



*30th Annual Report 2013-2014*



**JMD TELEFILMS**  
**INDUSTRIES LIMITED**

## JMD Telefilms Industries Limited

### BOARD OF DIRECTORS

Kailash Prasad Purohit	Chairman & Managing Director
Jagdish Prasad Purohit	Non-Executive Director
Ashok Bothra	Independent Director
Pawan N. Borad	Independent Director

### Registered Office

Unit No. 323 & 324, 3rd Floor,  
Bldg No. 9, Laxmi Plaza, New Link Road  
Andheri (W), Mumbai – 400 053

### Studio Location

75C, Park Street, Basement, Kolkata 700016

### Bankers

Axis Bank Limited  
Kotak Mahindra Bank  
HDFC Bank

### Auditors

Mehta Kothari & Associates  
Chartered Accountants  
134, Great Western Building, 2nd Floor  
N. M. Road, Fort, Mumbai-400023

### 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 : 22nd September 2014  
Time : 2.00 P.M.  
Venue : Unit No. 323 & 324, 3rd Floor  
Building No. 9, Laxmi Plaza  
New Link Road, Andheri (West)  
Mumbai-400 053



### Corporate Identification No.

L67190MH2000PLC033180

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

**NOTICE**

Notice is hereby given that the 30th Annual General Meeting of the members of JMD Telefilms Industries Limited will be held on Monday, the 22nd September 2014 at 2.00 P.M. at Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), 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 2014.
2. To seek approval of Members for payments of Dividend on its Equity Shares.
3. To appoint Director in place of Mr. Jagdish Prasad Purohit (DIN : 00083125), who retires by rotation and being eligible offers himself for re-appointment.
4. To consider and thought fit, to pass, with or without modification(s), the following Resolution, as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and their corresponding rules and based on the recommendations of the Audit Committee, M/s. Mehta Kothari & Associates, Chartered Accountants, Mumbai (FRN : 106247W), who have offered themselves for re-appointment and have confirmed their eligibility in terms of the provisions of Section 141 of the Companies Act, 2013 and Rule 4 of Companies (Audit and Auditors) Rules, 2014, be and are hereby re-appointed as Statutory Auditors of the Company, to hold office from the conclusion of the 30th Annual General Meeting up to the conclusion of the 35th consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM) at a remuneration as may be decided by the Board of Directors of the Company."

**SPECIAL BUSINESS :**

5. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

**"RESOLVED THAT** Pursuant to the provisions of Section 149 and all other applicable provisions of the Companies Act, 2013 (the Act) and in terms of Articles of Association of the Company, Mr. Pawan N. Borad (DIN : 02806493), who was appointed as an Additional Director of the Company at the Board meeting held on 12th August 2013 and who holds the office up to the date of this Annual General Meeting in terms of provision of section 161 of the Act, and in whose respect the Company has received a notice from a member under Section 160 of the Act, together with necessary deposit as mentioned in the said section, proposing the candidature of Mr. Pawan N. Borad for the office of Director of the Company be and is hereby appointed as Non-Executive, Independent Director of the Company for the period of 5 Years commencing from 12th August 2013."

6. To consider and if thought fit to pass with or without modifications the following resolution as an ordinary resolution :

**"RESOLVED THAT** Pursuant to the provisions of Section 149 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Ashok Bothra (DIN: 01734863) an Independent Director and in respect of whom the Company has received notice under Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a term of 5 (five) consecutive years up to the conclusion of the 35th AGM of the Company."

**Notes :**

1. The Statement pursuant to Section 102 of the Companies Act, 2013 with respect to the Special Business set out in the Notice is annexed.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO

APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

3. 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.
4. The Register of Member and the Share Transfer Books of the Company will remain closed from 15th September 2014 to 22nd September 2014 (both days inclusive).
5. A detail of Director seeking re-appointment in this Annual General Meeting is attached separately to the notice.
6. Shareholders/Investors are advised to send their queries/complaints through the dedicated e-mail Id [jmdtele@gmail.com](mailto:jmdtele@gmail.com) for quick and prompt redressal of their grievances.
7. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
8. Dividend, if approved by the Members at the ensuing Annual General Meeting, will be paid to eligible members after September 22, 2014 to those members whose names shall appear on the Company's Register of Members on September 22, 2014; in respect of the shares held in dematerialized form, the dividend will be paid to members whose names are furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as beneficial owners as on that date.
9. In accordance with the provisions of Section 101 of the Companies Act, 2013 read with Rule 18 of the Companies (Management and Administration) Rules, 2014, this Notice and the Annual Report of the Company for the financial year 2013-14 are being sent by e-mail to those Members who have registered their e-mail address with the Company's Registrars and Share Transfer Agents (RTA) (in respect of shares held in physical form) or with their Depository Participants (DPs) (in respect of shares held in electronic form) and made available to the Company by NSDL and CDSL.
10. Members holding shares in electronic form may note that as per the regulations of NSDL and CDSL, the Company is obliged to print the details on the dividend warrants as furnished by these Depositories i.e. bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its RTA cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised by the members only to their DPs.
11. Members are advised to register/update their address, e-mail addresses and bank mandates (i.e. bank account number, name of the bank and the branch, 9 digit MICR Bank/ Branch code and account type) to their DPs in case of shares held in electronic forms and to the Company's RTA in case of shares held in physical form for receiving dividend in their bank accounts and all communications, including Annual Report, Notices, Circulars, etc. from the Company.
12. In case of remittance in electronic form, an intimation of the dividend payment would be sent to the shareholders. Shareholders who are not covered by NECS facility, the dividend amount will be remitted by means of dividend warrants which will be posted to their addresses.
13. Shareholders who have not en-cashed their dividend warrants for the dividends declared for the financial years 2007-08 to 2012-13 are requested to send a letter along with unclaimed dividend warrant, if any or letter of undertaking for issue of duplicate dividend warrant/demand draft. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploading the details of unpaid and unclaimed amounts lying with the Company as on September 20, 2013 (date of last Annual General Meeting) on the website of the Company ([www.jmdllimited.com](http://www.jmdllimited.com)), as also on the website of the Ministry of Corporate Affairs.

In terms of Section 205A and 205C of the Companies Act, 1956, any dividend remaining unpaid for a period of seven years from the due date of payment is required to be transferred to the "Investor Education & Protection Fund" (IEPF). Members are requested to en-cash their

Dividend Warrants promptly. It may be noted that once the unclaimed dividend is transferred to the IEPF as above, no claim shall lie with the Company in respect of such amount.

14. 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 appropriate Authorities to the Annual General Meeting.
15. 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.
16. 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 9, Shiv Shakti Ind. Estate, Ground Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
17. Members holding shares in physical form in the same set of names under different folios are requested to apply for consolidation of such folios along with relevant Share Certificates to M/s Purva Sharegistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
18. 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.
19. Members holding shares in physical form and desirous of making a nomination in respect of their shareholdings in the Company, as permitted under Section 72 of the Companies Act, 2013 read with Rule 19 of Companies (Share Capital and Debentures) Rules, 2014, may fill SH-13 and send the same to the office of RTA of the Company. In case of shares held in dematerialized form, the nomination/change in nomination should be lodged with their DPs.
20. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participants to enable us to send you're the quarterly reports and other communication via email.
21. The Members who have not registered their email address, physical copies of Annual Report 2014 are being sent by the permitted mode.
22. The Notice for the 30th AGM and instructions for e-voting, along with Attendance Slip and Proxy Form, is being sent by electronic mode to all members whose email addresses are registered with the Company / Depository Participant(s) unless a member has requested for a hard copy of the same. Members are requested to bring copies of Annual Report to the Annual General Meeting. For members who have not registered their email address, physical copies of aforesaid documents are being sent by the permitted mode.
23. Members can opt for one mode of voting i.e. either by physical ballot or through e-voting. If Members opt for e-voting then do not vote by Physical Ballot or vice versa. However, in case Members cast their vote both by Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by Physical Ballot will be treated as invalid.
24. In terms of the provisions of Section 107 of the Companies Act, 2013, since the resolutions as set out in this Notice are being conducted through e-voting or physical Ballot, the said resolutions will not be decided on a show of hands at the AGM. **The voting right of all shareholders shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date i.e. August 22, 2014.**
25. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the members facility to exercise their votes at the 30th AGM by electronic means and the business may be transacted through e-voting as per details below:-
  - a) Date and time of commencement of voting through electronic means: **Monday, September 15, 2014 at 9.30 a. m.**

- b) Date and time of end of voting through electronic means beyond which voting will not be allowed: **Wednesday, September 17, 2014 at 5.30 p. m.**
- c) During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date **August 22, 2014**, may cast their vote electronically irrespective of mode of receipt of notice by the shareholder. **The e-voting module shall be disabled by CDSL for voting thereafter.**
- d) Details of Website: [www.evotingindia.com](http://www.evotingindia.com)
- e) Details of Scrutinizer: Gayatri Bhide, Practising Company Secretary (ACS No. 31886), Prop., M/s. G. S. Bhide & Associates, Vapi (Gujarat). E-mail: [gayatribhideandco@gmail.com](mailto:gayatribhideandco@gmail.com)
- f) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change/ modify the vote subsequently.**
26. The instructions for Members for e-voting are as under:  
Applicable in all cases whether NOTICE is received by e-mail or in physical form:
- i Log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
  - ii Click on "Shareholders" tab
  - iii Now, select the JMD TELEFILMS INDUSTRIES LIMITED from the drop down menu and click on "SUBMIT"
  - iv Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - v Next enter the Image Verification as displayed and Click on Login.
  - vi If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
  - vii If you are a first time user follow the steps given below:
 

**For Members holding Shares in Demat Form and Physical Form**
- PAN Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)
- Members who have not updated their PAN with the Company/ Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/ folio number in the PAN field.
  - In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Suresh Prasad with folio number 900 then enter SU00000900 in the PAN field.
- DOB Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
- viii After entering these details appropriately, click on "SUBMIT" tab.
  - ix Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
  - x For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
  - xi Click on the EVSN for JMD TELEFILMS INDUSTRIES LIMITED on which you choose to vote.



- xii On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xiii Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiv After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xv Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvii If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
  - Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporate.
  - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

**In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).**

27. In terms of Clause 35B of the Listing Agreement, in order to enable its members, who do not have access to e-voting facility, to send their assent or dissent in writing in respect of the resolutions as set out in this Notice, a Proxy cum Ballot Form is attached. Members desiring to exercise vote by Ballot are requested to carefully read the instructions printed in the form, to complete the Ballot Form with assent (for) or dissent (against) and send it to Ms. Gayatri Bhide, Scrutinizer, C/o Purva Sharegistry (India) Private Limited, Unit: JMD Telefilms Industries Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011, Tel. No: +91 22-2301 8261, Fax No : +91 22- 2301 2517, E-mail : [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in) so as to reach him on or before September 18, 2014 by 5.30 p.m. Any Ballot Form received after the said date shall be treated as if the reply from the Members has not been received.
28. In light of the recent judgment of the Bombay High Court, until clarity is available members who have not voted electronically or through ballot, will be permitted to deposit the filled in Ballot Forms, physically at the AGM to enable them to exercise their vote.
29. (i) Members who have registered their e-mail addresses with the depositories or with the Company's RTA are being sent Notice of ballot by e-mail and members who have not registered their e-mail addresses will receive Ballot Form along with the Notice through Courier/ Post.  
(ii) Members can request for a Ballot Form at Purva Sharegistry (India) Private Limited, Unit: JMD Telefilms Industries Limited, No. 9, Shiv Shakti Industrial Estate, Ground Floor, J. R. Boricha Marg, Opposite Kasturba Hospital, Lower Parel, Mumbai-400 011 or they may also address their request through e-mail to: [purvashr@mtnl.net.in](mailto:purvashr@mtnl.net.in). Contact no +91 22 2301 8261.

- (iii) In case of voting by physical ballot, the institutional members (i. e. other than individuals, HUF, NRI, etc.) are required to send a copy of the relevant Board Resolution/ Authority Letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer along with the Ballot Form so as to reach the Scrutinizer on or before 5.30 p.m. on Thursday, September 18, 2014.
- (iv) The Scrutinizer will scrutinize the voting process (both e-voting and voting by physical ballot) in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favor or against, if any, forthwith to the Chairman of the Company. The results shall be declared on or after the AGM of the Company. The results declared along with the Scrutinizer's Report shall be available on the Company's website within two (2) days of passing of the resolution at the AGM of the Company and communicated to the stock exchange.
30. The shareholders can also access the Annual Report 2013-14 of the Company circulated to the Members of the Company and other information about the Company on Company's website, i.e., [www.jmdllimited.com](http://www.jmdllimited.com) or on Stock Exchange websites, which is [www.bseindia.com](http://www.bseindia.com).
31. Additional Information pursuant to Clause 49 of Listing Agreement with Stock Exchanges in respect of the Directors seeking appointments at the AGM are furnished and forms a part of Notice. The Directors have furnished the requisite consents/ declarations for their appointment.
32. Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
33. Members are requested to quote Folio Number/DPID & Client ID in their correspondence.
34. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Listing Fees for the financial year 2014-2015 have been paid to Bombay Stock Exchange Ltd.

### **Explanatory Statement pursuant to Section 102 of the Companies Act 2013**

#### **Item No. 5**

The Board at its meeting held on 12th August 2013, appointed Mr. Pawan N. Borad as Additional Director of the Company with effect from 12th August 2013, pursuant to Section 161 of the Companies Act, 2013.

Pursuant to Section 161 of the Companies Act, 2013, Mr. Pawan N. Borad will hold the office up to the date of ensuring AGM. The Company has received Notice in writing under the Provisions of Section 160 of the Companies Act, 2013 from the Member along with a necessary deposit proposing the candidature of Mr. Pawan N. Borad for the office of the Director.

The Company has received from Mr. Pawan N. Borad -

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

Further, the Board at its meeting held on 28th May 2014, also appointed (subject to approval of Members in AGM), Mr. Pawan N. Borad as Non-Executive, Independent Director of the Company for a period of 5 Years commencing on following terms & conditions -

1. Remuneration - As provided in the Resolution
2. Period of Appointment - 5 Years commencing from 12th August 2013
3. The Appointment may be terminated by either party by giving one month notice in writing of such termination or as may be mutually agreed between the parties.

The Resolution seeks the approval of members in terms of Sections 149 and 152 and Schedule IV of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors)



Rules, 2014, and other applicable provisions of the Companies Act, 2013 and the Rules made there under for the appointment of Mr. Pawan N. Borad a Non-Executive, Independent Director of the Company for a period of 5 years commencing from 12th August 2013.

