positive in this business segment.

Risk & Concerns

Despite new risks, the global economic recovery is gaining strength and the IMF projected a 4.5% world growth in 2011 and 2012. While growth in emerging economies remains strong, while in the US and European region is slowly gaining momentum. Some of economies of the developed nations are still a concern with the Euro zone being the most vulnerable as rating agencies continue to downgrade the sovereign rating of many of economies in this region. The natural disaster in Japan, sharp increase

in oil prices consequent to the turmoil in the Middle East and North America is fuelling uncertainty to the pace of global recovery. Globally, elevated food and commodity prices accompanied by the spike in oil prices have endangered inflation concerns.

The Indian Economy registered improved growth and was amongst the better performer aid emerging market economies. Central statistical Organizations' recent estimated Indian GDP growth rate of 8.6% for 2010-11 is consistent with the RBI's projections for the same period. While the area sown under the Rabi Crop is higher than last year which augurs well for agricultural production, the index of industrial productions continues to be volatile. The other indicators such as latest Purchasing Managers' Index, direct and indirect tax collections, merchandise exports and bank credit suggest that growth momentum persists. However, continuing uncertainty about energy and commodity prices may vitiate the investment climate, posing a threat to the current growth trajectory. Inflation remains a challenge for the Indian Economy and the key risks are tighter monetary conditions and rising prices eating into the customer's disposable income.

Internal Control Systems and Adequacy

Your Company believes in formulating adequate and effective internal control systems and implementing the same strictly to ensure that assets and interests of the Company are safeguarded and reliability of accounting data and accuracy are ensured with proper checks and balances. The Internal Control systems is improved and modified continuously to meet the changes in business conditions, statutory and accounting requirements.

The Audit Committee of the Board of Directors, Statutory Auditors and Business Heads are periodically apprised of the Internal Audit findings and corrective actions taken.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of Internal Control system and suggests improvements for strengthening them. The Company has a robust Management Information System which is an integral part of the control mechanism.

Material Development in Human Resources

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR Initiatives are taken to align the HR Policies to the growing requirements of the business.

The Company has a structured induction process at its business locations and management development programmes to upgrade skills of managers. Objective appraisal systems based on Key Result Areas (KRAs) are in place for senior management staff.

Technical and safety training programmes are given periodically to its lower grade staff. Relations with its employees remain cordial entirely during the year.

Cautionary Statement

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws, statutes and other incidental factors.

Management

There is no Change in Management of the Company during the year under review.

Directors

There is no change in composition of Board during the year under review.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Pravin Sawant is liable to retire and eligible, offers himself for re-appointments in the forthcoming Annual General Meeting.

Except Mr. Pravin Sawant himself, none of Directors is interested in his re-appointment.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

Auditors

Auditors M/s. Mehta Kothari & Associates, Chartered Accountants, Mumbai holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors under section 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint the Auditors and fix their remuneration.

Comments On Auditor's Report:

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

Public Deposits

Your Company has not accepted any deposits from the Public during the year under review.

Corporate Governance

Your Company follows the principles of the effective corporate governance practices. The Clause 49 of Listing Agreement deals with the Corporate Governance requirements which every publicly listed Company has taken steps to comply with the requirements of the revised Clause 49 of the Listing Agreement with the Stock Exchange.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

Statutory Information

The Company being basically in the media sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

Particulars of Employees

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial through out the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

Particulars under section 217 (1) (e) of the Companies Act, 1956

The Company is engaged in the business of media products, trading of Mobile Instruments and in Investments in Shares & Securities hence the information regarding conservation of energy, Technology

Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be Nil.

The Company has not earned any foreign exchange during the year however the outgo was equivalent to INR 392.19 Lac during the year under review.

Cash Flow Statement

The Cash Flow Statement for the year ended 31st March 2011 pursuant to Clause 32 (as amended) of the Listing Agreement with Stock Exchanges is annexed herewith.

Directors Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the Annuals Accounts, for the year ended 31st March 2011, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

Appreciation

The Board of Directors wishes to convey their appreciation to all the Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Mumbai, June 30, 2011

By order of the Board
For **JMD Telefilms Industries Limited**

Registered Office :

105, Sagar Shopping Center, J. P. Road
Andheri (W), Mumbai-400 058.

Kailash Prasad Purohit
Chairman & Managing Director

ANNEXURE TO THE DIRECTORS' REPORT

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, Compliance with the requirements of Corporate Governance is set out below :-

Company's Philosophy on Code of Governance

A better Corporate Governance implies transparency, accountability and equity, in all facets of the Company's operations and its management and in all its interactions with its stakeholders, including shareholders, employees, the government and lenders. A company which maintains a good practice of Corporate Governance would be able to optimize the use of financial and human resources at its disposal resulting into various benefits to the investors, customers, creditors, employees and the society in general. The Company's core philosophy on the code of Corporate Governance is to ensure -

- Fair and transparent business practices;
- Accountability for performance;
- Transparent and timely disclosure of financial and management information;
- Effective management control and monitoring of executive performance by the Board;
- Adequate representation of promoter, executives and independent directors on the Board.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

The Certificate of Corporate Governance from the Statutory Auditors of the Company confirming compliance of the conditions of Corporate Governance is annexed hereto.

Board of Directors

Composition of Directors

The Board of Directors consists of professionals drawn from diverse fields and brings in a wide range of skills and experience to the Board. The Company is managed by the Board of Directors in co-ordination with Senior Management team.

The day to day operations of the Company are conducted by the Chairman and Managing Director subject to the supervision and control of the Board of Directors. The Non-Executive Directors including the independent Directors bring external, wider perception and independence in the decision making.

The Composition of the Board of Directors, meets the requirements of Clause 49(I) (A) of the Listing Agreement.

None of the Directors on the Board is a member of more than ten committees and Chairman of more than five committees (as specified in Clause 49), across all companies in which they are Directors.

The 9 Meetings of Board of Directors during the year under review were held on 31st May, 9th August, 17th August, 17th September, 12th November and on 1st December in year 2010 and on 4th January, 11th January and on 8th February in the year 2011.

The details regard to attendance of Directors at Board Meetings / Shareholders Meetings, the number of Directorship(s) held in Indian Public Limited Companies and the position of Membership/ Chairmanship of Audit Committee and Shareholders/Investors Grievances Committee in such Indian Public Limited Companies is given below :-

| Name | Designation | Board Meetings Attended | Whether Attended AGM | Committee Membership | Committee Chairmanship | No. of Directorship in other Public Ltd. Co. |
|------------------------|------------------------------|-------------------------|----------------------|----------------------|------------------------|--|
| Kailash Prasad Purohit | Chairman & Managing Director | 9 | Yes | 1 | 5 | 2 |
| Jagdish Prasad Purohit | Whole time Director | 9 | Yes | 7 | 2 | 4 |
| Pravin Sawant | Independent Director | 9 | Yes | 2 | 2 | 1 |
| Ashok Bothra | Independent Director | 9 | Yes | 6 | 2 | 5 |

Audit Committee

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of JMD Telefilms Industries Ltd., (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

Authority and Responsibilities

The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement 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 proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, Compliance with listing and other legal requirements relating to financial statements, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, 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, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on, To review the functioning of the Whistle Blower mechanism, Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the

finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the Chief internal auditor;

The members of Audit Committee met four times on - 31st May, 9th August and on 12th November in year 2010 & on 8th February 2011 during the financial year ended on 31st March 2011.

| Name | Number of Meetings Held | Meetings Attended |
|------------------------|-------------------------|-------------------|
| Kailash Prasad Purohit | 4 | 4 |
| Ashok Bothra | 4 | 4 |
| Pravin Sawant* | 4 | 4 |

*Chairman of Committee

Remuneration Committee

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided.

Details of Remuneration paid to Directors

The payment of salary to Directors was Nil during the financial year 2010-2011 apart from payment Directors sitting fees for attending Board and Committee Meetings.

No Stock option has been allotted to any of the Directors during the financial year 2010-2011.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

Share Transfer Committee

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Pravin Sawant, Independent Director with two other Directors namely Mr. Kailash Prasad Purohit & Mr. Ashok Bothra.

The members of Share Transfer Committee met six times on 30th April, 20th May, 28th July, 31st August and on 15th October in year 2010 and on 12th January in year 2011 during the financial year ended on 31st March 2011.

| Name | Number of Meetings Held | Meetings Attended |
|----------------------------|-------------------------|-------------------|
| Mr. Kailash Prasad Purohit | 6 | 6 |
| Mr. Ashok Bothra | 6 | 6 |
| Mr. Pravin Sawant* | 6 | 6 |

*Chairman of Committee

Investor Grievance Committee

The Board of JMD Telefilms Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- Transfer/transmission/transposition of shares;
- Consolidation/splitting of shares/folios;
- Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- Review of Shares dematerialized and all other related matters; and
- Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry India Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

Compliance Officer

The Company has appointed Mr. Sunny Sharma, Company Secretary as a Compliance Officer within the meaning of Listing Agreement.

Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 2, May 3, June 1, July 1, August 2, September 1, October 1, November 2, and December 1st in year 2010 and on January 3, February 1 and March 2 in year 2011.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

| Name | Position | Category | Meetings Attended |
|----------------------------|----------|----------------------------|-------------------|
| Mr. Ashok Bothra* | Chairman | Independent, Non-Executive | 12 |
| Mr. Pravin Sawant | Member | Independent, Non-Executive | 12 |
| Mr. Kailash Prasad Purohit | Member | Promoter, Executive | 12 |

*Chairman of Committee

Details of Shareholders' Complaints

At the beginning of year, there was one unresolved Complaint which was being resolved during the year. During the year the Company has not received any compliant from its share holder and there was no pending complaint at the close of the financial year. Further, as required under Clause 47C of the Listing Agreement, a Certificate on half-yearly basis confirming due compliance of share transfer

formalities by the Company from Practicing Company Secretary has been submitted to the Stock Exchanges within stipulated time.

General Body Meetings

Location & time for the last three Annual General Meetings :

| Annual General Meeting | Date & Time | Venue |
|-----------------------------|-------------------------------|--|
| 26th Annual General Meeting | 30th July 2010, 11.00 AM | 105, Sagar Shopping Center, J. P. Road, Andheri (W), Mumbai-400 058. |
| 25th Annual General Meeting | 16th July 2009, 11.00 AM | 105, Sagar Shopping Center, J. P. Road, Andheri (W), Mumbai-400 058. |
| 24th Annual General Meeting | 18th September 2008, 10.30 AM | 105, Sagar Shopping Center, J. P. Road, Andheri (W), Mumbai-400 058. |

Special Resolution passed at last three Annual General Meetings:

No special resolutions were proposed during financial year 2007-08, 2008-09 and during financial year 2009-10 in either of Annual General Meetings.