No Director, Key Managerial Person or their Relatives, except Mr. Pawan N. Borad, to whom resolution relates, is interested or concerned in the resolution.

The Board recommends the Resolution set out forth in Item No. 5 for the approval of Members.

#### Item No. 6

The Board has appointed Mr. Ashok Bothra as Independent Director of the Company pursuant to Clause 49 of the Listing Agreement.

In accordance with Section 149 and 152 read with Schedule IV of the Companies Act, 2013 that have come into effect from 1 April 2014 and subsequent notification by the Ministry of Corporate Affairs vide its General circular no.14/2014 dated 9 June 2014, the Company is required to appoint its Independent Directors, including its existing Independent Directors in accordance with the provisions of the Companies Act, 2013 before 31st March 2015. Further, pursuant to the above provisions, the term of such Independent Directors is not liable to determination by rotation.

Accordingly, it is proposed to appoint Mr. Ashok Bothra as Independent Director of the Company in accordance with Section 149 of the Companies Act, 2013, not liable to retire by rotation and to hold office as under:

NAME	NO. OF YEARS	TERM
Mr. Ashok Bothra	5 Years	Up to the conclusion of 35th Annual General Meeting

The Appointments may be terminated by either party by giving one month notice in writing of such termination or as may be mutually agreed between the parties.

The Company has received from Mr. Ashok Bothra -

- Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 and;
- Intimation in Form DIR-8 in terms of Companies Appointment & Qualification of Directors) Rules, 2014, to effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The Company has also received notices from members along with the deposit of requisite amount under Section 160 of the Act proposing the candidatures of each of the above Directors for the office of Directors of the Company.

In the opinion of the Board, Mr. Ashok Bothra fulfills the conditions for their appointment as Independent Directors as specified in the Companies Act, 2013 and the Listing Agreement and is independent of the management.

A copy of the draft letter of appointment setting out the terms and conditions of appointments of Mr. Ashok Bothra is available for inspection, without any fee, by the members at the Company's registered office during normal hours on working days up to the date of the AGM.

Mr. Ashok Bothra is interested in the resolutions set out respectively at Item Nos. 6 of the Notice with regard to their respective appointment.

The relatives of Mr. Ashok Bothra may be deemed to be interested in the resolutions set out respectively at Item Nos. 6 of the Notice, to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in these resolutions.

The Board recommends the resolutions set forth in the Item Nos. 6 of the Notice for approval of the members.

**Details of Director seeking re-appointment in the 30th Annual General Meeting on 22nd September 2014 (in term of Clause 49 of the Listing Agreement)**

<p><b>Jagdish Prasad Purohit</b>                  Fathers' Name                  Date of Birth                  Date of Appointment                  Expertise in specific functional areas                   Years of Experience                  Qualifications                  List of outside Directorship held in Public Limited Cos.                   Member of Committee on the Board                  Member/Chairman of Committee in other Companies                   No. of Shares held in own name or in the name of Relatives</p>	<p>Balchand Purohit                  24th February 1958                  22nd March 2007                  Expertise in Accounts, Taxation, Capital &amp; Money Market and also having good knowledge of Secretarial matters.                  31 Years                  B. Com. LLB                  1. Unisys Softwares &amp; Holding Industries Ltd.                  2. Warner Multimedia Ltd.                  3. Scan Infrastructure Ltd.                  Not Any   <ul style="list-style-type: none"> <li>• Warner Multimedia Limited - Member of Audit Committee and Investor Grievance Committee</li> <li>• Scan Infrastructure Ltd. - Member of Audit Committee</li> <li>• Unisys Softwares &amp; Holding Industries Ltd. - Member of Audit Committee &amp; Investor Grievance Committee &amp; Chairman of Share Transfer Committee</li> </ul>                 13,000,000 Shares in the name of Relatives &amp; Trusts managed by Family Members</p>
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<p><b>Pawan N. Borad</b>                  Fathers' Name                  Date of Birth                  Date of Appointment                  Expertise in specific functional areas                  Years of Experience                  Qualifications                  List of outside Directorship held                  Member of Committee on the Board                   Member/Chairman of Committee in the name of Relatives                   No. of Shares held in own name or in the name of Relatives</p>	<p>Nagraj Borad                  11th September 1975                  12th August 2013                  In depth knowledge of Secretarial, Company Law, Accounts, Audit &amp; Taxation Matters                  10 Years                  B.Com.                  Prime Capital Market Limited                  Chairman - Audit Committee &amp; Share Transfer Committee                  Member - Investor Grievance Committee  <ul style="list-style-type: none"> <li>• Prime Capital Market Limited - Member of Audit Committee and Share Transfer Committee, Chairman - Investor Grievance Committee</li> </ul>                 Nil</p>
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Mumbai, May 28, 2014

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

**Registered Office :**

Unit No. 323 & 324, 3rd Floor  
 Building No. 9, Laxmi Plaza  
 New Link Road, Andheri (West)  
 Mumbai-400 053

**Kailash Prasad Purohit**  
 (DIN : 01319534)  
 Chairman & Managing Director

## Directors' Report

To

The Members,

Your Directors have pleasure in presenting the 30th Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2014.

(₹ in Lac)

Financial Results	Year Ended 31.03.2014	Year Ended 31.03.2013
Gross Sales / Income	38309.15	25112.29
Profit before Tax & Extraordinary Items	103.18	103.49
Less : Provision for Taxation	34.73	32.99
Profit after Tax	68.45	70.50
Less : Prior Period Adjustments	0.00	0.00
Profit available for Appropriation	68.45	70.50
<b>Appropriated as under :</b>		
Proposed Dividend	36.07	36.07
Corporate Tax on above Dividend	5.85	5.85
Transfer to General Reserve	3.42	5.00
Net Profit available for the year	23.11	23.58
Balance brought forward from Previous Year	429.76	406.18
Balance carried forward to Next Year	452.87	429.76

### OVERVIEW OF ECONOMY

A survey by global consultancy firm Ernst & Young (E&Y) sees India as the world's most attractive investment destination. With the opening up of foreign direct investment (FDI) in several sectors, India is today an eye-catching destination for overseas investors. The relaxation of norms by the government has created a vast opportunity for foreign players, who are competing for a greater role in the Indian market. Sectors projected to do well in the coming years include automotive, technology, life sciences and consumer products.

The World Bank has projected an economic growth rate of 5.7 per cent in FY 15 for India, due to a more competitive exchange rate and several significant investments going forward.

India is the third biggest economy in the world in terms of purchasing power parity (PPP), according to a World Bank report. The country was ranked 10th in the previous survey conducted in 2005.

The stakes held by foreign institutional investors (FII) in Indian companies touched a record high in the fourth quarter of FY 14. The estimated value of FII holdings in India stands at US\$ 279 billion.

### OVERALL PERFORMANCE & OUTLOOK

The Business environment remains extremely challenging and the continued recessionary economic conditions leading to slowdown in demand and inflation pushed scale up of input costs left its adverse imprint on overall performance for 2013-2014. Gross Sales / Revenue were in line during the year in comparison to last financial year but Profit Margin remained under pressure in spite of significant increase in Turnover.

Directors are pleased to inform that in spite of difficult times, your Company, based on its intrinsic

strength, has broadly maintained its performance. Gross income from operations remained satisfactory to an amount of ₹ 68.45 Lac during the year in comparison to last years' income of ₹ 70.50 Lac.

The Company is in to the Business of Music recording, trading of Imported Mobile Instruments & Accessories & Softwares as well as investment activities Capital Market.

The outlook for the current year is expected to be challenging mainly due to sluggish economy. However, your Company expects to grow despite the adverse environment due to its commitment to clients of the Company.

#### **DIVIDEND**

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2014 at 5 Paise (Five Paise) per share or 5% (five percent) on face value of ₹ 1/- each, subject to approval of Members at the ensuing Annual General Meeting.

#### **SUBSIDIARY COMPANY & ITS PERFORMANCE**

The Central Government vide General Circular No. 2/2011 dated February 8, 2011 has exempted the holding companies from attaching Annual Accounts and other documents in respect of its subsidiaries to the Annual Report of the holding companies from the financial years ended on or after March 31, 2011. As required vide above Circular, statement in respect of its subsidiary, giving details of capital, reserves, total assets and liabilities, details of investments, turnover, profit before taxation and proposed dividend is attached to the Consolidated Balance Sheet, Annual accounts of the subsidiary companies and the related detailed information will be made available to the shareholders of the Company, seeking such information and will also be made available for inspection at the Registered Office of the Company.

#### **DOMESTIC COMPANY**

M/s. JMD Broadcasting Private Limited (Formerly known as Aalap Performing 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 as License is yet to be approved by Central Government. Further during the year, the Company has earned net income of ₹ 2.01 Lac after the provision of taxation.

#### **MANAGEMENT DISCUSSION & ANALYSIS**

As required by Clause 49 of Listing Agreement, the Management Discussion and Analysis is annexed and forms part of the Directors' Report.

#### **CONSOLIDATED FINANCIAL STATEMENTS**

In accordance with Accounting Standard 21, issued by the Institute of Chartered Accountants of India, Consolidated Financial Statements have been provided in the Annual Report. These Consolidated Financial Reports provide financial information about your Company and its subsidiary companies as a single economic entity. The Consolidated Financial Statements forms part of this Annual Report.

#### **MANAGEMENT**

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

#### **DIRECTORS**

During the Year Mr. Pravin Sawant has resigned from the Board w.e.f. 12th August 2013 and in his place the Board has appointed Mr. Pawan Borad as Non-Executive, Independent Director of the Company w.e.f. 12th August 2013.

In accordance with the provisions of Act and Articles of Association of your Company, Mr. Jagdish Prasad Purohit, Director of your Company, retires by rotation and are due for election at the ensuing Annual General Meeting. Mr. Jagdish Prasad Purohit, being eligible, offers himself for re-appointment.

The Board recommends the appointment of Mr. Jagdish Prasad Purohit pursuant to the applicable provisions of the Act. The resolutions seeking your approval on this item along with the requisite disclosures/explanatory statement are included in the Notice for convening the Annual General Meeting.

Further, none of the Directors of the Company are disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

### **INDEPENDENT DIRECTORS**

As per provisions of Section 149 of the 2013 Act, independent directors shall hold office for a term up to five consecutive years on the board of a company, but shall be eligible for re-appointment for another term up to five years on passing of a special resolution by the company and disclosure of such appointment in Board's Report. Further Section 152 of the Act provides that the independent directors shall not be liable to retire by rotation in the Annual General Meeting ('AGM') of the Company.

As per Revised Clause 49 of the Listing Agreement (applicable from October 1, 2014), any person who has already served as independent director for five years or more in a company as on October 1, 2014 shall be eligible for appointment, on completion of the present term, for one more term of up to 5 (five) years only.

### **SITUATION OF REGISTERED OFFICE**

The Company has shifted its Registered Office within the state of Maharashtra from Jaisingh Business Centre, Ground Floor, CTS No. 119, Parsiwada, Sahar Road, Andheri (E), Mumbai – 400 099 to the following new premises –

Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053. Tel : +91 22 6565 3453, Fax : +91 22 2677 3832

### **DIRECTORS RESPONSIBILITY STATEMENT**

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

1. In the preparation of the annual accounts, for the year ended 31st March 2014, 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; and
4. The Directors had prepared the annual accounts on a going concern basis.

### **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.

**INFORMATION TECHNOLOGY**

Your Company believes that in addition to progressive thought, it is imperative to invest in Information and Technology to ascertain future exposure and prepare for challenges. In its endeavor to obtain and deliver the best, your Company has tie-ups with an IT solution Company to harness and tap the latest and the best of technology in the world and deploy/absorb technology wherever feasible, relevant and appropriate.

**RESEARCH & DEVELOPMENT**

The Company believes that technological obsolescence is a reality. Only progressive research and development will help us to measure up to future challenges and opportunities. We invest in and encourage continuous innovation. During the year under review, expenditure on research and development is not significant in relation to the nature size of operations of your Company.

**AUDITORS**

The Auditors M/s Mehta Kothari & Associates, Chartered Accountants, Mumbai who are Statutory Auditors of the Company and holds the office until the conclusion of ensuing Annual General Meeting and are recommended for re-appointment to audit the accounts of the Company from the conclusion of the 30th Annual General Meeting up to the conclusion of the 35th consecutive Annual General Meeting (subject to ratification by the members at every subsequent AGM). As required under the provisions of Section 139 & 142 of the Companies Act, 2013 the Company has obtained written confirmation under Rule 4 of the Companies (Audit and Auditors) Rules, 2014 from M/s. Mehta Kothari & Associates; that they are eligible for appointment as auditors, and are not disqualified for appointment under the Companies Act, 2013, the Chartered Accountants Act, 1949, or the rules and regulations made there-under; the proposed appointment is as per the term and within the limits laid down by or under the authority of the Companies Act, 2013 and that there are no proceedings pending against them or any of their partners with respect to professional conduct.

**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.

**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 throughout 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, 1975 is reported to be NIL.

**PARTICULARS UNDER SECTION 217(1)(e) OF THE COMPANIES ACT, 1956**

The Company was having business of trading of Software (Mobile Applications), Music Recording and Investing activities in Capital Market during the year under review and 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.

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.



**PUBLIC DEPOSITS**

During the year under review, your Company has not accepted any deposits from the public within the meaning of section 58A of the Companies Act 1956 and the rules there under.

**REPORT ON CORPORATE GOVERNANCE**

The Company conforms to the norms of Corporate Governance as envisaged in the Companies Act, 1956 and the Listing Agreement with the Bombay Stock Exchange Limited. Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance and the Auditors Certificate on Corporate Governance are annexed to this report.

**APPRECIATION**

Your Directors wish to place on record their appreciation towards the contribution of all the employees of the Company and their gratitude to the Company's valued customers, bankers, vendors and members for their continued support and confidence in the Company.

Mumbai, May 28, 2014

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

**Registered Office :**

Unit No. 323 & 324, 3rd Floor  
Building No. 9, Laxmi Plaza  
New Link Road, Andheri (West)  
Mumbai-400 053

**Kailash Prasad Purohit**  
(DIN : 01319534)  
Chairman & Managing Director

## Management Discussion & Analysis

### MACROECONOMIC ENVIRONMENT

In the recent past, the Indian economy has had to overcome varied challenges in its resolve to sustain its economic success. The major challenges included: unsupportive external environment, domestic structural constraints, growth slowdown and inflationary pressures. The slowdown manifested in the decline in the growth of Gross Domestic Product (at factor cost at constant 2004-05 prices) from 8.9 per cent in 2010-11 to 6.7 per cent in 2011-12 and 4.5 per cent in 2012-13. With the economy projected to have registered a growth rate of 4.9 per cent in 2013-14, the declining trend in growth seems to have reversed. The growth slowdown in India is broadly in sync with trends in similar emerging economies. The sharp downturn in growth owes to the interface of domestic factors with the global economic environment of uncertainties and slow growth in many advanced economies. The growth of real GDP has generally shown a declining trend since the first quarter (Q1) of 2011-12, and is characterized by a moderation in services growth and a protracted slowdown in industry. The revival in agriculture on the back of a steady monsoon and robust growth in financial and business services led to a modest uptick in growth in 2013-14.

The policy response of the Government to the present growth slowdown has been in the form of structural reforms aimed at reducing entry-barriers and boosting competition and productivity in various sectors; fiscal consolidation and reforms in administered prices; further strengthening of financial/banking sectors; introduction of instruments to encourage financial savings of households; measures to restart the investment cycle through support to infrastructure financing and encouragement to micro, small and medium enterprises (MSMEs); steps to revive growth in manufacturing and reforms in energy pricing. These policies have gone hand-in-hand with macroeconomic stabilization that has had to balance the concerns of inflation and growth recovery, while managing a volatile external situation characterized by a sharp depreciation of the Rupee witnessed till the second quarter (Q2) of 2013-14.

The monetary policy stance of the Reserve Bank of India has been driven by the imperatives of keeping inflation in check and supporting growth revival while managing a complex external economic situation. With moderation in overall headline inflation, as per the Wholesale Price Index (WPI), during 2012-13 and during the first two quarters of 2013-14, there was a reduction in the repo rate by 25 basis points in May 2013. Headline WPI inflation averaged 6.16 per cent during 2013-14 (April-December) as compared to 7.56 per cent in the corresponding period of the previous year. Despite easing, the level of inflation is high, especially in terms of consumer price indices.

In the face of growing uncertainties in global financial conditions, monetary easing was paused in June 2013. However, there has been significant improvement in the external situation. With acceleration in the growth of exports and decline in imports, the trade deficit for 2013-14 (April-December) has narrowed considerably. Reduction in the trade deficit, complemented by a rise in net invisibles receipts, resulted in significant reduction in the current account deficit (CAD) in the first half (H1) of 2013-14. In response to these developments, and due to steps undertaken to moderate the CAD, the exchange rate, that breached the level of 68 per US\$ in August 2013, recovered to 61.16 per US\$ on October 11, 2013. The exchange rate of the rupee averaged 61.91 per US\$ in December 2013.

On the fiscal front, the slowdown in growth affected tax collections and receipts from disinvestment of Public Sector Undertakings. However, the Government is on track to achieve the fiscal deficit to GDP target envisaged for 2013-14

### REVIEW OF OPERATIONS

During the financial year 2013-2014, the Company registered a gross sale/ income of ₹38,309.15 Lac as compared to ₹25,112.29 Lac in previous financial year. PBT Margin remains at ₹103.18 Lac in comparison to last years' figure of ₹103.49 Lac whereas Net Profit remains at ₹68.45 Lac in comparison to last years' figure of ₹70.50 Lac, which is almost the same in comparison to last years' performance.

In term of Segmental Operations, the Company has earned a Profit before Tax (PBT) of ₹ 15.75 Lac from Mobile Application Software, ₹ 25.30 Lac from Music CDs and Studio Rent, ₹ 19.45 Lac from Investment Activities, and ₹ 42.68 Lac from Other activities.

Further the Company has proposed a Dividend @ 5% to its Members and therefore, has provided sum of ₹ 41.92 Lac for payment of Dividend including Tax thereon. The Dividend will be payable subject to confirmation by Members in ensuring Annual General Meeting.

### **BUSINESS SEGMENT**

During the year, the Company was into the business of Music Recording (Entertainment Industry), Software (Mobile Applications) Trading, Recording & Sale of Music CDs in its retail outlets or through Franchisees, Renting of Musical Studio as well as Investment activity in Capital Market in accordance with the Accounting Standard 17 notified by Companies (Accounting Standards) Rules 2006.

### **SEGMENT WISE PERFORMANCE**

#### **Music & Software Segment**

Your Company has done well in the Music & Software segment in spite of unfavorable business environment. The Turnover of the Company in the segment was ₹ 38049.58 Lac, a significant growth of 54.81% in comparison to last years' figure of ₹ 24577.43 Lac. Profit margin from said activities stood at ₹ 15.75 Lac in comparison to previous years' figure of ₹ 59.81 Lac. The decline in Profit Margin was due to the tuff competition in industry as well as due to non-modernization of its Music Studio in alignment with recent demand of industry.

#### **Music Arena & Recording Studio**

The Company's performance in the sector during the year was more or less; inline in comparison to previous financial year The Company has made a profit of ₹ 25.30 Lac in comparison to last years' profit figure of ₹ 31.00 Lac from this segment.

#### **Income from Investment in Shares & Securities**

The Company has done well in this segment of business and has earned a net profit of ₹ 19.45 Lac before provision of taxation. This earning was in spite of steep fall in the price of shares and securities, lack of volatility and range bound market condition.

### **OPPORTUNITIES**

The Indian Music Industry (IMI) is a trust that represents the recording industry distributors in India. It was founded on February 28, 1936 as Indian Phonographic Industry (IPI). Its' the 2nd oldest music industry organization in the world that was involved in protecting copyrights of music producers and supporting growth of music entertainment industry. In 1994, it was renamed as Indian Music Industry (IMI) and represented India at the International Federation of the Phonographic Industry (IFPI). It is also registered with the West Bengal Societies Registration Act. All major music labels in India are part of this association. The IMI represents over 75% of all legal music sales in India.

Digital music in various forms and formats is filling up the coffers of old music firms. Independent artistes, internet services and new-age publishers are giving the industry a new lease of life. Ringtones, ringback tones, downloads and mobile radio streaming services, besides downloaded singles and albums from online stores are generating additional fees from mobile subscribers and more licensing revenue for record companies.

What initially saved the domestic music industry was mobile value-added services or VAS. Besides consumers services such as ringtones and downloads, the royalty paid to labels by mobile operators for using their songs, also helped in increasing sales.

Then came the growth of digital albums. By the end of last year, several countries including India, US, Norway and Sweden, saw digital sales making up more than half of the music revenue kitty, the digital report said.

Today Indian Music Industry has undergone a complete change with the process of internationalization. The Music Industry today reaches every nook and corner all over the world reaching the Indian and even Non Indians. This mainly is due to the Retail revolution in music distribution and increased penetration of CDs.

Initiatives taken by the government of Impending radio privatization which would de-regulate radio frequencies, assigning 150 new FM stations to an industry which, up until now, has benefited from less than 10 radios broadcasting music hit.

Exports of Indian film soundtracks to around the world listeners that are expected to keep on growing overseas. For example the film music of Kuch Kuch Hota Hai sold over 200 0000 units in 20 countries.

In Stock Market or Capital Market, the first and foremost thing of strength is its ability to provide high return. SEBI is a regulatory body of Indian stock market which protects the interest of the investors which is an added benefit of Stock Market. Large number of securities which provides medium for investment and thus people can make money by way of investing wisely in Stock Market. Large number of Brokers are in the Market who plays a role of facilitator for investment.

### **THREATS & CONCERNS**

Within the next two years, India will be the second largest Internet market in the world, and the world's leading English language market, with an estimated 330-370 million Internet users. Mobile penetration stands at around 70% with an increasing number of mobile (smart phone and tablet) users (estimated at around 22 million) having 3G Internet access. The Indian Government continues investing in infrastructure to support this growth under its National Broadband Policy, and opportunities for expansion of India's online marketplace for copyright content theoretically abound. However, without adequate legal protection and enforcement against illegal BitTorrent, cyberlocker, web-based file hosting, wireless access protocol (WAP), blogs, and online radio sites or services (catering to Indian demand for music, movies and television programming, software, games, and books), India's legitimate online marketplace will remain stunted.

A recent reported study tracking downloading IP-addresses on peer-to-peer (P2P) networks for films and television content found India to be in the top ten Internet piracy countries in the world. In 2013, the Entertainment Software Association (ESA) reports that India once again placed sixth in the world in terms of the number of connections by peers participating in the unauthorized file sharing of select ESA member titles on public P2P networks. Pirated versions of movies often appear on the Internet in India within hours of their release in the movie theater, available through BitTorrent, cyberlocker, or web-based file hosting sites or services. The Internet piracy situation in India is fluid, as sites subject to enforcement or court orders merely migrate to avoid enforcement or further detection. Hundreds of sites target international and Indian movies and music, as well as other copyright materials. The prevalence of these readily accessible sites indicates that local Indian creators are being harmed significantly by online piracy, a factor that the Indian Government should take into account.

A more centralized enforcement response to the proliferating online piracy problem is needed. In 2012 and again in 2013, the music industry association obtained civil court orders to take down more than 250 dedicated piracy sites. These orders are a helpful indicator of a nascent Indian Government willingness to address online infringement, but much more will be required to drive down online music piracy and create the space needed for the operation of legitimate music services. The motion picture industry notes some cooperation for takedowns of hosted content on traditional sites (e.g., user-generated content sites) but inadequate support from ISPs and law enforcement for taking down dedicated piracy sites. Since piracy sites and those offering the sale of pirated materials for mobile devices generally operate openly in India without fear of legal action, a much stronger enforcement response is needed on the part of all relevant agencies of the Government. If necessary, as discussed below, laws and regulations should be fine-tuned to permit effective action against online piracy services, beyond the basic structure established under the Copyright Act. In addition, it is suggested that the Indian Government convene regularized communications between right holders and the major ISPs, or at least ensure that such meetings occur, to foster voluntary and mutual cooperative efforts.

Regarding Capital Market, there is always a threat of low volatility, lack of participants in the market, changes in Government Regulations, increase in taxes on trading/investing as well as steep fall in the Shares and Securities due to any adverse performance of the Companies, where the Company has invested in its Equity Shares.

### **RISK MANAGEMENT**

The Company has aligned its policy on risk assessment in line with global approach and risk assessment reports are reviewed on regular intervals. The Company has adopted a focused approach towards risk management in the form of a corporate insurance program which has the goal of optimizing the financing of insurable risks by using a combination of risk retention and risk transfer. The program covers all potential risks relating to business operations of the Company at its various locations.

The Company's business critical software is operated on a server with regular maintenance and back-up of data. The system's parallel architecture overcomes failures and breakdowns. Reliable and permanently updated tools guard against virus attacks. Updated tools are regularly loaded to ensure a virus free environment.

### **INTERNAL CONTROLS SYSTEMS AND ADEQUACY**

The Company has implemented a comprehensive system of internal controls and risk management systems for achieving operational efficiency, optimal utilisation of resources, credible financial reporting and compliance with local laws. These controls are regularly reviewed by both internal and external agencies for its efficiency and effectiveness. Management information and reporting system for key operational activities form part of overall control mechanism.

The Company has retained the services of independent firms of professionals to function as internal auditors and provide reports on various activities covering observations on adequacy of internal controls and their recommendations. Findings of internal audit reports and effectiveness of internal control measures are reviewed by top management and audit committee of the Board. During the year, internal audit team of Company performed audits of major operational areas of the Company and carried out elaborate checks and verification and shared their findings with top management for remediation of minor gaps wherever required.

### **HUMAN RESOURCES**

The Company recognizes that its success is deeply embedded in the success of its human capital. During 2013-2014, the Company continued to strengthen its HR processes in line with its objective of creating an inspired workforce. The employee engagement initiatives included placing greater emphasis on learning and development, launching leadership development programme, introducing internal communication, providing opportunities to staff to seek inspirational roles through internal job postings, streamlining the Performance Management System, making the compensation structure more competitive and streamlining the performance-link rewards and incentives.

The Company believes that learning is an ongoing process. Towards this end, the Company has built a training infrastructure which seeks to upgrade skill levels across grades and functions through a combination of in-house and external programme.

### **CORPORATE SUSTAINABILITY AND SOCIAL RESPONSIBILITY**

The Company constantly strives to meet and exceed expectations in terms of the quality of its business and services. The Company commits itself to ethical and sustainable operation and development of all business activities according to responsible care and its own code of conduct. Corporate Social Responsibility is an integral part of the Company's philosophy and participates in activities in the area of education and health.

### **CAUTIONARY STATEMENT**

Certain statements under "Management Discussion & Analysis" describing the Company's objectives, projections, estimates, expectations or predictions may be forward looking statement

within the meaning of applicable securities laws and regulations. Although the expectations are based on reasonable assumptions, the actual results could materially differ from those expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

### **COMPLIANCE**

The Compliance function of the Company is responsible for independently ensuring that operating and business units comply with regulatory and internal guidelines. The Compliance Department of the Company is continued to play a pivotal role in ensuring implementation of compliance functions in accordance with the directives issued by regulators, the Company's Board of Directors and the Company's Compliance Policy. The Audit Committee of the Board reviews the performance of the Compliance Department and the status of compliance with regulatory/internal guidelines on a periodic basis.

New Instructions/Guidelines issued by the regulatory authorities were disseminated across the Company to ensure that the business and functional units operate within the boundaries set by regulators and that compliance risks are suitably monitored and mitigated in course of their activities and processes. New products and process launched during the year were subjected to scrutiny from the Compliance Standpoint and proposals of financial services were screened from risk control prospective.

The Company has complied with all requirements of regulatory authorities. No penalties/strictures were imposed on the Company by stock exchanges or SEBI or any statutory authority on any matter related to capital market during the last three years.

Mumbai, May 28, 2014

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

### **Registered Office :**

Unit No. 323 & 324, 3rd Floor  
Building No. 9, Laxmi Plaza  
New Link Road, Andheri (West)  
Mumbai-400 053

**Kailash Prasad Purohit**  
(DIN : 01319534)  
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 CORPORATE GOVERNANCE

Corporate Governance for the Company means achieving high level of accountability, efficiency, responsibility and fairness in all areas of operation. Our Employees are committed towards the protection of the interest of the Stakeholders viz. Shareholders, creditors, investors, clients etc. Our policies consistently undergo improvements keeping in mind our goal i.e. maximization of value of all the stakeholders.

#### The goal is achieved through –

- ✓ Infusion of best expertise in the Board;
- ✓ Consistent monitoring and improvement of the human and physical resources;
- ✓ Board/Committee meetings at regular intervals to keep the Board informed of the recent happenings.