Passing of Resolution by Postal Ballot:

During Financial Year 2008-09, Special Resolutions have been passed through Postal Ballot Rules to enhance Authorized Capital and to incorporate enhanced Authorized Capital in Memorandum & Articles of Association. A Special Resolution has also been passed to issue 5000000 Equity Shares (Face value of Rs. 10/-) at a price of Rs. 17/- per Share to Non-Promoter Group. Use of fund so raised has been disclosed in separate section elsewhere in this Annual Report.

During Financial Year 2009-10, Special Resolutions have been passed through Postal Ballot Rules to sub-divide Equity Shares of the Company from Paid up value of Rs. 10/- per Share to the paid-up value of Re. 1/- per Share. Notices have been sent to the Members of the Company seeking their consent for said Special Resolutions through Postal Ballot Rules 2001. On the day of Results, these Resolutions have been passed with requisite majority. Mr. Vijay Kumar Mishra, Practicing Company Secretary was appointed as Scrutinizer who had conducted the entire process and had forwarded his report and result to the Management of Company and the same has been announced in Board Meeting at Registered Office of the Company.

During Financial Year 2010-11, Special Resolutions have been passed through Postal Ballot Rules to enhance Authorized Capital to Rs. 15 Crore and to incorporate enhanced Authorized Capital in Memorandum & Articles of Association. A Special Resolution has also been passed to issue 20,00,000 Convertible Warrants (Face value of Re 1/-) at a price of Rs. 95/- per Share to Non-Promoter Group.

The procedure for Postal Ballot is as per section 192A of the Companies Act, 1956 and Rules made there under namely Companies (Passing of the Resolution by Postal Ballot) Rules, 2001.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

Extra-Ordinary General Meeting

No Extra-Ordinary General Meeting was held by the Company during last three financial years as well during financial year 2010-11.

Board Disclosures**Risk Management**

The Company has a Risk Management Policy which has been adopted by the Board of Directors, currently, the Company's risk management approach comprises of the followings :-

- Governance of Risk
- Identification of Risk
- Assessment of Control of Risk

The risks have been prioritized through a companywide exercise. Members of Senior Management have undertaken the ownership and are working on mitigating the same through co-ordination among the various departments, insurance coverage, security policy and personal accident coverage for lives of all employees.

The Company has appointed a Risk Officer and also put in place the risk management framework, which helps to identify various risks cutting across its business lines. The risks are identified and are discussed by the representatives from various functions.

Risk Officer will make a presentation periodically on risk management to the Board of Directors and the Audit Committee. The Board and the Audit Committee provide oversight and review the risk management policy periodically.

Performance of Subsidiary Company**Domestic Company**

M/s. Aalap Performing Arts Network Private Limited, a Subsidiary Company, was incorporated on 17th June 2010 with a motive set up a new channel and to provide uplink facility for the same. The Company has paid advance for its office at Noida (Uttar Pradesh) whereas business is yet to be commenced. Further the Company has incurred initial expenditure of Rs. 21,000/- during the year under review.

Insider Trading

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a `Code of Conduct` for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Officer has been appointed for monitoring adherence to the said Regulations.

Disclosures

- (a) There are no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.
- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. However whistle blower policy has not been formed during the year under review. Further, we affirm that no personnel have been denied access to the Audit Committee.
- (d) **Reconciliation of Share Capital :-** A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The "Reconciliation of Share Capital Audit Report" confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

Disclosures on Non-Mandatory Requirements

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) We publish our quarterly results and half yearly results in widely circulated newspapers whereas we did not send half yearly results to any of shareholders.
- d) The financial statements of the Company are unqualified.
- e) The Board of Directors of the Company at its meeting held on 2nd June 2009 has adopted the Whistle Blower Policy and appointed an ombudsperson. Employees can report to the Management concerned unethical behavior, act or suspected fraud or violation of the Company's Code of Conduct Policy. No Employee has been denied access to the Audit Committee.

Means of Communications

- The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers i.e. Financial Express and in vernacular language Newspaper i.e. Mahanayak.

- Company posts its Quarterly Results/Half Yearly/Nine Months & Annual Results on its website www.jmdtelefilms.com.
- Official News releases have been posted on its web portal www.jmdmusic.com.
- No formal representations were made to Institutional Investors or Analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

General Shareholder Information

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

Shareholders' Information

a. Next Annual General Meeting

The information regarding 27th Annual General Meeting for the financial year ended on 31st March 2011 is as follows :-

| | | |
|-------|---|---|
| Date | : | 23rd September 2011 |
| Time | : | 11.00 A.M. |
| Venue | : | Axis Bank Hall, Springfields, Lokhandwala Complex, Andheri (W), Mumbai- 400 053 |

b. **Financial Calendar** : 1st April to 31st March.

c. **Future Calendar** :

| Subject Matter | Date |
|---|-----------------------|
| Financial Reporting of 1st Quarter ended on 30th June 2011 | 14th August, 2011 |
| Financial Reporting of 2nd Quarter ended on 30th September 2011 | 15th November 2011 |
| Financial Reporting of 3rd Quarter ended on 31st December 2011 | 15th February 2012 |
| Financial Reporting of 4th Quarter ended on 31st March 2012 | 30th May 2012 |
| Date of Annual General Meeting | During September 2012 |

d. **Date of Book Closure** : September 16 to September 23, 2011. (Both days inclusive)

e. **Dividend Payment** : The Board of Directors are pleased to recommend the payment of Dividend 10 Paise per Equity Share of Rs. 1/- each (i.e. 10 Percent of paid-up Capital) Subject to approval of Shareholders, will be paid within the prescribed time period. This Dividend, if approved at the Annual General Meeting, shall be paid on or before 22nd October 2011.

f. **Listing of Shares** : Bombay Stock Exchange Ltd.

g. **Custody Charges & Listing Fees** : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2011-2012 have been paid.

h. **Stock Code & ISIN Code** : 511092 on BSE
: INE047E01023 on CDSL & NSDL

i. Market Price Data :

| Month | Price on BSE (Rs.) & Volume | | | BSE Sensitive Index | |
|----------------|-----------------------------|--------|----------|---------------------|----------|
| | High | Low | Volume | High | Low |
| April 2010 | 69.00 | 47.60 | 9968174 | 18047.46 | 17276.80 |
| May 2010 | 93.20 | 48.50 | 8317818 | 17536.86 | 15960.15 |
| June 2010 | 125.00 | 91.00 | 11258811 | 17919.62 | 16318.39 |
| July 2010 | 133.00 | 113.90 | 11873687 | 18237.56 | 17395.58 |
| August 2010 | 138.65 | 115.20 | 11266188 | 18475.27 | 17819.99 |
| September 2010 | 127.60 | 88.00 | 7780993 | 20267.98 | 18027.12 |
| October 2010 | 91.35 | 40.75 | 22415707 | 20854.55 | 19768.96 |
| November 2010 | 44.55 | 21.25 | 24618555 | 21108.64 | 18954.82 |
| December 2010 | 22.90 | 13.40 | 34507832 | 20552.03 | 19074.57 |
| January 2011 | 17.40 | 14.45 | 11393134 | 20664.80 | 18038.48 |
| February 2011 | 16.90 | 13.40 | 12978547 | 18690.97 | 17295.62 |
| March 2011 | 16.55 | 14.10 | 14564418 | 19575.16 | 19071.47 |

j. Registrar & Share Transfer Agent.

M/s. Purva Shareregistry (India) Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to share registry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. Purva Shareregistry (India) Pvt. Ltd.

No. 9, Shiv Shakti Indl. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai - 400 011.
Tel : 022-23016761

k. Share Transfer Systems

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Shareregistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

l. Shareholding Pattern as on 31st March 2011

| Categories | No. of Shares | % of Shareholding |
|---|-----------------|-------------------|
| Promoters, Directors & Relatives & Person acting in concert | 14500000 | 20.10 |
| Indian Bank / Mutual Funds | 0 | 0 |
| NRI/OCBS | 27825 | 0.04 |
| Private Corporate Bodies | 37100109 | 51.42 |
| Indian Public | 19645667 | 27.23 |
| Others (Clearing Members) | 872399 | 1.21 |
| Total | 72146000 | 100.00 |

m. Distribution of Shareholding as on 31st March 2011.

| Category | No. of Share Holders | % of Share Holders | No. of Shares Held | % of Share Holding |
|------------------|----------------------|--------------------|--------------------|--------------------|
| 1-5000 | 1604 | 81.75 | 1420563 | 1.97 |
| 5001-10000 | 92 | 4.69 | 774989 | 1.07 |
| 10001-20000 | 67 | 3.41 | 1042418 | 1.44 |
| 20001-30000 | 30 | 1.53 | 805431 | 1.12 |
| 30001-40000 | 16 | 0.82 | 582648 | 0.81 |
| 40001-50000 | 27 | 1.38 | 1329010 | 1.84 |
| 50001-100000 | 50 | 2.55 | 4016485 | 5.57 |
| 100001 and Above | 76 | 3.87 | 62174456 | 86.18 |
| Total.... | 1962 | 100.00 | 72146000 | 100.00 |

n. Categories of Shareholders as on 31st March 2011.

| Category | No. of Share Holders | % of Share Holders | No. of Shares Held | % of Share Holding |
|--------------------------|----------------------|--------------------|--------------------|--------------------|
| Individuals | 1669 | 85.07 | 18295167 | 25.36 |
| Non-Resident Indians | 14 | 0.71 | 27825 | 0.04 |
| Body Corporate | 224 | 11.42 | 39050109 | 54.12 |
| Local Mutual Funds | 0 | 0.00 | 0 | 0.00 |
| Promoters | 2 | 0.10 | 12550000 | 17.40 |
| Hindu Undivided Families | 30 | 1.53 | 1350500 | 1.87 |
| Clearing Members | 23 | 1.17 | 872399 | 1.21 |
| Total ... | 1962 | 100.00 | 72146000 | 100.00 |

o. Dematerialization of Shares & Liquidity

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

Procedures for dematerialization / rematerialization of Equity Shares:-

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are traded under "B" category on Bombay Stock Exchange Ltd. 99.10% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2011.

p. Unclaimed Dividend

Pursuant to Section 205C of the Companies Act, 1956, Dividends that are unpaid/unclaimed for a period of seven years from the date of they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

Members who have so far not en-cashed their dividend warrants are requested to write to the Company/Registrar to claim the same, to avoid transfer to IEPF. Members are advised that no claims shall lie against the said fund or the Company for the amounts of dividend so transferred to the said Fund.

q. Nomination

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

r. Requirement of PAN Card in case of Transfer of Shares in Physical Form

Pursuant to SEBI Circular, the shareholders holding shares in physical form are requested to submit self certified copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.

s. For the Attention of Shareholders holding shares in electronic form

Shareholders holding shares in electronic mode should address all their correspondence to their respective Depository Participants (DPs).

t. Brief Resume of the Directors Seeking Re-Appointment

Mr. Pravin Sawant, Age 40, B. Com. is having vast experience in the area of Accounts, Taxation & NBFC activities since last 12 years. Moreover he is familiar to the Entertainment Industry.