### GOVERNANCE STRUCTURE

The Corporate Governance Structure at JMD Telefilms Industries Ltd. (JMD) is as under :-

1. **Board of Directors** : The Board is entrusted with the ultimate responsibility of the management, directions and performance of the Company. As its primary role is fiduciary in nature, the Board provides leadership, strategic guidance, objective and independent view to the Company's management while discharging its responsibilities, thus ensuring that the management adheres to ethics, transparency and disclosure.
2. **Committees of the Board** : The Board has constituted the following committees viz. Audit Committee, Share Transfer Committee and Investors' Grievance Committee. Each of said Committee has been managed to operate within a given framework.

### BOARD OF DIRECTORS

#### Composition of Directors

The Board has four members with an executive Chairman. The Independent Directors on the Board are competent and highly respected professionals from their respective fields and have vast experience in general corporate management, finance, banking and other allied fields which enable them to contribute effectively to the Company in their capacity as members of the Board. The day to day management of the Company is conducted by Managing Director subject to supervisions and control of the Board.

None of the Independent Directors has any material pecuniary relationships or transactions with the company, its promoters, directors and associates which in their judgment would affect their independence.

The Board of Directors met 5 times on 29th May, 12th August, 13th August and 8th November in year 2013 and on 14th February in the year 2014 during the financial year 2013-2014.

The composition and category of the Board of Directors as at March 31, 2014, the number of other Directorships/Committee memberships held by them and also the attendance of the Directors at the Board meetings of the Company are as under:

Name	Designation	DIN	Date of Joining	Board Meetings Attended	Whether Attended AGM	Committee Membership in other Public Ltd. Cos.	Committee Chairman-ship in other Public Ltd. Cos.	No. of Directorship in other Public Ltd. Cos.
Kailash Prasad Purohit	Chairman & Managing Director	01319534	1st April 2002	5	Yes	1	1	2
Jagdish Prasad Purohit	Non-Executive Director	00083125	22nd March 2007	5	Yes	6	Nil	3
Pawan N. Borad	Independent Director	02806493	12th Aug 2013	4	Yes	2	1	1
Ashok Bothra	Independent Director	01734863	20th Dec. 2005	5	Yes	10	5	6

### AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors and 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 Limited, (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.

### Terms of Reference

The Audit Committee inter alia performs the functions of approving Annual Internal Audit Plan, review of financial reporting System, internal control system, discussion on quarterly, half-yearly and annual financial results, interaction with Statutory & Internal Auditors, one-on-one meeting with Statutory and Internal Auditors, recommendation for the appointment of Statutory and fixing their remuneration, appointment and remuneration of Internal Auditors, Review of Business Risk Management Plan, Management Discussions & Analysis, Review of Internal Audit Reports, significant related party transactions. The Company has framed the Audit Committee Charter for the purpose of effective compliance of Clause 49 of the Listing Agreement. In fulfilling the above role, the Audit Committee has powers to investigate any activity within its terms of reference, to seek information from employees and to obtain outside legal and professional advice.

Additionally, the following terms of reference were issued to the Audit Committee by the Board of Directors:

- to consider and recommend to the Board the investment guidelines for Capital and Money Market operations;
- to review the Annual Budget;
- to take note of the significant decisions taken or important developments considered at the Management
- Committee/Working Board Meetings; and
- to carry out any other duties that may be delegated to the Audit Committee by the Board of Directors from time-to-time.

### Authority and Responsibilities

The Audit Committee has power to investigate any activity within its terms of reference, call upon any of the Employees of the Company, to obtain outside legal or other professional advice as and when the same is being required and to secure attendance of outsiders with relevant expertise, if it considers necessary.

Following are the Role of Audit Committee –

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, 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.
7. Review and monitor the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. 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;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;

19. 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 and background, etc. of the candidate;
20. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

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

- i Management discussion and analysis of financial condition and results of operations;
- ii Statement of significant related party transactions submitted by management;
- iii Management letters / letters of internal control weaknesses issued by the statutory auditors and qualification in draft audit report;
- iv Internal audit reports relating to internal control weaknesses;
- v The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

The members of Audit Committee met four times on 29th May, 13th August & 8th November in year 2013 and on 14th February in year 2014 during the financial year ended on 31st March 2014.

Name	Number of Meetings Held	Meetings Attended
Kailash Prasad Purohit	4	4
Ashok Bothra	4	4
Pravin Sawant*	1	1
Pawan N. Borad*	3	3

\* Chairman of the Committee; Resigned and Appointed w.e.f. 12th August 2013

#### 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 and Directors' sitting fees was Nil during the financial year 2013-2014.

No Stock option has been allotted to any of the Directors during the financial year 2013-2014.

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 / Pawan N. Borad, Independent Director with two other Directors namely Mr. Kailash Prasad Purohit & Mr. Ashok Bothra.

The members of Share Transfer Committee met four times on 29th May, 13th August and on 8th November in year 2013 and on 14th February in year 2014 during the financial year ended on 31st March 2014.

Name	Number of Meetings Held	Meetings Attended
Mr. Kailash Prasad Purohit	4	4
Mr. Ashok Bothra	4	4
Mr. Pravin Sawant*	1	1
Mr. Pawan N. Borad	3	3

\* Chairman of the Committee; Resigned and Appointed w.e.f. 12th August 2013

**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 Shareregistry 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. Rajesh Joshi, as 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 2, June 4, July 2, August 1, September 3, October 1, November 1 and December 3 in year 2013 and on January 2, February 1 and March 1 in year 2014.

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	5
Mr. Pawan N. Borad	Member	Independent, Non-Executive	7
Mr. Kailash Prasad Purohit	Member	Promoter, Executive	12

\* Chairman of the Committee

**DETAILS OF SHAREHOLDERS' COMPLAINTS**

There was Nil Complaint at the beginning of Financial Year, and the Company did not receive any complaint from any of its Members and thus there were Nil Complaints at the end of Financial Year ending on 31st March 2014.

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.

The Company has designated email ID under Clause 47(f) of Listing Agreement and the same is jmdtele@gmail.com to lodge Investor complaints. Apart from this, the SEBI has also facilitated Investors to lodge complaints directly on SCORES section on SEBI website for faster addressing and resolutions of Investor Complaints.

**GENERALBODYMEETINGS**

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
29th Annual General Meeting	20th September 2013 2.00 PM	Jaisingh Business Centre, CTS No. 119, Parsiwada, Sahar Road, Andheri (E), Mumbai - 400099
28th Annual General Meeting	25th September 2012 2.00 PM	Jaisingh Business Centre, CTS No. 119, Parsiwada, Sahar Road, Andheri (E), Mumbai - 400099
27th Annual General Meeting	23rd September 2011 11.00 AM	Axis Bank Hall, Springfields, Lokhandwala Complex, Andheri (W), Mumbai- 400 053

**SPECIALRESOLUTIONSPASSEDATLASTTHREEANNUALGENERALMEETINGS:**

No special resolutions were proposed during last three financial years for taking up the same and resolving in Annual General Meetings.

**PASSING OF RESOLUTION BY POSTAL BALLOT:**

No Resolutions were passed by means of Postal Ballot during last three financial years.

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 as during financial year 2013-2014.

**BOARD DISCLOSURES****Compliance with Governance Framework**

The Company is in compliance with all mandatory requirements of Clause 49 of Listing Agreement. In addition, the Company has also adopted the non-mandatory requirements of constitution of Remuneration and Nomination Committee and tenure of office of Independent Directors i.e. in financial year 2014-2015.

Disclosure on materially significant related parties transactions that may have potential conflict of interests of the Company at large

There are no materially significant related party transactions made by the Company with its Promoters, their subsidiaries, Directors, Senior Management or relatives etc., which may have potential conflict with the interest of the Company at large.

**Disclosure of Accounting Treatment**

In the preparation of financial statements, the Company has followed the Accounting Standards referred to in Section 211(3)(c) of the Companies Act, 1956. The Significant Accounting Policies which are consistently applied are set out in the Notes to the Financial Statements.

**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.

### **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 party 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. 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.

### **CODE OF BUSINESS CONDUCT & ETHICS**

The Company has adopted Code of Business Conduct and Ethics ("the Code") which is applicable to the Board of Directors and Senior Management Team (one level below the Board of Directors) of the Company. The Board of Directors and the members of Senior Management Team are required to affirm semi-annual compliance of this Code. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company website.

### **CONFLICT OF INTEREST**

Each Director informs the Company on an annual basis about the Board and the Committee positions he occupies in other companies including Chairmanships and notifies changes during the year. Members of Board while discharging their duties, avoid conflict of interest in the decision making process. The members of Board restrict themselves from any discussions and voting in transactions that they have concern or interest.

**DISCLOSURES ON NON-MANDATORY REQUIREMENTS**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure ID 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 Company has complied with all mandatory provisions of listing agreement.
- e) The financial statements of the Company are unqualified.
- f) The Board of Directors of the Company 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.jmdlimited.com](http://www.jmdlimited.com).
- Official News releases have been posted on its web portal [www.jmdmusic.com](http://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 is available on its website [www.jmdlimited.com](http://www.jmdlimited.com) and also on BSE website [www.bseindia.com](http://www.bseindia.com). Further, Annual Report can be obtained from its Registrar & Share Transfer Agent M/s. Purva Shareregistry (India) Pvt. Ltd. by way of sending request either in physical or by email on its given address.

**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 30th Annual General Meeting for the financial year ended on 31st March 2014 is as follows :-

Date	:	22nd September 2014
Time	:	2.00 P.M.
Venue	:	Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza New Link Road, Andheri (West), 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 2014	Mid of August, 2014
Financial Reporting of 2nd Quarter ended on 30th September 2014	Mid of November, 2014
Financial Reporting of 3rd Quarter ended on 31st December 2014	Mid of February 2015
Financial Reporting of 4th Quarter ended on 31st March 2015	During May 2015
Date of Annual General Meeting	During September 2015

**d. Date of Book Closure :** September 15 to September 22, 2014. (Both days inclusive)

**e. Dividend Payment :** The Board of Directors are pleased to recommend the payment of Dividend 5 Paise per Equity Share of ₹ 1/- each (i.e. 5 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 22th October 2014.

**f. Listing of Shares :** BSE Limited (BSE)

**g. Custody Charges & Listing Fees :** Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2014-2015 have been paid

**h. Stock Code & ISIN Code :** 511092 on BSE

INE047E01023 on CDSL & NSDL

**I. Market Price Data (Face Value of ₹ 1/- per Equity Share):**

Month	Price on BSE (₹) & Volume			BSE Sensitive Index	
	High	Low	Volume	High	Low
April 2013	10.30	8.15	1,76,802	19622.68	18144.22
May 2013	10.00	7.06	1,57,492	20443.62	19451.26
June 2013	10.35	6.34	4,42,772	19860.19	18467.16
July 2013	8.20	6.11	7,34,561	20351.06	19126.82
August 2013	7.20	5.12	2,30,649	19569.20	17448.71
September 2013	6.30	2.90	2,14,013	20739.69	18166.17
October 2013	5.35	2.86	2,51,449	21205.44	19264.72
November 2013	6.24	5.45	74,575	21321.53	20137.67
December 2013	8.08	6.12	46,401	21483.74	20568.70
January 2014	9.31	7.66	58,418	21409.66	20343.78
February 2014	9.16	5.71	36,370	21140.51	19963.12
March 2014	8.82	5.70	26,126	22467.21	20920.98

**j. Registrar & Share Transfer Agent.**

M/s. Purva Sharegistry (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 Sharegistry (India) Pvt. Ltd.**

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

Tel : 022-2301 6761 / 2301 8261, Fax : 022-2301 2517, Email : purvashr@mtnl.net.in

Website : www.purvashare.com

**k. Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Sharegistry (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 2014**

Categories	No. of Shares	% of Shareholding
Promoters, Directors & Relatives & Person acting in concert	15300000	21.21
Indian Bank / Mutual Funds	0	0.00
NRI/OCBS	13976	0.02
Private Corporate Bodies	42244653	58.55
Indian Public	13840863	19.18
Hindu Undivided Family	746079	1.03
Others (Clearing Members)	429	0.00
<b>Total .....</b>	<b>72146000</b>	<b>100.00</b>

**m. Distribution of Shareholding as on 31st March 2014.**

No. of Equity Shares	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
1-5000	1492	86.19	1208938	1.68
5001-10000	60	3.47	476975	0.66
10001-20000	46	2.66	661984	0.92
20001-30000	17	0.98	434046	0.60
30001-40000	9	0.52	320334	0.44
40001-50000	16	0.92	786662	1.09
50001-100000	23	1.33	1813250	2.51
100001 and Above	68	3.93	66443811	92.10
<b>Total....</b>	<b>1731</b>	<b>100.00</b>	<b>72146000</b>	<b>100.00</b>

**n. Categories of Shareholders as on 31st March 2014.**

Category	No. of Share Holders	% of Share Holders	Total No. of Shares Held	% of Share Holding
Resident Individuals	1490	86.08	13840863	19.18
Corporate Promoter	2	0.12	2300000	3.19
Promoters	6	0.35	500000	0.69
Directors	1	0.06	12500000	17.33
Bodies Corporate	150	8.67	42244653	58.55
NRI (Non-Repeat)	2	0.12	1200	0.00
NRI (Repeat)	6	0.35	12776	0.02
Hindu Undivided Families	73	4.22	746079	1.03
Clearing Members	1	0.06	429	0.00
<b>Total ...</b>	<b>1731</b>	<b>100.00</b>	<b>72146000</b>	<b>100.00</b>

**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 21 days 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 2014.

**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 form SH-13 ([Pursuant to section 72 of the Companies Act, 2013 and rule 19(1) of the Companies (Share Capital and Debentures) Rules 2014] can be obtained from the Company's Registrar and Share Transfer Agent. It is also available on Public domain.

**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. Electronic Clearing Service**

The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the Depositories for depositing dividends. Dividend will be credited to the Members' bank account through NECS wherever complete core banking details are available with the Company. In case where the core banking details are not available, dividend warrants will be issued to the Members with bank details printed thereon as available in the Company's records. This ensures that the dividend warrants, even if lost or stolen, cannot be used for any purpose other than for depositing the money in the accounts specified on the dividend warrants and ensures safety for the investors. The Company complies with the SEBI requirement.

**u. Service of Documents through Electronic Mode**

As a part of Green Initiatives, the members who wish to receive the notice/documents through e-mail, may kindly intimate their e-mail address to the Company's Registrar and Share Transfer Agent, Purva Sharegistry (India) Pvt. Ltd. to their dedicated e-mail id i.e., "purvashr@mtnl.net.in."

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

No Fund was being raised during last three financial years.

**w. Investors Correspondence**

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

Mr. Ashok Bothra/Mr. Rajesh Joshi - jmdtele@gmail.com

**x. Outstanding GDR /ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**

Not Applicable for the financial year under review.

**y. Green initiatives in Corporate Governance to receive documents through email by registering your email address :**

The Ministry of Corporate Affairs (MCA) has taken a "Green initiative in the Corporate Governance" by providing an opportunity to the shareholders to register their email address with Company and changes therein from time to time.



The Company is sending notices/documents such as Annual Reports and notices by email to the shareholders who have registered their email address with DP/RTA. To support this laudable move of the Government, the members who have not registered their email address, so far, are requested to do so at the earliest, in respect of demat holding, through the respective Depository Participant (DP) and in respect of physical holding, through the Registrar and Share Transfer Agent (RTA) M/s. Purva Sharestry (India) Pvt. Ltd.

While every notice/document will be sent through email address registered with the Company/RTA/DP, in case you desire to receive any notice/document in physical form, please intimate by email and the same shall be sent to your address registered with the Company/DP.

We solicit your patronage and support in joining hands with the Company to implement the e-governance initiative.

**z. 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.

**aa. Location of Sound Recording Studio**

75-C, Park Street, Basement, Kolkata-700 016, Telephone : 033-2229 9198 / 5359

**bb. Address for Correspondence**

Unit No. 323 & 324, 3rd Floor, Building No. 9  
Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 053  
Tele-Fax : +91 22-6565 3453, Fax : +91 22-2677 3832  
Website: [www.jmdlimited.com](http://www.jmdlimited.com), Email: [jmdtele@gmail.com](mailto:jmdtele@gmail.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:

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 our knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls 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 we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.
- (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.**

S/d-

**Kailash Prasad Purohit** (DIN : 01319534)

Chairman & Managing Director

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### **ANNUAL CERTIFICATE UNDER CLAUSE 49(I)(D) OF THE LISTING AGREEMENT WITH THE STOCK EXCHANGES**

I, Kailash Prasad Purohit, Chairman & Managing Director of the M/s. JMD Telefilms Industries Limited declare that all Board Members and Senior Management of the Company have affirmed compliance with the Code of Conduct during the year ended 31st March 2014.

For **JMD Telefilms Industries Ltd.**

S/d-

**Kailash Prasad Purohit** (DIN : 01319534)

Chairman & Managing Director

## Secretarial Compliance Report for the Year ended 31st March 2014

The Board of Directors,

### JMD Telefilms Industries Limited

We have examined the registers, records, books 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 there under the Act and amended thereto from time to time and includes Companies Act, 2013 as applicable (hereinafter referred to as 2013 Act) and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2014. In our opinion and to the best of our information and according to the examinations carried out by and explanations furnished to us by the company, its officers and agents, we certify that in respect of the aforesaid financial year -

1. The Company has kept and maintained all registers and records as per Annexure "A" to this certificate, 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 filed the forms and return as stated in Annexure "B" to this certificate, 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 declared dividend during financial year 2012-2013 and has paid to the eligible shareholders in compliance with the provisions of section 205 of the Act during the year.
9. The Company has not paid any remuneration to the Managing Director of the Company during the year in terms of section 198, 269, 309 read with Schedule XIII of the Act.
10. The Company has not appointed any sole selling agent in terms of section 294 of the Act during the year.
11. The Company has not advanced any loans to its Directors or persons or firms or Companies referred to under section 295 of the Act during the year.
12. The Company has not entered into any transactions, which falls under section 297 of the Act during the year.
13. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions section 184 of the Act.
14. The Company has not appointed any person as a place of profit in terms of section 188 of the Act during the year.
15. The Company has not issued any duplicate share certificate during the financial year.
16. The Company has complied with the provisions of section 186 of the Act.
17. The Company :
  - a) has delivered all the Share Certificates on lodgment thereof for transfer/transmission or any other purpose in accordance with the provisions of the Act;
  - b) has deposited amount in a separate Bank Account as against declaration of Dividend during the year.

- c) has posted warrants to members of the Company within the required time frame as against payment of Dividend to Members.
  - d) Was not required to transfer any amount to Investor Education and Protection Fund.
  - e) Has duly complied with the requirement of section 134 of the Act.
18. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Director/s alternate Director/s and Directors to fill the casual vacancy during the financial year.
  19. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar or such other authorities as prescribed under the various provisions of the Act.
  20. The Company has not issued any Shares, Debentures or other Securities during the financial year.
  21. The Company has not bought back any share during the financial year.
  22. There was no redemption of preference shares or debentures during the financial year.
  23. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.
  24. As per the information and explanation given, the Company has not invited / accepted any deposits including any unsecured loans falling within the purview of Section 15A during the financial year.
  25. The Company has not borrowed fund from its Directors, members, public, financial institutions, banks and others during the financial year ending on 31st March 2014.
  26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's Registered Office from one state to another during the year under scrutiny
  27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under scrutiny.
  28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under scrutiny.
  29. The Company has not altered its Memorandum of Association and Articles of Association in respect to the Share Capital of the Company.
  30. There was no prosecution initiated against the Company, or Show Cause Notices received by the Company, for offences under the Act.
  31. The Company has not received any money as security from its employees during the financial year 2013-2014.

For **G. S. Bhide & Associates**

Company Secretaries

Place : Mumbai

Date : May 28, 2014

**Gayatri S. Bhide**

Proprietor

C. P. No. 11816

**Annexure "A"**

Name of the Company : JMD Telefilms Industries Limited

CIN : L67190MH2000PLC033180

Financial Year ended : 31st March, 2014

Register as maintained by the Company :-

Statutory Registers :

Sl. No.	Section under the Companies Act, 2013	Name of the Register
1.	88	Register of Members
2.	94	Copies of Annual Returns
3.	118	Minutes Books for Board / General Meetings
4.	189	Register of contracts, companies and firms in which directors are interested
5.	170	Register of Directors
6.	170	Register of Directors' Shareholding

**Annexure "B"**

Forms and Returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government or other Authorities during the financial year ending on 31st March 2014.

Sr. No.	Form N. / Return	Filed u/s	For	Whether filed within prescribed time Yes / No	If delay in filing whether requisite additional Fees paid Yes/No
1.	Form 23AC and ACA for the Financial Year ended on 31st March 2013	220	Annual Requirement	No	Yes
2.	Form 20B for the Financial Year ended 31st March 2013	159	Annual Requirement	Yes	N. A.
3.	Form 32	303(2) and 264(2)	Appointment & Resignation of Directors	No	Yes

b) Forms and Returns filed with Regional Director : Nil

c) Forms and Returns filed with Central Government or other Authorities : Nil

For **G. S. Bhide & Associates**  
Company Secretaries

Place : Mumbai

Date : May 28, 2014

**Gayatri S. Bhide**  
Proprietor  
C. P. No. 11816

**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 2014 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, we certify that 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.

For **Mehta Kothari & Associates**  
Chartered Accountants  
FRN - 106247W

Place : Mumbai  
Date : May 28, 2014

**Pradip C. Mehta**  
Partner  
Membership No. 048979

## Auditors' Report

To

The Shareholders,

**JMD TELEFILMS INDUSTRIES LIMITED, MUMBAI.**

### Report on the Financial Statements

We have audited the accompanying financial statements of M/s. JMD Telefilms Industries Limited, which comprise the Balance Sheet as at 31st March, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 (the Act) read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013 and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

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

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date, and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.



**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards notified under the Act read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.
  - (e) On the basis of the written representations received from the directors as on March 31, 2014, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **Mehta Kothari & Associates**  
Chartered Accountants  
FRN - 106247W

Place : Mumbai  
Date : May 28, 2014

**Pradip C. Mehta**  
Partner  
Membership No. 048979

## 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 procedures of physical verification of stock 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 2014.  
(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.

**For Mehta Kothari & Associates**  
Chartered Accountants  
FRN - 106247W

Place : Mumbai  
Date : May 28, 2014

**Pradip C. Mehta**  
Partner

**BALANCE SHEET AS AT 31st MARCH, 2014**

		(Amount in ₹)	
PARTICULARS	Note No.	31.03.2014 ₹	31.03.2013 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	2.1	72,146,000	72,146,000
Reserves and Surplus	2.2	299,219,137	296,566,201
		<b>371,365,137</b>	<b>368,712,201</b>
<b>CURRENT LIABILITIES</b>			
Trade Payables	2.3	1,270,423,736	765,732,846
Other Current Liabilities	2.4	91,010,344	75,209,772
Short-Term Provision	2.5	7,665,326	7,491,304
		<b>1,369,099,406</b>	<b>848,433,922</b>
<b>TOTAL</b>		<b>1,740,464,543</b>	<b>1,217,146,123</b>
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Fixed Assets (Tangible)	2.6	4,764,306	4,431,011
Fixed Assets (Intangible)	2.6	39,860,160	45,050,085
Deferred Tax Assets	2.7	510,750	609,550
Non-Current Investments	2.8	102,967,655	143,328,909
Long Term Loans & Advances	2.9	60,030	60,030
		<b>148,162,901</b>	<b>193,479,585</b>
<b>CURRENT ASSETS</b>			
Current Investment	2.10	8,400,000	8,400,000
Inventories	2.11	31,522,546	31,703,207
Trade Receivables	2.12	1,241,740,587	758,087,785
Cash and Bank Balances	2.13	41,099,622	7,697,207
Short-term Loans & Advances	2.14	269,538,888	217,778,339
		<b>1,592,301,642</b>	<b>1,023,666,538</b>
<b>TOTAL</b>		<b>1,740,464,543</b>	<b>1,217,146,123</b>
Notes on Balance Sheet and Statement of Profit & Loss.	1		

As per our Report of even date

For **MEHTA KOTHARI & ASSOCIATES**  
Chartered Accountants

For &amp; On behalf of the Board

**PRADIP C. MEHTA**  
Partner  
Membership No : 048979**Kailash Prasad Purohit**  
DIN : 01319534  
Director**Jagdish Prasad Purohit**  
DIN : 00083125  
DirectorPlace : Mumbai  
Date : 28th May 2014

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014**

<b>PARTICULARS</b>	<b>Note No.</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
		₹	₹
<b>INCOME</b>			
Revenue from Operations	2.15	3,819,662,861	2,497,296,690
Other Operating Revenue	2.16	11,251,713	13,932,187
<b>TOTAL INCOME</b>		<b>3,830,914,575</b>	<b>2,511,228,877</b>
<b>EXPENSES</b>			
Purchases of Stock-in-Trade	2.17	3,807,050,958	2,482,900,738
Changes in Inventories of Stock-in-Trade	4.18	-	
Employee Benefits Expenses	2.19	2,327,646	2,802,174
Depreciation and Amortisation Expenses	2.6	6,287,451	8,532,569
Other Expenses	2.20	4,930,258	6,644,080
<b>TOTAL EXPENSES</b>		<b>3,820,596,313</b>	<b>2,500,879,561</b>
<b>PROFIT BEFORE TAX</b>		10,318,262	10,349,316
Tax Expenses:			
Current Tax	2.21	3,472,832	3,298,810
Earlier year Income Tax	2.21	-	-
<b>NET PROFIT FOR THE YEAR</b>		<b>6,845,430</b>	<b>7,050,506</b>
<b>Earnings per Equity Share:</b>			
Basic and Diluted (Face Value of ₹ 1/- each, Previous Year ₹ 1/- each)		0.95	0.98
Notes on Balance Sheet and Statement of Profit & Loss	1.00		

As per our Report of even date

For **MEHTA KOTHARI & ASSOCIATES**  
Chartered Accountants

For &amp; On behalf of the Board

**PRADIP C. MEHTA**  
Partner  
Membership No : 048979**Kailash Prasad Purohit**  
DIN : 01319534  
Director**Jagdish Prasad Purohit**  
DIN : 00083125  
DirectorPlace : Mumbai  
Date : 28th May 2014

## Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2014

PARTICULARS	(Amount in ₹)	
	31.03.2014	31.03.2013
<b>A. Cash Flow from Operating Activities</b>		
Net Profit before tax and extraordinary Items	10,318,262	10,349,316
Adjustments for		
Interest Received	4,267,736	3,553,699
Dividend	259,913	217,545
Depreciation	6,287,451	8,532,569
Operating profit before working capital changes	<b>21,133,361</b>	<b>22,653,129</b>
Adjustments for Capital Changes		
Inventories	180,662	1,151,148
Decrease (Increase) in Trade and other Receivables	(483,652,802)	(171,957,046)
Decrease (Increase) Long term Loan & Advances	-	127,970
Decrease (Increase) Loan & Advances	(51,760,549)	27,899,707
Trade Payable and Provisions	520,665,484	149,646,071
Cash Generated from operations	<b>(14,567,205)</b>	<b>6,867,850</b>
Income Tax Liability For The Year	(3,472,832)	(3,298,810)
Extraordinary Items	-	-
<b>Net Cash From Operating Activities</b>	<b>3,093,325</b>	<b>26,222,169</b>
<b>B. Cash Flow From Investing Activities</b>		
Decrease / (Increase) in Fixed Assets	4,856,630	8,163,728
Decrease / (Increase) in Investments	40,361,254	(22,138,684)
Interest Received	(4,267,736)	(3,553,699)
Dividend Received	(259,913)	(217,545)
Adjustments for Depreciation	(6,287,451)	(8,532,569)
<b>Net Cash from Investing Activities</b>	<b>34,402,784</b>	<b>(26,278,769)</b>
<b>C. Cash Flow From Financing Activities</b>		
Proceeds from Further Issue of Shares	-	-
Unsecured Loan	-	-
Deferred Revenue Expenditure	98,800	98,800
Proposed Dividend	(3,607,300)	(3,607,300)
Dividend Tax	(585,194)	(585,194)
Extraordinary Items	-	-
	(4,093,694)	(4,093,694)
<b>Net Cash used in Financing Activities</b>	<b>33,402,415</b>	<b>(4,150,294)</b>
Net Increase in Cash & Cash Equivalents	(33,402,415)	4,150,295
Opening Balance of Cash & Cash Equivalents	7,697,207	11,847,502
Closing Balance of Cash & Cash Equivalents	41,099,622	7,697,207

For and on behalf of the Board

**Kailash Prasad Purohit**  
Chairman & Managing Director

Mumbai, May 28, 2014

We have verified the attached Cash Flow Statement of M/s. 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 2014 and found the same in agreement therewith.

For Mehta & Kothari & Associates  
Chartered Accountants

Mumbai, May 28, 2014

**Pradip C. Mehta**  
Partner  
Membership No. 048979

**NOTE 1****Notes on Financial Statement for the year ended 31st March 2014****ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS****Significant Accounting Policies General****General****Basis of Preparation of Financial Statements**

1. The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**Use of Estimates**

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialised.