He is not holding any shares of the Company either in his name or in the name of his family members as on 31st March 2011.

As on 31st March 2011, he is on the Board of Directors of the following Listed Company-

| Sr. No. | Name of the Company |
|---------|------------------------------------|
| 1. | Asianlak Capital & Finance Limited |

Further, he is having 2 Committee Chairmanship and 2 Committee Membership in various listed cos. where he is holding position as Director.

u. Details on use of Public Funds Obtained in the last three years :

| Particulars of Utilization | Amount (Rs. in Lac) |
|--|---------------------|
| For Purchase of Sound Recording System | 350.00 |
| Investment in Quoted / Unquoted Shares & Mutual Funds | 250.00 |
| In its business activities (Music & Mobile Segment & for Satellite Hiring) | 2167.00 |
| Kept in Bank for the time being | 383.00 |

v. Investors Correspondence

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Ashok Bothra/Mr. Sunny Sharma - jmdtele@gmail.com

w. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :

Not Applicable for the financial year under review.

w. Code of Conduct

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

x. Location of Sound Recording Studio

75-C, Park Street, Basement, Kolkata-700 016, Telephone : 2229 9198 / 5359

y. Address for Correspondence

105, Sagar Shopping Centre, J. P. Road, Andheri (W),

Mumbai - 400 058, Telfax : 2677 3832

Website: www.jmdtelefilms.com,

Email: jmdtele@gmail.com

z. Website Address of the Company

www.jmdtelefilms.com

CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To
The Members of
JMD Telefilms Industries Limited

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

For **JMD Telefilms Industries Ltd.**

Kailash Prasad Purohit
Chairman & Managing Director

**SECRETARIAL COMPLIANCE REPORT FOR
THE YEAR ENDED 31ST MARCH 2011**

To

The Board of Directors,

JMD Telefilms Industries Limited

Mumbai.

We have examined the registers, records and papers of M/s. JMD Telefilms Industries Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2011.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. The Company has kept and maintained all registers and records as per the provisions of the Companies Act 1956 (the Act) and the rules made there under and all entries therein have been duly recorded during the year.
2. The Company has duly filed the forms and return with the Registrar of Companies or other authorities within the time prescribed under the Act and the rules made there under.
3. The Company has given proper notice along with the agenda for convening of Board Meeting, Committee Meetings and Annual General Meetings during the year.
4. The proceedings of the Meetings were properly recorded in the Minutes Books during the year.
5. The Board of Directors of the Company is duly constituted during the year.
6. The Company has obtained all the necessary approvals from the Board and Shareholders as required by the Act during the year.
7. The Company has not accepted any Deposit in terms of Section 58A of the Act read with Companies (Acceptance of Deposit) Rules, 1975 during the year.
8. The Company has complied with the provisions of section 154 of the Act during the year.
9. The Company has delivered all the certificates on lodgments thereof for transfer or any other purpose in accordance with the provisions of the Act during the year.
10. The Company has declared dividend and paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.
11. The Company has not paid remuneration to the Managing Director or other Executive Directors except to the tune of Directors sitting fees during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
12. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
13. The Company has not given any loan in terms of section 295 of the Act during the year.
14. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.

15. The Directors have disclosed their interest in terms of section 299 of the Act.
16. The Company has not appointed any person as a place of profit in terms of section 314 of the Act during the year.
17. The Company has complied with the provisions of section 372A of the Act.
18. The Company has complied with the applicable provisions of SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997, SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009, SEBI (Prohibition of Insider Trading) Regulations, 1992 during the year.
19. The Company has raised fund of Rs. 19.00 Crore during the financial year 2010-11.
20. The Company has altered its Memorandum of Association and Articles of Association with respect to the Share Capital of the Company during the year under scrutiny at its Extra-Ordinary General Meetings held on 4th January 2011 and has complied with the provisions of the Act. Further, the amendments to the Articles have been registered with Registrar of Companies.
21. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.

For **VKM & Associates**
Company Secretaries

Place : Mumbai
Date : June 30, 2011

Vijay Kumar Mishra
Partner

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of JMD Telefilms Industries Ltd.

We have examined the compliance of the conditions of Corporate Governance by JMD Telefilms Industries Ltd. (The Company) for the year ended 31st March 2011 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed.

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

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances Committee.

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

Place : Mumbai

Date : June 30, 2011

For **Mehta Kothari & Associates**

Chartered Accountants

Pradip C. Mehta

Proprietor

AUDIT REPORT

We have audited the attached Balance Sheet of JMD Telefilms Industries Limited as at 31st March 2011 and also the Profit & Loss Account for the year ended on that day annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required 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 included 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.

- a. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said Order to the extent applicable;
- b. Further to our comments in the annexure referred to in paragraph 1 above -
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, Profit & Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of accounts'
 - iv. In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
 - v. On the basis of written representations received from the Directors, as on 31st March 2011, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2011 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2011;
 2. in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
 3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Mumbai
Date : June 30, 2011

For **Mehta Kothari & Associates**
Chartered Accountants

Pradip C. Mehta
Partner

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in Paragraph 1 of our report of even date)

1. (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.
 - (b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
 - (c) In our opinion and according to the information and explanation given to us, the Company has not made any substantial disposal during the year.
 - (d) The procedure of physical verification of stock & securities followed by management are reasonable and adequate in relation to the size of the Company nature of its business.
2. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.

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

On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3. (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
 - (b) In view of above, Clause 4(iii)(a),(b),(c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable.
 - (c) According to the information and explanation given to us and on the basis of records furnished before us for the verification, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
 - (d) In view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors' Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase and sales. During the course of our Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5. (a) In our opinion and according the information & explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
 - (b) In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of Section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance of such contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing

market prices at the relevant time.

6. The Company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditors' Report) Order 2003 is not applicable.
7. In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of products dealt with by the Company.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, CESS and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2011.
(b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4(xiii) of Companies (Auditors' Report) Order, 2003 is not applicable.
14. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of transactions and contracts relating to dealing in shares, securities and other investments during the year and timely entries have been made therein. Further, such securities have been held by the Company in its own name or are in the process of transfer in its name, except to the extent of the exemption granted section 49 of the Act.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Accordingly Clause 4(xv) of Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company has not obtained any Term Loan. Accordingly Clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
17. According to the information and explanations given to us and on the basis of and overall examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.
18. The company has not made preferential allotment of shares to parties and/or to the companies

covered in the register maintained under section 301 of the Companies Act 1956. Therefore, the provisions of clause 4(xviii) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.

19. During the period, the Company has not issued unsecured debentures on private placement basis and therefore, the provisions of clause 4(xix) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
20. The Company has not raised any money through public issue during the year and therefore, the provisions of clause 4(xx) of the Companies (Auditors Report) Order, 2003 are not applicable to the Company.
21. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of such instances by the management.

Place : Mumbai
Date : June 30, 2011

For **Mehta Kothari & Associates**
Chartered Accountants

Pradip C. Mehta
Partner

BALANCE SHEET AS AT MARCH 31, 2011

| | Schedule | 31.3.2011 Rupees | 31.3.2010 Rupees |
|--|--------------|---------------------|---------------------|
| <u>SOURCES OF FUNDS</u> | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 72,146,000 | 70,146,000 |
| Share Premium A/c | | 250,500,000 | 62,500,000 |
| Profit & Loss A/c | 2 | 32,857,669 | 12,608,747 |
| | | 355,503,669 | 145,254,747 |
| Loan Funds | | | |
| secured Loan | 3 | - | 144,437 |
| | TOTAL | 355,503,669 | 145,399,184 |
| <u>APPLICATION OF FUNDS</u> | | | |
| Fixed Assets | | | |
| Gross Block | 4 | 49,823,652 | 40,837,820 |
| Less : Depreciation | | 7,336,424 | 4,725,174 |
| Net Block | | 42,487,228 | 36,112,646 |
| Investments | | | |
| | 5 | 85,441,113 | 57,986,899 |
| Current Assets, Loans & Advances | | | |
| Stock-in-Trade | 6 | 61,683,109 | 29,745,630 |
| Cash & Bank Balances | | 38,341,394 | 7,497,891 |
| Sundry Debtors | | 511,720,742 | 119,898,866 |
| Loans & Advances | | 192,585,325 | 24,871,837 |
| | | 804,330,569 | 182,014,224 |
| Less : Current Liabilities & Provisions | 7 | | |
| Sundry Creditors & Advances | | 563,083,775 | 119,841,635 |
| Liabilities & Provisions | | 14,560,666 | 11,335,950 |
| | | 577,644,441 | 131,177,585 |
| Net Current Assets | | 226,686,128 | 50,836,639 |
| MISCELLANEOUS EXPENDITURE | | | |
| (To the extent not written off or adjusted) | | | |
| Deferred Revenue Expenditure | | 889,200 | 463,000 |
| | TOTAL | 355,503,669 | 145,399,184 |
| Notes forming part of the accounts & Significant Accounting Policies | 14 | | |

As per our report of even date

For **Mehta Kothari & Associates**
Chartered Accountants**Kailash Prasad Purohit**
Director**Pradip C. Mehta**
PartnerPlace : Mumbai
Date : June 30, 2011**Jagdish Prasad Purohit**
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

| | Schedule | 31.3.2011 Rupees | 31.3.2010 Rupees |
|--|----------|----------------------|---------------------|
| INCOME | | | |
| Sales & Operational Income | 8 | 998,841,401 | 846,466,146 |
| Other Income | 9 | 36,573,802 | 16,157,489 |
| | | 1,035,415,203 | 862,623,635 |
| EXPENDITURE | | | |
| Cost of Sales | 10 | 987,478,032 | 835,991,200 |
| Sales & Distribution Expenses | 11 | 1,533,636 | 57,230 |
| Staff Expenses | 12 | 2,203,466 | 1,436,000 |
| Administrative & Other Expenses | 13 | 6,041,269 | 4,464,067 |
| Depreciation | 4 | 2,611,250 | 2,060,417 |
| | | 999,867,653 | 844,008,914 |
| Profit before Tax | | 35,547,550 | 18,614,720 |
| Less : Prior Period Adjustments | | 737,962 | 262,406 |
| Provision for Taxation | | 6,175,678 | 3,128,868 |
| Profit after Tax | | 28,633,910 | 15,223,446 |
| Less : Proposed Dividend | | 7,214,600 | 7,014,600 |
| Less : Tax on Dividend | | 1,170,388 | 1,192,482 |
| | | 20,248,922 | 7,016,364 |
| Transfer to General Reserve | | 500,000 | 300,000 |
| | | 19,748,922 | 6,716,364 |
| Profit brought forward from previous year | | 11,018,997 | 4,302,633 |
| Profit carried to Balance Sheet | | 30,767,919 | 11,018,997 |
| Notes forming part of the accounts & Significant Accounting Policies | 14 | | |