**Revenue Recognition**

2. Revenue is recognised only when it can be reliably measured and it is reasonable to expect ultimate collection. Revenue from operation includes sale of goods, adjusted for discounts (net), Value Added Tax (VAT). Dividend income is recognised when right to receive is established. Interest income is recognised on time proportion basis taking into account the amount outstanding and rate applicable.

Dividends on investments are accounted for when the right to receive the dividend is established.

**Inventories**

3. Inventories are valued at the lower of cost (on FIFO basis) and the net realisable value after providing for obsolescence and other losses, where considered necessary.

**Cash and cash equivalents (for purposes of Cash Flow Statement)**

4. Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

**Cash Flow Statements**

5. Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**Fixed Assets**

6. Fixed Assets are stated at cost net of recoverable taxes, less accumulated depreciation and impairment loss, if any. Depreciation on assets is provided on written down value method as per rates prescribed in Schedule XIV to the Companies Act 1956.



**Depreciation & Amortisation**

7. Depreciation on Fixed Assets is provided to the extent of depreciable amount on written down value (WDV) at the rates specified in schedule XIV of the Companies Act 1956 over their useful life.
8. Depreciation on additions/ deletions is calculated on pro-rata with respect to date of addition/ deletions.
9. Amortisation of Intangible Assets is done on the basis of useful life of the underlying assets and computer software is amortised over a period of 5 years.

**Impairment of Assets**

10. An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognised in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

**Investments**

11. Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term investments are stated at cost. Provision for diminution in the value of long-term investment is made only if such a decline is other than temporary.

**Retirement Benefit**

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

**Provision for Current and Deferred Tax**

13. Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income-tax Act, 1961. Deferred tax resulting from "timing difference" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. Deferred tax asset is recognised and carried forward only to the extent that there is a virtual certainty that the asset will be realized in future.

**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. During the year the Company has imported Mobile Phones and accessories.
18. Value of Import on CIF Basis in respect of: -

(₹ in Lac)

	2013-2014	2012-2013
Stock in trade	Nil	236.86

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 :-
- Recording & Selling/Distribution of Audio Video Cds
  - Trading in Software & Hardware Products
  - Investments in Capital Market & Mutual Fund related activities

### 1. Segment Revenue

₹ in Lac

<b>1.</b>	<b>SALE &amp; OPERATIONL INCOME</b>	
(A)	Sale of Software & Hardware	38049.58
	<b>Total (A) -</b>	<b>38049.58</b>
(B)	Music Activities	147.05
(C)	Investment Activities	69.83
(D)	Other Operational Activities	42.68
	<b>Total (A)+(B)+(C) +(D)-</b>	<b>38309.14</b>
<b>2.</b>	<b>Segment Profit</b>	
	Sale of Software & Hardware	15.75
	Music Activities	25.30
	Investment Activities	19.45
	Other Unallocated Activities	42.68
	<b>Total -</b>	<b>103.18</b>

### 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 - ₹ Nil

### Particulars of Director's Remuneration

25. ₹ Nil has been paid towards Remuneration to Managing Director for the Year (P.Y. ₹ Nil)

### Related Party Transactions

26. Key Management Personnel -
- Mr. Kailash Prasad Purohit - Managing Director
  - Mr. Jagdish Prasad Purohit - Non-Executive Director
27. Subsidiary & Group Companies or Companies under same management -
- M/s. JMD Sounds Limited - Company under same management.
  - M/s. JMD Broadcasting Private Limited - Subsidiary Company

28. Details of transactions with related parties -

Transaction with related parties	Subsidiary Companies	Key Management Personnel & Relatives
<b>Remuneration</b>	-	Nil
	( - )	(Nil)
Investments:		
<b>Investment in Subsidiary</b>		
(JMD Broadcasting Pvt. Ltd.)	₹ 5.406 Crore	1. Jagdish Prasad Purohit
		2. Kailash Prasad Purohit
	( - )	( - )
<b>Investment in Group Cos.</b>	Nil	-
	Nil	( - )

**Deferred Tax on Income**

29. Deferred Tax Asset (Net) for the year ended 31st March 2014 amounts to ₹ 5,10,750/-

30. Remuneration to Auditors

Particulars	31.03.2014	31.03.2013
Remuneration to Auditors for Audit Purpose	<b>30,000</b>	30,000

**Earning per Equity Share**

31.

	Unit	31.03.2014	31.03.2013
Net Profit after Tax available for Shareholders	₹ in Lac	<b>68.45</b>	70.50
No. of Equity Shares (Face Value of ₹ 1/-)	No.	<b>7,21,46,000</b>	7,21,46,000
Basis & Diluted Earning Per Share (₹)	₹	<b>0.09</b>	0.10

\*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, 2014. 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. 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 Accountant  
FRN - 106247W

**Pradip C. Mehta**  
Partner  
Membership No. 35447

Mumbai, May 28, 2014

**Kailash Prasad Purohit**  
(DIN : 01319534)  
Director

**Jagdish Prasad Purohit**  
(DIN : 00083125)  
Director

## Notes forming part of the Financial Statements for the year ended March 31, 2014

### 2.1 SHARE CAPITAL

Particulars	31.03.2014		31.03.2013	
	Number	₹	Number	₹
<b>Authorised</b>				
Equity Shares of ₹ 1/- each (Previous Year ₹ 1/-)	150,000,000	150000000.00	150,000,000	150,000,000
<b>Issued, Subscribed &amp; Paid Up:</b>				
Equity Shares of ₹ 1/- each (Previous Year ₹ 1/-)	72,146,000	72,146,000.00	72,146,000	72,146,000
<b>Total</b>	<b>72,146,000</b>	<b>72,146,000.00</b>	<b>72,146,000</b>	<b>72,146,000</b>

### Reconciliation of number of Shares

Particulars	31.03.2014		31.03.2013	
	Number	₹	Number	₹
Shares Outstanding at the beginning of the year	72,146,000	72,146,000.00	72,146,000	72,146,000
Add : Further Issue of Shares	-	-		
Shares outstanding at the end of the year	72,146,000	72,146,000.00	72,146,000	72,146,000

### Rights, preference and restrictions attached to Equity Shares

The Company has one class of Equity shares having a par value of ₹ 1/- each. Each shareholder is eligible to one vote per share held.

The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuring Annual General Meeting and will be paid in Indian `.

### 2.2 RESERVES AND SURPLUS

Particulars	31.03.2014 ₹	31.03.2013 ₹
<b>Securities Premium Reserve</b>	250,500,000	250,500,000
	<b>250,500,000</b>	<b>250,500,000</b>
<b>General Reserve</b>		
Opening Balance	3,089,750	2,589,750
Add: Transferred From Statement of Profit & Loss	342,300	500,000
	<b>3,432,050</b>	<b>3,089,750</b>
<b>Statement of Profit &amp; Loss</b>		
Opening Balance	42,976,451	40,618,439
Add: Net Profit for the year	6,845,430	7,050,506
Amount available for Appropriations	49,821,881	47,668,945
<b>Less: Appropriations</b>		
Proposed Dividend	3,607,300	3,607,300
Tax on Proposed Dividend	585,194	585,194
Transfer To General Reserves	342,300	500,000
	<b>45,287,087</b>	<b>42,976,451</b>
<b>Total</b>	<b>299,219,137</b>	<b>296,566,201</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2014

### 2.3 TRADE PAYABLES

Particulars	31.03.2014 ₹	31.03.2013 ₹
Total outstanding dues to Creditors	1,270,423,736	765,732,846
<b>Total</b>	<b>1,270,423,736</b>	<b>765,732,846</b>
<b>2.4 OTHER CURRENT LIABILITIES</b>		
<b>Other Payables</b>		
Provision for Expenses	547,471	589,204
TDS Payable	212,873	30,568
Advances from Clients	90,250,000	74,590,000
<b>Total</b>	<b>91,010,344</b>	<b>75,209,772</b>
<b>2.5 SHORT TERM PROVISIONS</b>		
Proposed Dividend	3,607,300	3,607,300
Tax on Proposed Dividend	585,194	585,194
Provision for Income Tax (net of Tax paid)	3,472,832	3,298,810
<b>Total</b>	<b>7,665,326</b>	<b>7,491,304</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2014

## 2.6 TANGIBLE ASSETS

(Amount in ₹)

	Cost/Book Value as at 1st April 2013	Additions during the year	Deductions/ Adjustments during the year	Cost/Book Value as at 31st March 2014	Depreciation on Cost/Book Value as at 1st April 2013	Deductions/ Adjustments during the year	Depreciation for the year	Depreciation on Cost/Book Value as at 31st March 2014	Balance as at 31st March 2014	Balance as at 31st March 2013
Furniture & Fixtures	496,652	-	-	496,652	249,022	-	34,395	283,417	213,235	247,630
Vehicles (Owned)	6,707,537	605,421	-	7,312,958	2,733,850	-	1,029,582	3,763,432	3,549,526	3,973,687
Office Equipment	207,936	-	-	207,936	107,123	-	18,425	125,548	82,388	100,813
Studio Equipment	897,817	-	-	897,817	788,936	-	15,124	804,060	93,757	108,881
Investment in Property	-	825,400	-	825,400	-	-	-	-	825,400	-
<b>TOTAL</b>	<b>8,309,942</b>	<b>1,430,821</b>	-	<b>9,740,763</b>	<b>3,878,931</b>	-	<b>1,097,526</b>	<b>4,976,457</b>	<b>4,764,306</b>	<b>4,431,011</b>
<b>2.6 INTANGIBLE ASSETS</b>										
Brands/Trademarks	29,479,103	-	-	29,479,103	-	-	-	-	29,479,103	29,479,103
Computer Software	32,824,955	-	-	32,824,955	17,253,973	-	5,189,925	22,443,898	10,381,057	15,570,982
	<b>62,304,058</b>	-	-	<b>62,304,058</b>	<b>17,253,973</b>	-	<b>5,189,925</b>	<b>22,443,898</b>	<b>39,860,160</b>	<b>45,050,085</b>
<b>TOTAL</b>	<b>70,614,000</b>	<b>1,430,821</b>	-	<b>72,044,821</b>	<b>21,132,904</b>	-	<b>6,287,451</b>	<b>27,420,355</b>	<b>44,624,466</b>	<b>49,481,096</b>
Previous Year	70,245,159.00	732,230.00	363,389.00	70,614,000.00	12,600,335.00	-	8,532,569	21,132,904.00	49,481,096.00	-

## Notes forming part of the Financial Statements for the year ended March 31, 2014

### 2.7 DEFERRED TAX ASSETS

Particulars	31.03.2014	31.03.2013
	₹	₹
Deferred Revenue Expenditure	510,750	609,550
<b>Total</b>	<b>510,750</b>	<b>609,550</b>

### 2.8 NON CURRENT INVESTMENTS

#### Long Term Investments (Trade)

#### IN FULLY PAID-UP EQUITY SHARES (QUOTED)

Ashok Leyland Ltd.	5,000	120,977	371,791
Bhushan Steel Limited	1,000	400,777	18,941,860
Blue Circle Services Ltd.	1,155,803	6,436,124	-
Clarus Finance & Securities Ltd.	50,000	1,687,231	1,687,231
DB (International) Stock Brokers Limited	72,324	5,321,516	14,632,628
IDBI Bank Ltd.	5,000	380,829	268,419
Idea Cellular Ltd.	2,970	-	196,915
IFCI Limited	4,800	144,325	78,902
Kavveri Telecom Products Limited	5,000	760,618	15,972,965
Kothari Petro Limited	25,000	175,761	-
Mid East (India) Limited	25,000	750,000	750,000
NHPC Limited	5,000	92,843	-
Odyssey Corporation Ltd.	14,000	915,595	-
Ranbaxy Laboratories Limited	1,000	466,932	466,932
RPP Infra Projects Limited	201,557	12,096,774	12,096,774
Santowin Limited	500,000	13,900,000	13,900,000
Shipping Corporation of India Ltd.	20,000	1,078,491	953,529
Srei Infrastructure Finance Limited	500	53,927	53,927
Tata Tele (Maharashtra) Limited	2,266	77,767	77,767
UCO bank Limited	19,300	-	1,705,088
		44,860,487	82,154,727

#### IN MUTUAL FUNDS (QUOTED)

DSP Merrill Lynch Oppertunities Fund	9,780	100,000	100,000
ICICI Prudential Equity Fund	5,236	100,000	100,000
Kotak Mahindra Mutual Fund	13,415	1,400,000	3,950,000
Relince Capital Mutual Fund	540	100,000	1,000,000
SBI Mutual Fund	5,395	-	1,500,000
Tata Infrastructure Mutual Fund	4,463	200,000	200,000
		1,900,000	6,850,000

#### TOTAL TRADE INVESTMENTS (A)

**46,760,487** **89,004,727**

#### OTHER INVESTMENTS

#### IN EQUITY SHARES OF SUBSIDIARY COMPANY

#### Unquoted, Fully paid up

JMD Broadcasting Pvt Ltd	166,666	54,060,000	54,060,000
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#### OTHERS

Gold Coins		2,147,168	264,182
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#### TOTAL OTHER INVESTMENTS (B)

**56,207,168** **54,324,182**

#### Total Non Current Investments (A+B)

**102,967,655** **143,328,909**

Market Value of Quoted Investments		37,178,342	64,722,575
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## Notes forming part of the Financial Statements for the year ended March 31, 2014

### 2.9 LONG TERM LOANS & ADVANCES

Particulars	31.03.2014 ₹	31.03.2013 ₹
Security Deposits	60,030	60,030
<b>Total .....</b>	<b>60,030</b>	<b>60,030</b>
<b>2.10 CURRENT INVESTMENT</b>		
Investment in Equity Instrument - Unquoted 840000 (Previous Year - 840000) Equity Shares of Bajaa Music Private Limited of ₹ 10/- each, fully paid up	8,400,000	8,400,000
<b>Total .....</b>	<b>8,400,000</b>	<b>8,400,000.00</b>
<b>2.11 INVENTORIES</b> <i>(Valued at the lower of cost and net realisable value)</i>		
<b>Stock-in-trade</b>		
Audio Vedio Rights	30,512,600	30,512,600
Guitar	104,231	-
Audio Vedio CD (Kolkata)	254,762	665,879
Audio Vedio CD (Jaipur)	591,050	464,825
Mobile Phone (Kolkata)	59,903	59,903
<b>Total</b>	<b>31,522,546</b>	<b>31,703,207</b>
<b>2.12 TRADE RECEIVABLES (Unsecure &amp; Considered Good)</b>		
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured	375,003,791	-
<b>Other Receivables</b>		
Unsecured	866,736,795	758,087,785
<b>Total</b>	<b>1,241,740,587</b>	<b>758,087,785</b>
<b>2.13 CASH AND BANK BALANCES</b>		
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
In Current Accounts	26,346,696	2,307,861
Cash in hand	14,752,926	5,389,346
Bank Deposits (with maturities of more than 12 months)	-	-
<b>Total</b>	<b>41,099,622</b>	<b>7,697,207</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2014