As per our report of even date

For **Mehta Kothari & Associates**
Chartered Accountants**Kailash Prasad Purohit**
Director**Pradip C. Mehta**
PartnerPlace : Mumbai
Date : June 30, 2011**Jagdish Prasad Purohit**
Director

| SCHEDULES TO ACCOUNTS | 31.03.2011 Rupees | 31.03.2010 Rupees |
|---|----------------------|----------------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 150,000,000 Equity Shares of Re. 1/- each (Previous year 75,000,000 Equity Shares of Re. 1/- each) | 150,000,000 | <u>75,000,000</u> |
| Issued, Subscribed & Paid-up | | |
| 72,146,000 Equity Shares of Re. 1/- each (Previous year 70,146,000 Equity Shares of Re. 1/- each) | 72,146,000 | <u>70,146,000</u> |
| | 72,146,000 | <u>70,146,000</u> |
| SCHEDULE 2 | | |
| RESERVES & SURPLUS | | |
| Profit & Loss Account | | |
| General Reserve | 2,089,750 | 1,589,750 |
| Profit & Loss Account - Balance | 11,018,997 | 4,302,633 |
| Add : Transfer from Profit & Loss Account | 19,748,922 | 6,716,364 |
| | 32,857,669 | <u>12,608,747</u> |
| SCHEDULE 3 | | |
| LOAN FUNDS | | |
| Secured Loan | | |
| From Bank against Vehicle | - | 144,437 |
| | - | <u>144,437</u> |

SCHEDULE 4
FIXED ASSETS

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | |
|-------------------------|---------------------|------------------|--------------------------------|---------------------|---------------------|------------------|---------------------|---------------------|
| | As at 01.04.2010 | Additions | Adjustments For the Year | As at 31.03.2011 | As at 01.04.2010 | For the Year | As at 31.03.2011 | As at 31.03.2010 |
| Air Conditioner | 11,469 | - | - | 11,469 | 8,047 | 476 | 8,523 | 3,422 |
| Brand Rights | 29,479,103 | - | - | 29,479,103 | - | - | 29,479,103 | 29,479,103 |
| Computers & Accessories | 7,432,017 | 6,519,938 | - | 13,951,955 | 3,169,841 | 1,733,198 | 4,903,039 | 4,262,176 |
| Furniture & Fixtures | 171,652 | 325,000 | - | 496,652 | 126,547 | 40,028 | 166,575 | 45,105 |
| Generator | 68,479 | - | - | 68,479 | 21,974 | 6,468 | 28,442 | 46,505 |
| Motor Car | 2,753,943 | 2,526,454 | 425,500 | 4,854,897 | 753,518 | 759,226 | 1,512,744 | 2,000,425 |
| Office Equipments | 23,340 | 39,940 | - | 63,280 | 15,073 | 2,561 | 17,634 | 8,267 |
| Studio Equipments | 897,817 | - | - | 897,817 | 630,174 | 69,293 | 699,467 | 267,643 |
| TOTAL | 40,837,820 | 9,411,332 | 425,500 | 49,823,652 | 4,725,174 | 2,611,250 | 7,336,424 | 36,112,646 |
| Previous Year | 37,472,683 | 3,365,137 | - | 40,837,820 | 2,664,757 | 2,060,417 | 4,725,174 | 34,807,926 |

SCHEDULE 5

INVESTMENTS (Quoted, Valued at Cost)

| Particulars | As on 31.03.2011 | | As on 31.03.2010 | |
|---|------------------|-------------------|------------------|-------------------|
| | Quantity | Value | Quantity | Value |
| Kaweri Telecom Products Ltd. | 25,000 | 2,952,762 | - | - |
| RPP Infra Projects Limited | 199,627 | 11,970,185 | - | - |
| DB (International) Stock Brokers Ltd. | 419,800 | 29,151,548 | - | - |
| NTPC Limited | - | - | 11,000 | 2,391,179 |
| SREI Infrastructure Finance Ltd. | 500 | 53,927 | - | - |
| Tata Teleservices (Maharashtra) Ltd. | 2,000 | 77,767 | 2,000 | 77,767 |
| Shipping Corporation India Ltd. | 750 | 70,752 | 750 | 70,752 |
| IFCI Limited | 1,500 | 78,902 | 1,500 | 78,902 |
| NHPC Limited | 5,000 | 152,630 | - | - |
| Chisel & Hammer (Mobel) Ltd. | 15,000 | 690,000 | - | - |
| LIC Housing Finance Ltd. | - | - | 1,000 | 805,007 |
| IDBI Bank Ltd. | - | - | 2,000 | 214,435 |
| Idea Cellular Ltd. | 2,970 | 196,915 | 16,000 | 1,057,403 |
| Bhushan Steel Ltd. | 5,500 | 2,204,300 | 1,500 | 2,446,503 |
| UCO Bank Limited | 7,500 | 750,311 | 9,500 | 416,288 |
| Ranbaxy Laboratories Ltd. | 1,000 | 466,932 | 3,200 | 1,391,622 |
| Hindustan Tin Works Ltd. | - | - | 35,000 | 4,858,776 |
| Lok Housing & Construction Ltd. | - | - | 7,000 | 379,331 |
| GHCL Limited | - | - | 284,255 | 13,593,626 |
| ACC Limited | - | - | 1,500 | 1,371,527 |
| Gujrat State Financial Corporation Ltd. | - | - | 8,000 | 764,297 |
| Mahindra & Mahindra Financial Ser Ltd. | - | - | 1,002 | 369,484 |
| Total (a) | 686,147 | 48,816,931 | 385,207 | 30,286,899 |
| Un- Quoted | | | | |
| Aalap Performing Art Network Pvt Ltd | 156,666 | 29,060,000 | - | - |
| Total (b) | 156,666 | 29,060,000 | - | - |
| Mutual Funds | | | | |
| DSP Merlinch Opportunity Fund | - | - | - | 100,000 |
| Tata Mutual Fund | - | - | - | 200,000 |
| Reliance Regular Growth Fund | - | - | - | 8,000,000 |
| Relaince Monthly income fund | - | - | - | 2,000,000 |
| Axis Equity Fund | - | 1,500,000 | - | 1,000,000 |
| UTI Opportunity Growth Fund | - | - | - | 2,600,000 |
| UTI Opportunity Fund | - | - | - | 1,000,000 |
| Kotak Opportunity Fund | - | - | - | 2,800,000 |
| IDFC Imperial Equity Fund | - | - | - | 1,500,000 |
| Reliance Mutual Fund | - | - | - | 300,000 |
| Birla Sunlife Frontline Eq. Fund | - | 500,000 | - | 1,000,000 |
| Birla sunlife Midcap Fund | - | - | - | 2,800,000 |
| Reliance Growth Fund | - | - | - | 2,600,000 |
| Kotak Opportunity Growth Fund | - | - | - | 1,300,000 |
| Axis Income Saver Fund | - | 3,500,000 | - | - |
| ICICI Prudentiial Mutual Fund | - | 600,000 | - | - |
| HDFC Mutual Fund | - | 700,000 | - | - |
| ICICI Prudentiial Mutual Fund | - | 500,000 | - | 500,000 |
| Total (c) | | 7,300,000 | | 27,700,000 |
| Gold Coin | | 264,182 | | - |
| Total Investments (a+b+c+d) | | 85,441,113 | | 57,986,899 |

| SCHEDULES TO ACCOUNTS | 31.03.2011 Rupees | 31.03.2010 Rupees |
|--|----------------------|----------------------|
| SCHEDULE 6 | | |
| CURRENT ASSETS, LOANS & ADVANCES | | |
| Inventories | | |
| (Valued to be taken & Certified by Management) | | |
| Stock-in-trade | 61,683,109 | 29,745,630 |
| | <u>61,683,109</u> | <u>29,745,630</u> |
| Sundry Debtors | | |
| (Unsecured, Considered Good) | | |
| Outstanding for more than six months | - | - |
| Other Debtors | 511,720,742 | 119,898,866 |
| | <u>511,720,742</u> | <u>119,898,866</u> |
| Cash & Bank Balances | | |
| Cash Balance | 2,019,699 | 1,727,201 |
| Fixed Deposit (With Scheduled Banks) | 1,039,030 | 1,002,067 |
| Balance with Scheduled Bank in Current A/c | 35,282,665 | 4,768,623 |
| | <u>38,341,394</u> | <u>7,497,891</u> |
| Loans And Advances | | |
| (Unsecured, Considered Good) | | |
| Inter Corporate Deposits | 59,775,207 | - |
| Security Deposit & Advances | 21,000 | 21,000 |
| Advance Tax Payment | 5,500,000 | 2,500,000 |
| Advance Against Properties | 108,600,000 | 6,600,000 |
| Tax deducted at Source | 189,118 | 750,837 |
| Advances Against Music Album | 3,500,000 | - |
| Advance Against Studio | 15,000,000 | 15,000,000 |
| | <u>192,585,325</u> | <u>24,871,837</u> |
| Total | <u>804,330,569</u> | <u>182,014,224</u> |
| SCHEDULE 7 | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| Sundry Creditors for Business | 545,491,898 | 118,753,955 |
| Advance Against Tele film Business | 16,000,000 | - |
| Royalty Recd. In Advance | - | 1,059,850 |
| Income tax & TDS payable | 489,580 | - |
| VAT Payable | 570,552 | 5,430 |
| Sundry Creditors for Expenses & Others | 531,746 | 22,400 |
| | <u>563,083,775</u> | <u>119,841,635</u> |
| Liabilities & Provisions | | |
| For Dividend Payment to Shareholders | 7,214,600 | 7,014,600 |
| For Dividend Tax | 1,170,388 | 1,192,482 |
| For Income Tax | 6,175,678 | 3,128,868 |
| | <u>14,560,666</u> | <u>11,335,950</u> |
| Total | <u>577,644,441</u> | <u>131,177,585</u> |

| SCHEDULES TO ACCOUNTS | 31.03.2011 Rupees | 31.03.2010 Rupees |
|--|----------------------|----------------------|
| SCHEDULE 8 | | |
| SALES & OPERATIONAL INCOME | | |
| Sales Proceeds | 997,854,261 | 840,878,436 |
| Income from Royalties | - | 4,919,000 |
| Studio Rent Recd. | 987,140 | 668,710 |
| | <u>998,841,401</u> | <u>846,466,146</u> |
| SCHEDULE 9 | | |
| OTHER INCOME | | |
| Income from Mutual Fund Investments | 988,067 | 748,273 |
| Short Term Capital Gain | 31,986,088 | 14,238,317 |
| Income from Music Portal | 867,000 | - |
| F & O Profit | 202,194 | - |
| Dividend Received | 574,368 | 737,275 |
| Interest on FDR | 121,565 | 433,623 |
| Other Interest Recd. | 1,834,521 | - |
| | <u>36,573,802</u> | <u>16,157,489</u> |
| SCHEDULE 10 | | |
| COST OF SALES | | |
| Opening Stock | 29,745,630 | 25,931,500 |
| Add : Purchases | 1,018,767,411 | 836,383,330 |
| Add : Audio-Video Recording Cost | 648,100 | 3,422,000 |
| Less : Closing Stock | 61,683,109 | 29,745,630 |
| | <u>987,478,032</u> | <u>835,991,200</u> |
| SCHEDULE 11 | | |
| SALES & DISTRIBUTION EXPENSES | | |
| Coolie & Cortage Expenses | 49,710 | 18,650 |
| Raw Materials | 103,752 | - |
| Freight & Carriage Outwards | 67,004 | 24,360 |
| Custom duty | 713,785 | - |
| Sales Discount to Agents | 274,265 | - |
| Sales Promotion & Commission Paid | 325,120 | 14,220 |
| | <u>1,533,636</u> | <u>57,230</u> |
| SCHEDULE 12 | | |
| PERSONNEL EXPENSES | | |
| Salary & Other Allowances to Employees | 2,039,222 | 1,391,000 |
| Staff Welfare Expenses | 164,244 | 45,000 |
| | <u>2,203,466</u> | <u>1,436,000</u> |

| SCHEDULES TO ACCOUNTS | 31.03.2011 Rupees | 31.03.2010 Rupees |
|--|----------------------|----------------------|
| SCHEDULE 13 | | |
| ADMINISTRATIVE EXPENSES | | |
| Printing & Stationery | 86,235 | 28,420 |
| Postage Telephone & Mobile Charges | 162,083 | 106,156 |
| Travelling & Conveyance Expenses | 499,491 | 270,544 |
| Office & Studio Maintenance Charges | 206,857 | 49,121 |
| Rent & Electricity Expenses | 428,128 | 149,340 |
| Subscription & Donation | - | 1,925,050 |
| Finance Brokerage | 882,000 | - |
| Advertisement | 1,033,064 | 246,135 |
| Miscellaneous Office Expenses | 248,274 | 95,763 |
| Motor Car Expenses | 344,090 | 111,256 |
| Service Tax, Trade License & VAT | 591,849 | 591,991 |
| Auditors' Remuneration (Including VAT Audit) | 73,763 | 22,400 |
| Bank Charges & Comm. | 21,863 | 14,113 |
| Legal & Professional Fees | 146,500 | 14,750 |
| BSE Listing & Depository Annual Fees | 170,965 | 69,552 |
| Web Designing & Music Portal Expenses | 581,048 | 698,000 |
| Books & Periodicals | 22,271 | - |
| Director Meeting Fees | 100,000 | - |
| ROC Filling, Security & Computer Maintenance | 18,596 | - |
| Share Holder Meeting expenses | 32,250 | - |
| Deferred Revenue expenditure w/off | 98,800 | - |
| RTA Fees & Insurance | 293,142 | 71,477 |
| | 6,041,269 | 4,464,067 |

SCHEDULE 14**ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS**
Significant Accounting Policies**General****Basis of Preparation of Financial Statements**

- The Financial Statements are prepared on mercantile basis under the historical cost convention in accordance with the generally accepted accounting principles in India, Accounting Standards notified under section 211(3C) of the Companies Act 1956, read with the Companies (Accounting Standard) Rules, 2006 and the other relevant provisions of the Companies Act, 1956.

Revenue Recognition

- All revenue and expenses are accounted on accrual basis.

Fixed Assets

- Fixed Assets are stated at cost less Depreciation, cost comprises the purchases price and other attributable costs. Depreciation on assets is provided on written down value method as per rates prescribed in Schedule XIV to the Companies Act 1956.

Depreciation

4. Depreciation on Fixed Assets has been provided for on Diminishing Balance Method at rates specified in schedule XIV of the Companies Act 1956. Depreciation on Assets purchased/sold during the year has been provided for on pro-rata basis.
5. Depreciation on additions/deletions is calculated on pro-rata with respect to date of addition/deletions.

Inventories

6. Inventories of Work-in-Progress, Raw Materials, Stores and Spares, Finished Goods as well as Stock in Trade of Shares & Securities are valued at cost and the same is done on FIFO basis. Stock of Shares is valued at cost.

Investments

7. Stock / Securities acquired and intended to be held for a longer period are classified as Investments.
8. Investments are valued at cost of acquisition with the provision where necessary for diminution, other than temporary, in the value of investments.

Retirement Benefit

9. None of the Employee has completed the service period to become eligible for payment of gratuity.

Income Tax

10. Provision for taxes comprising of current tax is measured in accordance with Accounting Standard 22- "Accounting For Taxes On Income" issued by the Institute of Chartered Accountants of India:
11. Tax expenses comprises of current and deferred tax.
12. Provision for current income tax and fringe benefit tax is made on the basis of relevant provisions of Income Tax Act, 1961 as applicable to the financial year.
13. Deferred Tax is recognized subject to the consideration of prudence on timing differences, being the difference between taxable Income and Accounting Income that originate in one period and are capable of reversal in one or more subsequent periods.

Provisions, Contingent Liabilities & Contingent Assets

Disclosures in terms of Accounting Standards (AS 29) Provisions , Contingent Liabilities and Contingent Assets issued by the Institute of Chartered Accountants of India :

14. The Company creates a provision when there is a present obligation as a result of past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation.
15. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that probably will not require an outflow of resources or where reliable estimate of the amount of the obligation cannot be made.
16. Contingent Assets are neither recognized nor disclosed.

Others

17. None of the Raw Materials, Stores, Spares and Components consumed or purchased during the year have been imported.
18. None of the Earnings / Expenditures is in Foreign Currency.
19. Balance of Debtors, Creditors, Deposits, Loans and Advances are subject to confirmation.
20. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
21. Investments of the Company have been considered by the management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.

Segment Report

22. Based on the Similarity of activities, risks and reward structure, organization structure and internal reporting systems, the Company has structured its operations into the following Segment:-
- Short-term funding to its Clients as well as Deposits with Banks
 - Investments in Capital Market & Mutual Fund related activities
 - Trading in Software & Hardware Products
 - Trading in Mobile Instruments & allied Accessories
 - Recording & Selling/ Distribution of Audio Video CDs
 - Sound Recording for Music CDs / DVDs

1. Segment Revenue

| | |
|---|------------------|
| (A) SALE & OPERATIONL INCOME | |
| Sale of Software & Hardware | 9,734.51 |
| Sale of Mobile Phone | 123.84 |
| Total (A) - | 9,858.35 |
| (B) Music Activities | 138.73 |
| (C) Investment Activities | 337.50 |
| (D) Other Operational Activities | 19.57 |
| Total (A)+(B)+(C) - | 10,354.15 |
| 2. Segment Profit | |
| Sale of Software & Hardware | 21.40 |
| Sale of Mobile Phone | 15.70 |
| Music Activities | 32.03 |
| Investment Activities | 301.71 |
| Other Unallocated Activities | (15.36) |
| Total - | 355.48 |
| 3. Capital Employed | |
| Mobile Phone | 304.18 |
| Music Activities | 312.65 |
| Investment | 2,517.10 |
| Other Un-allocable Segment | 424.87 |
| Total - | 3,558.80 |

Notes to Accounts

23. In the opinion of the Board, Current Assets, Loans and Advances are approximately of the value state, if realized in the ordinary course of business. Provisions for all known liabilities are adequate and not in excess of the amount considered necessary for the same.

Contingent Liabilities

24. Contingent Liabilities not provided for - Rs. Nil

Particulars of Director's Remuneration (In Rupees)

25. Rs. Nil has been paid to Directors as Remuneration for the Year (P.Y. Rs. Nil)

Related Party Transactions

26. Key Management Personnel -
 a. Mr. Kailash Prasad Purohit - Managing Director
 b. Mr. Jagdish Prasad Purohit - Executive Director
27. Subsidiary & Group Companies or Companies under same management -
 M/s. JMD Sounds Limited - Company under same management.
28. Details of transactions with related parties -

| Transaction with related parties | Subsidiary Companies | Key Management Personnel & Relatives |
|----------------------------------|----------------------|--|
| Remuneration | - | Nil |
| | (-) | (Nil) |
| Investments: | | |
| Investment in Subsidiary | (2,90,60,000) | 1. Jagdish Prasad Purohit 2. Kailash Prasad Purohit |
| | (-) | (-) |
| Investment in Group Cos. | Nil | - |
| | Nil | (-) |

Differed Tax on Income

29. Differed Tax Asset (Net) for the year ended 31st March 2011 amounts to Rs 8,89,200/-
30. Remuneration to Auditors

| Particulars | 31.03.2011 | 31.03.2010 |
|--|------------|------------|
| Remuneration to Auditors for Audit Purpose | 73,763 | 22,400 |

Earning per Equity Share

| Particulars | Unit | 31.03.2011 | 31.03.2010 |
|--|------|-------------|-------------|
| Net Profit after Tax available for Share holders | Rs. | 2,86,33,910 | 1,52,23,446 |
| No. of Equity Shares | No. | 7,21,46,000 | 7,01,46,000 |
| Basis & Diluted Earning Per Share (Rs.) | Rs. | 0.40 | 0.22 |

*The Company does not have any outstanding dilutive potential equity shares.

32. Sundry Debtors and creditors are subject to confirmation and reconciliation.
33. There are no Micro and Small Scale Business Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company.
34. Information pursuant to provisions of paragraph 3,4(C) and 4(D) of Part II of Schedule VI of the Companies Act, 1956 to the extent applicable is as under:
 Details of sales and purchases in respect of stock in trade

Mumbai: Purchase and Sale Software and Hardware

| Opening Stock | | Purchases | | Sales | | Closing Stock | |
|---------------|-------|------------|----------------|------------|----------------|---------------|-------|
| Qty. | Value | Qty. | Value | Qty. | Value | Qty. | Value |
| - | - | 2,87,252 | 97,06,80,488 | 2,87,252 | 97,34,51,578 | - | - |
| - | - | (1,25,416) | (83,12,97,137) | (1,25,416) | (83,40,28,335) | - | - |

Kolkata :Audio/Video C.D

| Opening Stock | | Purchases | | Sales | | Closing Stock | |
|---------------|----------|------------|------------|----------|-------------|---------------|------------|
| Qty. | Value | Qty. | Value | Qty. | Value | Qty. | Value |
| 43,581 | 2,32,130 | 2,51,051 | 14,36,013 | 1,28,340 | 18,30,856. | 1,66,292 | 9,51,693 |
| - | - | (1,01,029) | (5,56,193) | (57,448) | (8,00,101.) | (43,581) | (2,32,130) |

Kolkata : Mobile Phone

| Opening Stock | | Purchases | | Sales | | Closing Stock | |
|---------------|-------|-----------|-------------|-------|--------------|---------------|-------------|
| Qty. | Value | Qty. | Value | Qty. | Value | Qty. | Value |
| - | - | - | 3,92,18,910 | - | 1,23,83,577. | - | 3,04,17,816 |
| - | - | - | - | - | - | - | - |