### 2.14 SHORT-TERM LOANS & ADVANCES (Unsecured)

Particulars	31.03.2014 ₹	31.03.2013 ₹
<b>Considered good</b>		
Intercorporate Deposit	51,031,796	37,811,770
Loans to Others	1,293,260	1,293,260
Advances against Properties	110,100,000	110,100,000
Advances against Studio	5,000,000	15,000,000
Advances against Music Albums	-	1,286,049
Advances against Equity Shares	46,674,130	25,970,630
Advances to Others	51,900,119	22,256,630
Advance Income Tax Payment	2,500,000	4,000,000
Tax Deducted at Source	156,773	60,000
TDS Receivable	882,810	-
<b>Total</b>	<b>269,538,888</b>	<b>217,778,339</b>
<b>2.15 Revenue form Operation</b>		
<b>Sale of Products</b>		
Traded Goods	3,819,662,861	2,497,296,690
<b>Total</b>	<b>3,819,662,861</b>	<b>2,497,296,690</b>
<b>2.16 Other Operating Revenue</b>		
Other Operating Revenue	11,251,713	13,932,187
<b>Total</b>	<b>11,251,713</b>	<b>13,932,187</b>
<b>Breakup of Revenue from Sale of Products</b>		
Traded Goods		
Hardwares & Softwares (Mumbai)	3,804,958,456	2,457,743,490
Mobile Phone & Accessories (Kolkata)	-	23,686,219
Audio Video CD (Kolkata)	599,655	747,356
Audio Video CD (Jaipur)	14,104,750	15,119,625
	<b>3,819,662,861</b>	<b>2,497,296,690</b>
<b>Breakup of Other Operating Revenue</b>		
<b>Interest Income on</b>		
Current Investment	4,267,736	3,553,699
Income from Mutual Fund	73,247	23,363
<b>Dividend</b>		
From Current Investment	259,913	217,545
<b>Net Gain on sale of Investment</b>		
From Current Investment	2,466,292	(485,717)
Income from Music Portal	80,200	175,786
Commodity Profit	2,971,103	-
Studio Rent received	957,390	996,125
<b>Other non Operating Revenue</b>		
Miscellaneous Income	175,832	9,451,386
<b>Total</b>	<b>11,251,713</b>	<b>13,932,187</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2014

### 2.17 Cost of purchase of stock-in-trade

Particulars	31.03.2014 ₹	31.03.2013 ₹
<b>Opening Stock</b>		
Mobile Phone (Kolkata)	59,903	1,271,417
Audio Video CD (Kolkata)	665,879	694,338
Audio Video CD (Jaipur)	464,825	376,000
	<b>1,190,607</b>	<b>2,341,755</b>
<b>Add: Purchases</b>		
Softwares & Hardwares (Mumbai)	3,796,125,709	2,447,858,939
Import Mobile Phone & Accessories	-	22,352,661
Audio Video CD (Kolkata)	88,882	273,790
Audio Video CD (Jaipur)	10,551,475	11,264,200
	<b>3,806,766,066</b>	<b>2,481,749,590</b>
<b>Less: Closing Stock</b>		
Mobile Phone (Kolkata)	59,903	59,903
Audio Video CD (Kolkata)	254,762	665,879
Audio Video CD (Jaipur)	591,050	464,825
	<b>905,715</b>	<b>1,190,607</b>
<b>Total</b>	<b>3,807,050,958</b>	<b>2,482,900,738</b>
<b>2.18 Break up of purchase of Audio Video Right stock-in-trade</b>		
<b>Opening Stock</b>		
Audio Video Master Rights	30,512,600	30,512,600
Add: Purchase Audio Video Master Rights	-	-
	<b>30,512,600</b>	<b>30,512,600</b>
<b>Less: Closing Stock</b>		
Audio Video Master Rights	30,512,600	30,512,600
<b>Total</b>	<b>-</b>	<b>-</b>
<b>2.19 Employee Cost</b>		
Salaries and Wages	2,265,646	2,730,174
Staff Welfare Expenses	62,000	72,000
<b>Total</b>	<b>2,327,646</b>	<b>2,802,174</b>

## Notes forming part of the Financial Statements for the year ended March 31, 2014

### 2.20 Other Expenses

Particulars	31.03.2014 ₹	31.03.2013 ₹
Payment to Auditor (Refer note below)	30,000	30,000
RTA Fees	47,248	25,146
Conveyance & Travelling Exp.	450,611	827,040
Listing & Depository Fees	61,528	92,281
Postage & Telephone Exp.	27,500	16,460
Professional Fees	49,776	91,336
Printing & Stationery	51,458	51,372
Bank Charges	32,941	63,369
Coolie, Cartage and Fright and others Expenses	70,100	66,514
Advertisements and Sales Promotion Expenses	380,576	2,932,958
Rent & Electricity Expenses	165,247	311,976
Filling Fees	12,000	-
Insurance	109,761	91,018
Donation	160,900	251,000
Web Designing Charges	1,085,508	362,500
Rates & Taxes	-	369,367
Director & Share Holder Meeting fees	42,360	96,000
Office Maintenance Charges	495,794	207,190
Studio Repairs & Maintenance	210,870	79,740
Deferred Revenue Expenditure (W/O)	98,800	98,800
Computer Maintenance	-	7,050
VAT Audit fee	44,944	-
Value Added Tax	965,120	-
Communication	-	200,498
Income Tax TDS	33,030	32,740
Motor Car Expenses	236,000	220,000
Miscellaneous Expenses	68,186	119,725
<b>Total</b>	<b>4,930,258</b>	<b>6,644,080</b>
<b>2.21 Tax Expenses</b>		
Income Tax	3,472,832	3,298,810
Income Tax Prvious Year	-	-
<b>Total</b>	<b>3,472,832</b>	<b>3,298,810</b>

**JMD Telefilms Industries Limited**

**CONSOLIDATED ACCOUNTS**

**Financial Year 2013 - 2014**

## Auditors Report on the Consolidated Financial Statements of JMD Telefilms Industries Limited

### The Board of Directors of JMD Telefilms Industries Limited

We have audited the accompanying consolidated financial statements (the “Consolidated Financial Statements”) of JMD Telefilms Industries Limited (“the Company”) and its subsidiaries, its jointly controlled entities and associate companies; hereinafter referred to as the “Group” (refer Note 3 to the attached consolidated financial statements) which comprise the consolidated Balance Sheet as at March 31, 2014, the consolidated Statement of Profit and Loss and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information which we have signed under reference to this report.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India including the Accounting Standards notified under the Companies Act, 1956 (“the Act”), read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

1. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard (AS) 21 –

## **Auditors Report on the Consolidated Financial Statements of JMD Telefilms Industries Limited**

Consolidated Financial Statements, Accounting Standard (AS) 23 – Accounting for Investments in Associates in Consolidated Financial Statements, and Accounting Standard (AS) 27 – Financial Reporting of Interests in Joint Ventures notified under Section 211(3C) of the Companies Act, 1956.

2. 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 2014;
  - (ii) In the case of the consolidated Statement of Profit and Loss, 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.

**For Mehta Kothari & Associates**  
Chartered Accountants  
FRN - 106247W

Place : Mumbai  
Date : May 28, 2014

**Pradip C. Mehta**  
Partner  
Membership No. 048



**CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014**

		(Amount in ₹)	
PARTICULARS	Note No.	31.03.2014 ₹	31.03.2013 ₹
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	4.1	72,146,000	72,146,000
Reserves and Surplus	4.2	299,262,234	296,585,224
		<b>371,408,234</b>	<b>368,731,224</b>
Minority Interest	4.3	1,396,754	1,220,213
<b>CURRENT LIABILITIES</b>			
Trade Payables	4.4	1,270,423,736	765,732,846
Other Current Liabilities	4.5	93,130,844	76,439,772
Short-Term Provision	4.6	7,755,037	7,562,192
		<b>1,371,309,617</b>	<b>849,734,810</b>
<b>TOTAL</b>		<b>1,744,114,605</b>	<b>1,219,686,247</b>
<b>ASSETS</b>			
<b>NON- CURRENT ASSETS</b>			
Fixed Assets (Tangible)	4.7	4,764,306	4,431,011
Fixed Assets (Intangible)	4.7	39,860,160	45,050,085
Deferred Tax Assets	4.8	569,622	676,318
Non-Current Investments	4.9	48,907,655	89,268,909
Long Term Loans & Advances	4.10	60,030	60,030
		<b>94,161,773</b>	<b>139,486,353</b>
<b>CURRENT ASSETS</b>			
Current Investment	4.11	8,400,000	8,400,000
Inventories	4.12	31,522,546	31,703,207
Trade Receivables	4.13	1,241,740,587	758,087,785
Cash and Bank Balances	4.14	41,289,140	8,237,165
Short-term Loans & Advances	4.15	327,000,560	273,771,737
		<b>1,649,952,832</b>	<b>1,080,199,894</b>
<b>TOTAL</b>		<b>1,744,114,605</b>	<b>1,219,686,247</b>
Notes on Balance Sheet and Statement of Profit & Loss	3		

As per our Report of even date

For **MEHTA KOTHARI & ASSOCIATES**  
Chartered Accountants

For &amp; On behalf of the Board

**PRADIP C. MEHTA**  
Partner  
Membership No : 048979**Kailash Prasad Purohit**  
DIN : 01319534  
Director**Jagdish Prasad Purohit**  
DIN : 00083125  
DirectorPlace : Mumbai  
Date : 28th May 2014

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

(Amount in ₹)

PARTICULARS	Note No.	31.03.2014 ₹	31.03.2013 ₹
Revenue from Operations	4.16	3,819,662,861	2,497,296,690
Other Income	4.17	12,425,123	14,597,529
<b>TOTAL INCOME</b>		<b>3,832,087,985</b>	<b>2,511,894,219</b>
<b>EXPENSES</b>			
Purchases of Stock-in-Trade	4.18	3,807,050,958	2,482,900,738
Changes in Inventories of stock-in-trade	4.19	-	
Employees Benefits	4.20	3,143,920	3,172,924
Depreciation and Amortisation Expenses	4.7	6,287,451	8,532,569
Other Expenses	4.21	4,997,068	6,709,263
<b>TOTAL EXPENSES</b>		<b>3,821,479,397</b>	<b>2,501,315,494</b>
<b>PROFIT BEFORE TAX</b>		10,608,588	10,578,725
Tax Expenses:			
Current Tax	4.22	3,562,543	3,369,698
Earlier year Income Tax	4.22	-	-
<b>PROFIT AFTER TAX</b>		<b>7,046,045</b>	<b>7,209,027</b>
Less : Minority Interest		176,541	139,498
		6,869,504	7,069,529
<b>TRANSFER TO GENERAL RESERVE</b>		342,300	500,000
		6,527,204	6,569,529
<b>PROFIT B/F FROM PREVIOUS YEAR</b>		42,976,452	40,618,439
<b>PROFIT C/F TO BALANCE SHEET</b>		49,503,656	47,187,968
<b>Earnings per Equity Share:</b>			
Basic and Diluted (Face Value of ₹ 1/- each, Previous Year ₹ 1/- each)		0.98	1.00
Notes on Balance Sheet and Statement of Profit & Loss.	3		

As per our Report of even date

For **MEHTA KOTHARI & ASSOCIATES**  
Chartered Accountants

For &amp; On behalf of the Board

**PRADIP C. MEHTA**  
Partner  
Membership No : 048979**Kailash Prasad Purohit**  
DIN : 01319534  
Director**Jagdish Prasad Purohit**  
DIN : 00083125  
DirectorPlace : Mumbai  
Date : 28th May 2014

**NOTE : 3****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 ("the Company") with its subsidiaries namely "JMD Broadcasting Private Limited" ("the Group").
2. The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956 read with the General Circular 08/2014 dated 04 April 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets which has been recorded on fair value and assets for which provision for impairment is made. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.
3. The consolidated financial statements of the Group have been consolidated on a line-by-line basis by adding together the book values of subsidiary companies like items of assets, liabilities, income and expenses, after eliminating intra-group balances and the unrealised profits / losses on intra-group transactions as per Accounting Standard 21(AS 21) "Consolidated Financial Statements". The results of subsidiaries are included from the date of acquisition of a controlling interest. The excess/shortfall of cost to the Company of its investments in the subsidiary companies is recognised in the financial statements as goodwill/capital reserves, as the case may be. Goodwill on consolidation is tested for impairment at every reporting date.
4. Minority interest in net asset of consolidated subsidiary consist of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in subsidiary Companies and further movement in their share in equity, subsequent to the dates of investment.
5. 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 -**

6. The significant accounting policies adopted by the Group, in respect of the consolidated financial statements are as follows:
  - a. **Use of estimates**

The preparation of financial statements, in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.
  - b. **Tangible fixed assets**

Fixed assets are stated at cost, less accumulated depreciation amortisation and impairment losses if any. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Gains or losses arising from derecognition of tangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**c. Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

**d. Depreciation and amortisation**

Depreciation is provided using the Straight Line Method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

The amortization/depreciation period and the amortization/depreciation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization / depreciation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization/depreciation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

**e. Investments**

Investments that are readily realisable and intended to be held for not more than one year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties and other costs that arise on acquisition of investment. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

**7. 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.

**8. Recognition of Income and Expenditure :-**

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

9. 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 (₹ in Lac)
Sl. No.	Particulars	JMD Broadcasting Pvt. Ltd.
1.	Share Capital	3.00
2.	Reserves & Surplus	552.00
3.	Other Current Liabilities	22.10
4.	Total Liabilities	577.10
5.	Total Assets	577.10
6.	None Current Investments	0.59
7.	Cash & Bank Balances	1.90
8.	Loans & Advances	574.61
9.	Turnover & Other Income	11.73
10.	Profit before Taxation	2.90
11.	Provision for Taxation	0.90
12.	Profit after Taxation	2.00
13.	Proposed Dividend	0.00

For **Mehta Kothari & Associates**

Chartered Accountant

FRN - 106247W

**Pradip C. Mehta**

Partner

Membership No. 35447

Mumbai, May 28, 2014

**Kailash Prasad Purohit**

(DIN : 01319534)

Director

**Jagdish Prasad Purohit**

(DIN : 00083125)

Director

## Notes forming part of the Consolidated Financial Statements for the year ended March 31, 2014

### 4.1 SHARE CAPITAL

Particulars	31.03.2014		31.03.2013	
	Number	₹	Number	₹
Authorised Equity Shares of ₹ 1/- each (Previous Year ₹ 1/-)	150,000,000	150,000,000	150,000,000	150,000,000
<b>Issued, Subscribed &amp; Paid Up:</b>				
Equity Shares of ₹ 1/- each (Previous Year ₹ 1/-)	72,146,000	72,146,000	72,146,000	72,146,000
<b>Total</b>	<b>72,146,000</b>	<b>72,146,000</b>	<b>72,146,000</b>	<b>72,146,000</b>

### Reconciliation of number of shares.

Shares outstanding at the beginning of the year	72,146,000	72,146,000	72,146,000	72,146,000
Add : Shares issued on Preferential Basis	-	-		
Shares outstanding at the end of the year	72,146,000	72,146,000	72,146,000	72,146,000

### Rights, Preference and Restrictions attached to Equity Shares

The company has one class of Equity shares having a par value of ₹ 1/- each. Each shareholder is eligible to one vote per share held.