Jaipur: Audio/Video CDs

| Opening Stock | | Purchases | | Sales | | Closing Stock | |
|---------------|----------|------------|-------------|------------|-------------|---------------|------------|
| Qty. | Value | Qty. | Value | Qty. | Value | Qty. | Value |
| 20000 | 1,60,000 | 9,29,000 | 74,32,000 | 9,10,000 | 1,01,88,250 | 39,000 | 3,12,000 |
| - | - | (5,70,000) | (45,30,000) | (5,50,000) | (60,50,000) | (20,000) | (1,60,000) |

35. Previous years' figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For **Mehta Kothari & Associates**
Chartered Accountants

Pradip C. Mehta
Partner
Mumbai, June 30, 2011

Kailash Prasad Purohit
Director

Jagdish Prasad Purohit
Director

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2011

| | Rs. in Lacs | |
|--|----------------------|---------------|
| | 31.03.2011 | 31.03.2010 |
| A. Cash Flow from Operating Activities | | |
| <i>Net Profit before tax and extraordinary Items</i> | 35,547,550 | 18,614,720 |
| <i>Adjustments for</i> | | |
| Depreciation | 2,611,250 | 2,060,417 |
| Interest | 1,956,086 | 433,623 |
| Dividend | 574,368 | 737,275 |
| <i>Operating profit before working capital changes</i> | 40,689,254 | 21,846,036 |
| <i>Adjustments for Capital Changes</i> | | |
| Inventories | (31,937,479) | (3,814,130) |
| Decrease (Increase) in Trade and other Receivables | (391,821,876) | (118,419,591) |
| Loans & Advances | (167,713,488) | 35,757,344 |
| Trade Payable and Provisions | 446,466,856 | 119,665,605 |
| <i>Cash Generated from operations</i> | (145,005,986) | 33,189,228 |
| <i>Net Cash From Operating Activities</i> | (104,316,732) | 55,035,264 |
| B. Cash Flow From Investing Activities | | |
| Fixed Assets | (6,374,582) | (3,365,137) |
| Investments | (27,454,214) | (46,382,679) |
| <i>Net Cash from Investing Activities</i> | (33,828,796) | (49,747,816) |
| C. Cash Flow From Financing Activities | | |
| Unsecured Loan | (144,437) | (515,705) |
| Deferred Revenue Expenditure | (426,200) | - |
| Increase of Share Capital & Share Premium | 190,000,000 | - |
| Interest | (1,956,086) | (433,623) |
| Depreciation | (2,611,250) | (2,060,417) |
| Dividend Recd | (574,368) | (737,275) |
| Dividend including Dividend Tax | (8,384,988) | (8,207,082) |
| Provision for Taxation | (6,175,678) | (3,128,868) |
| Extraordinary Items | (737,962) | (262,406) |
| <i>Net Cash used in Financing Activities</i> | 168,989,031 | (15,345,377) |
| <i>Net Increase in Cash & Cash Equivalents</i> | 30,843,503 | (7,997,511) |
| <i>Opening Balance of Cash & Cash Equivalents</i> | 7,497,891 | 15,495,403 |
| <i>Closing Balance of Cash & Cash Equivalents</i> | 38,341,394 | 7,497,891 |

For and on behalf of the Board

Kailash Prasad Purohit

Chairman & Managing Director

Mumbai, June 30, 2011

We have verified the attached Cash Flow Statement of JMD Telefilms Industries Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2011 and found the same in agreement therewith.

For Mehta Kothari & Associates
Chartered Accountants

Pradip C. Mehta

Partner

Mumbai, June 30, 2011

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI
TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract and Company's General Business Profile

| | | | |
|------------|--|---------------|------------|
| I | Registration Details | | |
| | Registration No. | : | 33180 |
| | State Code No. | : | 11 |
| | Balance Sheet Date | : | 31.03.2011 |
| II | Capital raised during the year | | |
| | Public Issue | : | Nil |
| | Right Issue | : | Nil |
| | Bonus Issue | : | Nil |
| | Private Placement | : | Nil |
| III | Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands) | | |
| | Total Liabilities | : | 355504 |
| | Total Assets | : | 355504 |
| | Sources of funds | | |
| | Paid-up Capital | : | 72146 |
| | Reserves & Surplus | : | 283358 |
| | Secured Loans | : | Nil |
| | Unsecured Loans | : | Nil |
| | Application of funds | | |
| | Net Fixed Assets | : | 42487 |
| | Investments | : | 85441 |
| | Net Current Assets | : | 227575 |
| | Accumulated losses | : | Nil |
| IV | Performance of Company (Amount in Rs. in Thousands) | | |
| | Turnover | : | 1035415 |
| | Total Expenditure | : | 999868 |
| | Profit before taxes | : | 35548 |
| | Profit after taxes | : | 28634 |
| | Earning Per Share | : | 0.40 |
| | Dividend rate | : | 10% |
| V | Generic Names of Three Principal Products/Services of the Company | | |
| | Product Description | Item Code No. | |
| | Music Recording | N.A. | |
| | Trading of Audio / Video Items | N.A. | |
| | Trading of Softwares | N.A. | |

CONSOLIDATED ACCOUNTS

AUDITORS REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JMD TELEFILMS INDUSTRIES LIMITED

The Board of Directors of JMD Telefilms Industries Limited

1. We have audited the attached consolidated balance Sheet of JMD Telefilms Industries Limited ("the Company") and its subsidiaries hereinafter referred to as the "Group" (refer Note 1 on Schedule 14 to the attached consolidated financial statements) as at 31st March 2011, the related consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These consolidated 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 the 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.
3. We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS21) - Consolidated Financial Standards, Accounting Standard (AS) 23 - Accounting of Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27.
4. Based on our audit and to the best of our information and according to the explanations given to us, in our opinion, the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India :
 - (i) In the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2011;
 - (ii) In the case of the consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
 - (iii) In the case of the consolidated Cash Flow Statements, of the cash flows of the Group for the year ended on that date.

Place : Mumbai
Date : June 30, 2011

For **Mehta Kothari & Associates**
Chartered Accountants

Pradip C. Mehta
Proprietor

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2011

| | Schedule | 31.3.2011 Rupees | 31.3.2010 Rupees |
|--|--------------|---------------------|---------------------|
| SOURCES OF FUNDS | | | |
| Shareholders' Funds | | | |
| Share Capital | 1 | 72,146,000 | 70,146,000 |
| Share Premium A/c | | 250,500,000 | 62,500,000 |
| Reserves & Surplus | 2 | 32,836,757 | 12,608,747 |
| | | 355,482,757 | 145,254,747 |
| Loan Funds | | | |
| Secured Loan | | - | 144,437 |
| Minority Interest | 3 | 1,039,252 | - |
| | | 1,039,252 | 144,437 |
| | TOTAL | 356,522,009 | 145,399,184 |
| APPLICATION OF FUNDS | | | |
| Fixed Assets | | | |
| Gross Block | 4 | 49,823,652 | 40,837,820 |
| Less : Depreciation | | 7,336,424 | 4,725,174 |
| Net Block | | 42,487,228 | 36,112,646 |
| Investments | 5 | 56,381,113 | 57,986,899 |
| Current Assets, Loans & Advances | | | |
| Stock in Trade | 6 | 61,683,109 | 29,745,630 |
| Cash & Bank Balances | | 38,782,174 | 7,497,891 |
| Sundry Debtors | | 511,720,742 | 119,898,866 |
| Loans & Advances | | 222,166,325 | 24,871,837 |
| | | 834,352,349 | 182,014,224 |
| Less : Current Liabilities & Provisions | 7 | - | - |
| Sundry Creditors & Advances Recd | | 563,086,775 | 119,841,635 |
| Liabilities & Provisions | | 14,560,666 | 11,335,950 |
| | | 577,647,441 | 131,177,585 |
| Net Current Assets | | 256,704,908 | 50,836,639 |
| MISCELLANEOUS EXPENDITURE | | | |
| (To the extent not written off or adjusted) | | | |
| Pre-Operative Expenses | | 59,560 | - |
| Deferred Revenue Expenditure | | 889,200 | 463,000 |
| | | 948,760 | 463,000 |
| | TOTAL | 356,522,009 | 145,399,184 |
| Notes forming part of the accounts & Significant Accounting Policies | 14 | | |

As per our report of even date

For **Mehta Kothari & Associates**
Chartered Accountants**Kailash Prasad Purohit**
Director**Pradip C. Mehta**
PartnerPlace : Mumbai
Date : June 30, 2011**Jagdish Prasad Purohit**
Director

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

| | Schedule | 31.3.2011 Rupees | 31.3.2010 Rupees |
|--|----------|----------------------|---------------------|
| INCOME | | | |
| Sales & Operational Income | 8 | 998,841,401 | 846,466,146 |
| Other Income | 9 | 36,573,802 | 16,157,489 |
| | | 1,035,415,203 | 862,623,635 |
| EXPENDITURE | | | |
| Cost of Sales | 10 | 987,478,032 | 835,991,200 |
| Sales & Distribution Expenses | 11 | 1,533,636 | 57,230 |
| Staff Expenses | 12 | 2,203,466 | 1,436,000 |
| Administrative & Other Expenses | 13 | 6,062,929 | 4,464,067 |
| Depreciation | 4 | 2,611,250 | 2,060,417 |
| | | 999,889,313 | 844,008,914 |
| Profit before Tax | | 35,525,890 | 18,614,720 |
| Less : Prior Period Adjustments | | 737,962 | 262,406 |
| Provision for Taxation | | 6,175,678 | 3,128,868 |
| Provision for F.B.T | | - | - |
| Profit after Tax | | 28,612,250 | 15,223,446 |
| Add : Minority Interest | | 748 | - |
| Less : Proposed Dividend | | 7,214,600 | 7,014,600 |
| Less : Tax on Dividend | | 1,170,388 | 1,192,482 |
| | | 20,228,010 | 7,016,364 |
| Transfer to General Reserve | | 500,000 | 300,000 |
| | | 19,728,010 | 6,716,364 |
| Profit brought forward from previous year | | 11,018,997 | 4,302,633 |
| Profit carried to Balance Sheet | | 30,747,007 | 11,018,997 |
| Notes forming part of the accounts & Significant Accounting Policies | 14 | | |

As per our report of even date

For **Mehta Kothari & Associates**
Chartered Accountants**Kailash Prasad Purohit**
Director**Pradip C. Mehta**
PartnerPlace : Mumbai
Date : June 30, 2011**Jagdish Prasad Purohit**
Director

| SCHEDULES TO ACCOUNTS | 31.03.2011 Rupees | 31.03.2010 Rupees |
|---|----------------------|----------------------|
| SCHEDULE 1 | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 150,000,000 Equity Shares of Re. 1/- each (Previous year 75,000,000 Equity Shares of Re. 1/- each) | 150,000,000 | 75,000,000 |
| Issued, Subscribed & Paid-up | | |
| 72,146,000 Equity Shares of Re. 1/- each (Previous year 70,146,000 Equity Shares of Re. 1/- each) | 72,146,000 | 70,146,000 |
| | 72,146,000 | 70,146,000 |
| SCHEDULE 2 | | |
| RESERVES & SURPLUS | | |
| Profit & Loss Account | | |
| General Reserve | 2,089,750 | 1,589,750 |
| Profit & Loss Account - Balance | 11,018,997 | 4,302,633 |
| Add : Transfer from Profit & Loss Account | 19,728,010 | 6,716,364 |
| | 32,836,757 | 12,608,747 |
| SCHEDULE 3 | | |
| LOAN FUNDS | | |
| Secured Loan | | |
| From Bank against Vehicle | - | 144,437 |
| minority share holder interest | 1,039,252 | - |
| | 1,039,252 | 144,437 |

**SCHEDULE 4
FIXED ASSETS**

| Particulars | GROSS BLOCK | | | DEPRECIATION | | | NET BLOCK | | |
|-------------------------|---------------------|------------------|--------------------------------|---------------------|---------------------|------------------|---------------------|---------------------|-------------------|
| | As at 01.04.2010 | Additions | Adjustments For the Year | As at 31.03.2011 | As at 01.04.2010 | For the Year | As at 31.03.2011 | As at 31.03.2010 | |
| Air Conditioner | 11,469 | - | - | 11,469 | 8,047 | 476 | 8,523 | 2,946 | 3,422 |
| Brand Rights | 29,479,103 | - | - | 29,479,103 | - | - | - | 29,479,103 | 29,479,103 |
| Computers & Accessories | 7,432,017 | 6,519,938 | - | 13,951,955 | 3,169,841 | 1,733,198 | 4,903,039 | 9,048,916 | 4,262,176 |
| Furniture & Fixtures | 171,652 | 325,000 | - | 496,652 | 126,547 | 40,028 | 166,575 | 330,077 | 45,105 |
| Generator | 68,479 | - | - | 68,479 | 21,974 | 6,468 | 28,442 | 40,037 | 46,505 |
| Motor Car | 2,753,943 | 2,526,454 | 425,500 | 4,854,897 | 753,518 | 759,226 | 1,512,744 | 3,342,153 | 2,000,425 |
| Office Equipments | 23,340 | 39,940 | - | 63,280 | 15,073 | 2,561 | 17,634 | 45,646 | 8,267 |
| Studio Equipments | 897,817 | - | - | 897,817 | 630,174 | 69,293 | 699,467 | 198,350 | 267,643 |
| TOTAL | 40,837,820 | 9,411,332 | 425,500 | 49,823,652 | 4,725,174 | 2,611,250 | 7,336,424 | 42,487,228 | 36,112,646 |
| Previous Year | 37,472,683 | 3,365,137 | - | 40,837,820 | 2,664,757 | 2,060,417 | 4,725,174 | 36,112,646 | 34,807,926 |

SCHEDULE 5

INVESTMENTS (Quoted, Valued at Cost)

| Particulars | As on 31.03.2011 | | As on 31.03.2010 | |
|---|------------------|-------------------|------------------|-------------------|
| | Quantity | Value | Quantity | Value |
| Kaweri Telecom Products Ltd. | 25,000 | 2,952,762 | - | - |
| RPP Infra Projects Limited | 199,627 | 11,970,185 | - | - |
| DB (International) Stock Brokers Ltd. | 419,800 | 29,151,548 | - | - |
| NTPC Limited | - | - | 11,000 | 2,391,179 |
| SREI Infrastructure Finance Ltd. | 500 | 53,927 | - | - |
| Tata Teleservices (Maharashtra) Ltd. | 2,000 | 77,767 | 2,000 | 77,767 |
| Shipping Corporation India Ltd. | 750 | 70,752 | 750 | 70,752 |
| IFCI Limited | 1,500 | 78,902 | 1,500 | 78,902 |
| NHPC Limited | 5,000 | 152,630 | - | - |
| Chisel & Hammer (Mobel) Ltd. | 15,000 | 690,000 | - | - |
| LIC Housing Finance Ltd. | - | - | 1,000 | 805,007 |
| IDBI Bank Ltd. | - | - | 2,000 | 214,435 |
| Idea Cellular Ltd. | 2,970 | 196,915 | 16,000 | 1,057,403 |
| Bhushan Steel Ltd. | 5,500 | 2,204,300 | 1,500 | 2,446,503 |
| UCO Bank Limited | 7,500 | 750,311 | 9,500 | 416,288 |
| Ranbaxy Laboratories Ltd. | 1,000 | 466,932 | 3,200 | 1,391,622 |
| Hindustan Tin Works Ltd. | - | - | 35,000 | 4,858,776 |
| Lok Housing & Construction Ltd. | - | - | 7,000 | 379,331 |
| GHCL Limited | - | - | 284,255 | 13,593,626 |
| ACC Limited | - | - | 1,500 | 1,371,527 |
| Gujrat State Financial Corporation Ltd. | - | - | 8,000 | 764,297 |
| Mahindra & Mahindra Financial Ser Ltd. | - | - | 1,002 | 369,484 |
| Total (a) | 686,147 | 48,816,931 | 385,207 | 30,286,899 |
| Mutual Funds | | | | |
| DSP Merlinch Opportunity Fund | | - | | 100,000 |
| Tata Mutual Fund | | - | | 200,000 |
| Reliance Regular Growth Fund | | - | | 8,000,000 |
| Relaince Monthly income fund | | - | | 2,000,000 |
| Axis Equity Fund | | 1,500,000 | | 1,000,000 |
| UTI Opportunity Growth Fund | | - | | 2,600,000 |
| UTI Opportunity Fund | | - | | 1,000,000 |
| Kotak Opportunity Fund | | - | | 2,800,000 |
| IDFC Imperial Equity Fund | | - | | 1,500,000 |
| Reliance Mutual Fund | | - | | 300,000 |
| Birla Sunlife Frontline Eq. Fund | | 500,000 | | 1,000,000 |
| Birla sunlife Midcap Fund | | - | | 2,800,000 |
| Reliance Growth Fund | | - | | 2,600,000 |
| Kotak Opportunity Growth Fund | | - | | 1,300,000 |
| Axis Income Saver Fund | | 3,500,000 | | - |
| ICICI Prudentiial Mutual Fund | | 600,000 | | - |
| HDFC Mutual Fund | | 700,000 | | - |
| ICICI Prudentiial Mutual Fund | | 500,000 | | 500,000 |
| Total (b) | | 7,300,000 | | 27,700,000 |
| Gold Coin (c) | | 264,182 | | - |
| Total Investments (a+b+c) | | 56,381,113 | | 57,986,899 |

| SCHEDULES TO ACCOUNTS | 31.03.2011 Rupees | 31.03.2010 Rupees |
|--|----------------------|----------------------|
| SCHEDULE 6 | | |
| CURRENT ASSETS, LOANS & ADVANCES | | |
| Inventories | | |
| (Valued to be taken & Certified by Management) | | |
| Stock-in-trade | 61,683,109 | 29,745,630 |
| | <u>61,683,109</u> | <u>29,745,630</u> |
| Sundry Debtors | | |
| (Unsecured, Considered Good) | | |
| Outstanding for more than six months | - | - |
| Other Debtors | 511,720,742 | 119,898,866 |
| | <u>511,720,742</u> | <u>119,898,866</u> |
| Cash & Bank Balances | | |
| Cash Balance | 2,460,479 | 1,727,201 |
| Fixed Deposit (With Scheduled Banks) | 1,039,030 | 1,002,067 |
| Balance with Scheduled Bank in Current A/c | 35,282,665 | 4,768,623 |
| | <u>38,782,174</u> | <u>7,497,891</u> |
| Loans And Advances | | |
| (Unsecured, Considered Good) | | |
| Inter Corporate Deposits | 59,775,207 | - |
| Security Deposit & Advances | 21,000 | 21,000 |
| Advance Tax Payment | 5,500,000 | 2,500,000 |
| Advance against Properties | 108,600,000 | 6,600,000 |
| Advances for TV Channel Setup | 29,581,000 | - |
| Tax deducted at Source | 189,118 | 750,837 |
| Advances against Music Album | 3,500,000 | - |
| Advance against Studio | 15,000,000 | 15,000,000 |
| | <u>222,166,325</u> | <u>24,871,837</u> |
| Total | <u>834,352,349</u> | <u>182,014,224</u> |
| SCHEDULE 7 | | |
| CURRENT LIABILITIES & PROVISIONS | | |
| Sundry Creditors for Business | 545,491,898 | 118,753,955 |
| Advance Against Tele film Business | 16,000,000 | - |
| Royalty Recd. In Advance | - | 1,059,850 |
| Income Tax & TDS payable | 489,580 | - |
| VAT Payable | 570,552 | 5,430 |
| Sundry Creditors for Expenses & Others | 534,746 | 22,400 |
| | <u>563,086,775</u> | <u>119,841,635</u> |
| Liabilities & Provisions | | |
| For Dividend Payment to Shareholders | 7,214,600 | 7,014,600 |
| For Dividend Tax | 1,170,388 | 1,192,482 |
| For Income Tax | 6,175,678 | 3,128,868 |
| | <u>14,560,666</u> | <u>11,335,950</u> |
| Total | <u>577,647,441</u> | <u>131,177,585</u> |

| SCHEDULES TO ACCOUNTS | 31.03.2011 Rupees | 31.03.2010 Rupees |
|--|----------------------|----------------------|
| SCHEDULE 8 | | |
| SALES & OPERATIONAL INCOME | | |
| Sales Proceeds | 997,854,261 | 840,878,436 |
| Income from Royalties | - | 4,919,000 |
| Studio Rent Recd. | 987,140 | 668,710 |
| | <u>998,841,401</u> | <u>846,466,146</u> |
| SCHEDULE 9 | | |
| OTHER INCOME | | |
| Income from Mutual Fund Investments | 988,067 | 748,273 |
| Short Term Capital Gain | 32,188,282 | 14,238,317 |
| Income from Music Portal | 867,000 | - |
| Dividend Received | 574,368 | 737,275 |
| Interest on FDR | 121,565 | 433,623 |
| Other Interest Recd. | 1,834,521 | - |
| | <u>36,573,802</u> | <u>16,157,489</u> |
| SCHEDULE 10 | | |
| COST OF SALES | | |
| Opening Stock | 29,745,630 | 25,931,500 |
| Add : Purchases | 1,018,767,411 | 836,383,330 |
| Add : Audio-Video Recording Cost | 648,100 | 3,422,000 |
| Less : Closing Stock | 61,683,109 | 29,745,630 |
| | <u>987,478,032</u> | <u>835,991,200</u> |
| SCHEDULE 11 | | |
| SALES & DISTRIBUTION EXPENSES | | |
| Coolie & Cortage Expenses | 49,710 | 18,650 |
| Raw Materials | 103,752 | - |
| Freight & Carriage Outwards | 67,004 | 24,360 |
| Custom duty | 713,785 | - |
| Sales Discount to Agents | 274,265 | - |
| Sales Promotion & Commission Paid | 325,120 | 14,220 |
| | <u>1,533,636</u> | <u>57,230</u> |
| SCHEDULE 12 | | |
| PERSONNEL EXPENSES | | |
| Salary & Other Allowances to Employees | 2,039,222 | 1,391,000 |
| Staff Welfare Expenses | 164,244 | 45,000 |
| | <u>2,203,466</u> | <u>1,436,000</u> |

| SCHEDULES TO ACCOUNTS | 31.03.2011 Rupees | 31.03.2010 Rupees |
|--|----------------------|----------------------|
| SCHEDULE 13 | | |
| ADMINISTRATIVE EXPENSES | | |
| Printing & Stationery | 86,235 | 28,420 |
| Postage Telephone & Mobile Charges | 162,083 | 106,156 |
| Travelling & Conveyance Expenses | 499,491 | 270,544 |
| Office & Studio Maintenance Charges | 206,857 | 49,121 |
| Rent & Electricity Expenses | 428,128 | 149,340 |
| Subscription & Donation | - | 1,925,050 |
| Finance Brokerage | 882,000 | - |
| Advertisement | 1,033,064 | 246,135 |
| Miscellaneous Office Expenses | 251,534 | 95,763 |
| Motor Car Expenses | 344,090 | 111,256 |
| Service Tax, Trade License & VAT | 591,849 | 591,991 |
| Auditors' Remuneration (Including VAT Audit) | 76,763 | 22,400 |
| Bank Charges & Comm. | 21,863 | 14,113 |
| Legal & Professional Fees | 159,500 | 14,750 |
| BSE Listing & Depository Annual Fees | 170,965 | 69,552 |
| Web Designing & Music Portal Expenses | 581,048 | 698,000 |
| Books & Periodicals | 22,271 | - |
| Director Meeting Fees | 100,000 | - |
| ROC Filing, Security & Computer Maintenance | 20,996 | - |
| Share Holder Meeting expenses | 32,250 | - |
| Deferred Revenue expenditure w/off | 98,800 | - |
| RTA Fees & Insurance | 293,142 | 71,477 |
| | 6,062,929 | 4,464,067 |

SCHEDULE 14**NOTES FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS, ACCOUNTING POLICIES AND PRACTICES.**

1. The Consolidated financial statements present the consolidated Accounts of JMD Telefilms Industries Limited with its subsidiaries namely "Aalap Performing Arts Network Private Limited".
2. Significant Accounting Policies and Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding the consolidated position of the Company. Recognizing this purpose, the Company has disclosed only such Policies and Notes from the individual financial statements, which fairly present the needed disclosures.
3. Operation of Subsidiary Company is yet to be commenced and hence Segmental Report is not applicable for consolidated financial statements.

Significant Accounting Policies and Practices -**4. Basis of Preparation of Financial Statements :-**

- (i) The financial statements of the subsidiary used in the consolidation is drawn upto the same reporting date as that of the Parent Company, i.e. year ended 31st March.
- (ii) The financial statements have been prepared under the historical cost convention and on the accrual basis of accounting. The accounts of the Parent Company and its Indian Subsidiary have been prepared in according with the Indian Accounting Standards and the applicable Accounting Standards/generally accepted accounting principles.

5. Principles of Consolidation :-

- (i) The financial statements of the Parent Company and its subsidiaries have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra group transactions and the unrealized profit.
- (ii) The financial statements of the Parent Company and its subsidiary has been consolidated using uniform accounting policies excepting the revaluation of assets by Companies referred above.
- (iii) The excess of the Cost to the Parent Company of its investments in subsidiary over its share of equity in the respective subsidiary.

6. Recognition of Income and Expenditure :-

Revenues/incomes and costs/expenses are generally accounted on accrual as they are earned or incurred.

7. The details of subsidiary in terms of General circular No. 2/2011 dated 8th February 2011 issued by Government of India, Ministry of Corporate Affairs under Section 212(8) of Companies Act, 1956, is as under -

Indian Subsidiary (Rs. in Lac)

| Sl. No. | Particulars | Aalap Performing Arts Network Pvt. Ltd. |
|---------|-------------------------|---|
| 1. | Share Capital | 2.00 |
| 2. | Reserves & Surplus | 299.00 |
| 3. | Total Assets | 301.00 |
| 4. | Total Liabilities | 301.00 |
| 5. | Investments (detailed) | 0.00 |
| 6. | Turnover & Other Income | 0.00 |
| 7. | Profit before Taxation | -0.22 |
| 8. | Provision for Taxation | 0.00 |
| 9. | Profit after Taxation | -0.22 |
| 10. | Proposed Dividend | 0.00 |

As per our report of even date

For **Mehta Kothari & Associates**
Chartered Accountants

Pradip C. Mehta
Partner
Mumbai, June 30, 2011

Kailash Prasad Purohit
Director

Jagdish Prasad Purohit
Director

Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2011

| | 31.03.2011 | 31.03.2010 |
|--|----------------------|---------------------|
| | | Rs. in Lacs |
| A. Cash Flow from Operating Activities | | |
| Net Profit before tax and extraordinary Items | 35,526,638 | 6,294,636 |
| Adjustments for | | |
| Depreciation | 2,611,250 | 1,404,900 |
| Dividend | 574,368 | 737,275 |
| Interest | 1,956,086 | 433,623 |
| Operating profit before working capital changes | 40,668,342 | 8,870,435 |
| Adjustments for Capital Changes | | |
| Inventories | (31,937,479) | (8,188,000) |
| Decrease (Increase) in Trade and other Receivables | (391,821,876) | (1,479,275) |
| Loans & Advances | (197,294,488) | (56,525,855) |
| Trade Payable and Provisions | 446,469,856 | 6,316,834 |
| Cash Generated from operations | (174,583,986) | (59,876,296) |
| Net Cash From Operating Activities | (133,915,644) | (17,176,760) |
| B. Cash Flow From Investing Activities | | |
| Fixed Assets | (6,374,582) | (4,647,294) |
| Investments | 1,605,786 | (7,402,278) |
| Net Cash from Investing Activities | (4,768,796) | (12,049,572) |
| C. Cash Flow From Financing Activities | | |
| Unsecured Loan | (144,437) | 347,363 |
| Deferred Revenue Expenditure | (426,200) | (463,000) |
| Minority Interest Shareholding | 1,039,252 | - |
| Increase of Share Capital & Share Premium | 190,000,000 | 85,000,000 |
| Interest Recd | (1,956,086) | (433,623) |
| Dividend Recd | (574,368) | (737,275) |
| Depreciation on Fixed Assets | (2,611,250) | (1,404,900) |
| Dividend including Dividend Tax | (8,384,988) | (4,103,366) |
| Provision for Taxation | (6,175,678) | (1,704,418) |
| Miscellaneous Expenses | (59,560) | - |
| Extraordinary Items | (737,962) | (55,329) |
| Net Cash used in Financing Activities | 169,968,723 | 76,445,451 |
| Net Increase in Cash & Cash Equivalents | 31,284,283 | 14,794,918 |
| Opening Balance of Cash & Cash Equivalents | 7,497,891 | 700,485 |
| Closing Balance of Cash & Cash Equivalents | 38,782,174 | 15,495,403 |

For and on behalf of the Board

Kailash Prasad Purohit

Chairman & Managing Director

Mumbai, June 30, 2011

We have verified the attached Cash Flow Statement of JMD Telefilms Industries Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2011 and found the same in agreement therewith.

For Mehta Kothari & Associates

Chartered Accountants

Pradip C. Mehta

Partner

Mumbai, June 30, 2011

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI
TO THE COMPANIES ACT, 1956**

Balance Sheet Abstract and Company's General Business Profile

| | | | |
|------------|--|---------------|------------|
| I | Registration Details | | |
| | Registration No. | : | 33180 |
| | State Code No. | : | 11 |
| | Balance Sheet Date | : | 31.03.2011 |
| II | Capital raised during the year | | |
| | Public Issue | : | 33191 |
| | Right Issue | : | Nil |
| | Bonus Issue | : | Nil |
| | Private Placement | : | 190,000 |
| III | Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands) | | |
| | Total Liabilities | : | 356522 |
| | Total Assets | : | 356522 |
| | Sources of funds | | |
| | Paid-up Capital | : | 72146 |
| | Reserves & Surplus | : | 283337 |
| | Secured Loans | : | 1039 |
| | Unsecured Loans | : | Nil |
| | Application of funds | | |
| | Net Fixed Assets | : | 42487 |
| | Investments | : | 56381 |
| | Net Current Assets | : | 257654 |
| | Accumulated losses | : | |
| IV | Performance of Company (Amount in Rs. in Thousands) | | |
| | Turnover | : | 1035415 |
| | Total Expenditure | : | 1349450 |
| | Profit before taxes | : | 35526 |
| | Profit after taxes | : | 28612 |
| | Earning Per Share | : | 0.40 |
| | Dividend rate | : | 10% |
| V | Generic Names of Three Principal Products/Services of the Company | | |
| | Product Description | Item Code No. | |
| | Music Recording | N.A. | |
| | Trading of Audio / Video Items | N.A. | |
| | Trading of Softwares | N.A. | |

JMD Telefilms Industries Limited

105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058.

PROXY FORM

I/We _____ resident of _____ in the district of _____ being member/members of the above named Company, hereby appoint _____ resident of _____ in the district of _____ or failing him _____ resident of _____ in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the 23rd day of September 2011 at 11.00 A.M., at Axis Bank Hall, Springfields, Lokhandwala Complex, Andheri (W), Mumbai- 400 053 and any adjournment thereof.

Registered Folio No./DP-Client ID _____ No. of Shares held _____

Signed on this _____ day of _____ 2011.

Signed by the said _____

Signature of Proxy _____

Attested by Shareholder _____

Affix
Revenue
Stamp



JMD Telefilms Industries Limited

105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058.

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company held on Friday, the 23rd day of September 2011 at 11.00 A.M, at Axis Bank Hall, Springfields, Lokhandwala Complex, Andheri (W), Mumbai- 400 053.

Name of Shareholder/s _____

Father/Husband's Name _____

Name of Proxy or Company Representative _____

Registered Folio No. / DP-Client ID _____ No. of Shares held _____

Signature of the Shareholder(s) or Proxy or Company Representative _____

No gift of any nature will be distributed at the Annual General Meeting

BOOK-POST

If undelivered, please return to :

JMD Telefilms Industries Limited

105, Sagar Slopping Centre, J. P. Road, Andheri (W), Mumbai-400 058.