The Dividend proposed by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting and will be paid in Indian`.

### 4.2 RESERVES AND SURPLUS

Particulars	31.03.2014 ₹	31.03.2013 ₹
Securities Premium Reserve	250,500,000	250,500,000
	<b>250,500,000</b>	<b>250,500,000</b>
<b>General Reserve</b>		
Opening Balance	3,089,750	2,589,750
Add: Transfer from Statement of Profit & Loss	342,300	500,000
	<b>3,432,050</b>	<b>3,089,750</b>
<b>Statement of Profit &amp; Loss</b>		
<b>Opening Balance</b>	42,995,474	40,618,439
Add: Net Profit for the year	6,869,504	7,069,529
Amount available for Appropriations	49,864,978	47,687,968
<b>Less: Appropriations</b>		
Proposed Dividend	3,607,300	3,607,300
Tax on Proposed Dividend	585,194	585,194
Transfer To General Reserve	342,300	500,000
	<b>45,330,184</b>	<b>42,995,474</b>
<b>Total</b>	<b>299,262,234</b>	<b>296,585,224</b>

**4.3 MINORITY INTEREST**

<b>Particulars</b>	<b>31.03.2014</b>	<b>31.03.2013</b>	
	₹	₹	
Minority Shareholder Interest	1,396,754	1,220,213	
	<b>1,396,754</b>	<b>1,220,213</b>	
<b>4.4 TRADE PAYABLES</b>			
Total outstanding dues to Creditors	1,270,423,736	765,732,846	
<b>Total</b>	<b>1,270,423,736</b>	<b>765,732,846</b>	
<b>4.5 OTHER CURRENT LIABILITIES</b>			
Other payables			
Provision for Expenses	552,471	594,204	
TDS Payable	212,873	30,568	
Advances from Clients	92,365,500	75,815,000	
<b>Total</b>	<b>93,130,844</b>	<b>76,439,772</b>	
<b>4.6 SHORT TERM PROVISIONS</b>			
Proposed Dividend	3,607,300	3,607,300	
Tax on Proposed Dividend	585,194	585,194	
Provision for Income Tax (net of Tax paid)	3,562,543	3,369,698	
<b>Total</b>	<b>7,755,037</b>	<b>7,562,192</b>	
<b>4.8 DEFERRED TAX ASSETS</b>			
Preliminary Expenses	42,772	48,368	
Deferred Revenue Expenditure	526,850	627,950	
<b>Total</b>	<b>569,622</b>	<b>676,318</b>	
<b>4.9 NON CURRENT INVESTMENTS</b>			
Long Term Investments (Trade)			
IN FULLY PAID-UP EQUITY SHARES (QUOTED)			
Ashok Leyland Ltd.	5,000	120,977	371,791
Bhushan Steel Limited	1,000	400,777	18,941,860
Blue Circle Services Ltd	1,155,803	6,436,124	-
Clarus Finance & Securities Ltd.	50,000	1,687,231	1,687,231
DB (International) Stock Brokers Limited	72,324	5,321,516	14,632,628
IDBI Bank Ltd.	5,000	380,829	268,419
Idea Cellular Ltd	2,970	-	196,915
IFCI Limited	4,800	144,325	78,902
Kavveri Telecom Products Limited	5,000	760,618	15,972,965
Kothari Petro Limited	25,000	175,761	-
Mid East (India) Limited	25,000	750,000	750,000
NHPC Limited	5,000	92,843	-
Odyssey Corporation Ltd.	14,000	915,595	-
Ranbaxy Laboratories Limited	1,000	466,932	466,932
RPP Infra Projects Limited	201,557	12,096,774	12,096,774
Santowin Limited	500,000	13,900,000	13,900,000
Shipping Corporation of India Ltd.	20,000	1,078,491	953,529
Srei Infrastructure Finance Limited	500	53,927	53,927
Tata Tele (Maharashtra) Limited	2,266	77,767	77,767
UCO bank Limited	19,300	-	1,705,088
		<b>44,860,487</b>	<b>82,154,727</b>

Particulars	31.03.2014 ₹	31.03.2013 ₹
<b>IN MUTUAL FUNDS (QUOTED)</b>		
DSP Merrill Lynch Oppertunities Fund	9,780	100,000
ICICI Prudential Equity Fund	5,236	100,000
Kotak Mahindra Mutual Fund	13,415	1,400,000
Relince Capital Mutual Fund	540	100,000
SBI Mutual Fund	5,395	-
Tata Infrastructure Mutual Fund	4,463	200,000
	1,900,000	6,850,000
<b>TOTAL TRADE INVESTMENTS (A)</b>	<b>46,760,487</b>	<b>89,004,727</b>
<b>OTHERS INVESTMENT</b>		
Gold Coins	2,147,168	264,182
<b>TOTAL OTHER INVESTMENTS (B)</b>	2,147,168	264,182
<b>Total Non Current Investments (A+B)</b>	<b>48,907,655</b>	<b>89,268,909</b>
Market Value of Quoted Investments	37,178,342	64,722,575
<b>4.10 LONG TERM LOANS &amp; ADVANCES</b>		
Security Deposits	60,030	60,030
<b>Total Long Term Loans &amp; Advances</b>	<b>60,030</b>	<b>60,030</b>
<b>4.11 CURRENT INVESTMENT</b>		
<b>Investment in Equity Instrument - Unquoted</b>		
840000 (Previous Year - 840000) Equity Shares of Bajaaoo Music Private Limited of ₹ 10/- each, fully paid up	8,400,000	8,400,000
<b>Total Current Investment</b>	<b>8,400,000</b>	<b>8,400,000</b>
<b>4.12 INVENTORIES</b>		
<i>(Valued at the lower of cost and net realisable value)</i>		
Stock-in-Trade		
Audio Vedio Rights	30,512,600	30,512,600
Guitar	104,231	-
Audio Vedio CD (Kolkata)	254,762	665,879
Audio Vedio CD (Jaipur)	591,050	464,825
Mobile Phone (Kolkata)	59,903	59,903
<b>Total</b>	<b>31,522,546</b>	<b>31,703,207</b>
<b>4.13 TRADE RECEIVABLES (Unsecure &amp; Considered Good)</b>		
Receivables outstanding for a period exceeding Six Months from the date they became due for payment		
Unsecured	375,003,791	-
<b>Other Receivables</b>		
Unsecured	866,736,795	758,087,785
<b>Total</b>	<b>1,241,740,587</b>	<b>758,087,785</b>



## 4.14 CASH AND BANK BALANCES

Particulars	31.03.2014 ₹	31.03.2013 ₹
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
In Current Accounts	26,528,610	2,846,077
Cash in hand	14,760,530	5,391,088
<b>Total</b>	<b>41,289,140</b>	<b>8,237,165</b>
<b>4.15 SHORT-TERM LOANS &amp; ADVANCES (Unsecured)</b>		
<b>Considered good</b>		
Intercorporate Deposit	51,031,796	37,811,770
Loans to Others	1,293,260	1,293,260
Advances against Properties	110,100,000	110,100,000
Advances against Studio	5,000,000	15,000,000
Advances against Music Albums	-	1,286,049
Advances against Equity Shares	46,674,130	25,970,630
Advances to Others	109,261,394	78,177,905
Advance Income Tax Payment	2,500,000	4,000,000
Tax Deducted at Source	257,170	132,123
TDS Receivable	882,810	-
<b>Total</b>	<b>327,000,560</b>	<b>273,771,737</b>
<b>4.16 Revenue form Operations</b>		
<b>Sale of Products</b>		
Traded Goods	3,819,662,861	2,497,296,690
<b>Total</b>	<b>3,819,662,861</b>	<b>2,497,296,690</b>
<b>4.17 Other Operating Revenue</b>		
Other Operating Revenue	12,425,123	14,597,529
<b>Total</b>	<b>12,425,123</b>	<b>14,597,529</b>
<b>Breakup of Revenue from Sale of Products</b>	<b>31.03.2014</b>	<b>31.03.2013</b>
Traded Goods		
Hardwares & Softwares( Mumbai)	3,804,958,456	2,457,743,490
Mobile Phone & Accessories (Kolkata)	-	23,686,219
Audio Vedio CD (Kolkata)	599,655	747,356
Audio Vedio CD (Jaipur)	14,104,750	15,119,625
	<b>3,819,662,861</b>	<b>2,497,296,690</b>
<b>Breakup of Other Operating Revenue</b>		
Interest Income on		
Current investment	5,441,146	4,219,041
Income from Mutual fund	73,247	23,363
Dividend		
From Current Investment	259,913	217,545

Particulars	31.03.2014 ₹	31.03.2013 ₹
Continued .....		
<b>Net Gain on sale of Investment</b>		
From Current Investment	2,466,292	(485,717)
Income from Music Portal	80,200	175,786
Commodity Prpfit	2,971,103	-
Studio Rent received	957,390	996,125
<b>Other non Operating Revenue</b>		
Miscellenious Income	175,832	9,451,386
<b>Total</b>	<b>12,425,123</b>	<b>14,597,529</b>
<b>4.18 Cost of purchase of stock-in-trade</b>		
<b>Opening Stock</b>		
Mobile Phone (Kolkata)	59,903	1,271,417
Audio Vedio CD (Kolkata)	665,879	694,338
Audio Vedio CD (Jaipur)	464,825	376,000
	<b>1,190,607</b>	<b>2,341,755</b>
<b>Add: Purchases</b>		
Softwares & Hardwares (Mumbai)	3,796,125,709	2,447,858,939
Import Mobile Phone & Accessories	-	22,352,661
Audio Video CD (Kolkata)	88,882	273,790
Audio Video CD (Jaipur)	10,551,475	11,264,200
	<b>3,806,766,066</b>	<b>2,481,749,590</b>
<b>Less: Closing Stock</b>		
Mobile Phone ( Kolkata)	59,903	59,903
Audio Video CD (Kolkata)	254,762	665,879
Audio Video CD (Jaipur)	591,050	464,825
	<b>905,715</b>	<b>1,190,607</b>
<b>Total</b>	<b>3,807,050,958</b>	<b>2,482,900,738</b>
<b>4.19 Break up of purchase of stock-in-trade</b>		
<b>Opening Stock</b>		
Audio Vedio Master Rights	30,512,600	30,512,600
Add: Purchase Audio Vedio Master Rights	-	-
	<b>30,512,600</b>	<b>30,512,600</b>
<b>Less: Closing Stock</b>		
Audio Vedio Master Rights	30,512,600	30,512,600
<b>4.20 Employee Cost</b>		
Salaries and Wages	2,985,646	3,050,174
Staff Welfare Expenses	158,274	122,750
<b>Total</b>	<b>3,143,920</b>	<b>3,172,924</b>

## 4.21 Other Expenses

Particulars	31.03.2014 ₹	31.03.2013 ₹
Payment to Auditor (Refer note below)	35,000	35,000
RTA Fees	47,248	25,146
Conveyance & Travelling Exp.	461,215	827,040
Listing & Depository Fees	61,528	92,281
Postage & Telephone Exp.	27,500	16,460
Professional Fees	53,476	106,836
Printing & Stationery	55,834	51,372
Bank Charges	32,941	81,403
Coolie, Cartage and Fright and others Expenses	70,100	66,514
Advertisements and Sales Promotion Expenses	380,576	2,932,958
Rent & Electricity Expenses	165,247	311,976
Filling fee	22,200	-
Insurance	109,761	91,018
Donation	160,900	251,000
Web Designing Charges	1,085,508	362,500
Rates & Taxes	-	369,367
Director & Share Holder Meeting fee	42,360	96,000
Office Maintenance Charges	508,828	224,438
Studio Repairs & Maintenance	210,870	79,740
Deferred Revenue Expenditure (W/O)	101,100	101,100
Computer Maintenance	12,000	7,050
Communication	-	200,498
VAT Audit fee	44,944	-
Value Added Tax	965,120	-
Communication	33,030	32,734
Income Tax TDS	5,596	5,596
Motor Car Expenses	236,000	220,000
Miscellaneous Expenses	68,186	121,236
	-	-
<b>Total</b>	<b>4,997,068</b>	<b>6,709,263</b>
<b>4.22 Tax Expenses</b>		
Income Tax	3,562,543	3,369,698
Income Tax Prvious Year	-	-
<b>Total</b>	<b>3,562,543.00</b>	<b>3,369,698.00</b>

# JMD Telefilms Industries Limited

CIN : L67190MH2000PLC033180

Regd. Office : Unit No. 323 & 324, 3rd Flr, Bldg No. 9, Laxmi Plaza, New Link Road, Andheri (West),  
Mumbai-400 053

Email : jmdtele@gmail.com; Website : www.jmdllimited.com

Form No. MGT – 11, **PROXY FORM / BALLOT FORM**

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration), 2014)

Name of the Member \_\_\_\_\_

Registered Address \_\_\_\_\_

Folio No. / DP/Client ID \_\_\_\_\_

I/We being the members of \_\_\_\_\_ Shares of JMD Telefilms Industries Ltd., hereby appoint -

1. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

2. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_ or failing him

3. \_\_\_\_\_ having email Id \_\_\_\_\_ Signature \_\_\_\_\_

As my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 30th Annual General Meeting of the Company, to be held on Monday, 22nd September 2014 at 2.00 PM at Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 058 and at any adjournment thereof in respect of such resolution(s) as are indicated below :

Ordinary Business :		For	Against
1.	Adoption of Financial Statements for the year ended March 31, 2014		
2.	Approval of Dividend for 2014		
3.	Retirement of Mr. Jagdish Prasad Purohit, Director, by rotation, eligible for re-appointment		
4.	Appointment of M/s. Mehta Kothari & Associates, Chartered Accountants, Mumbai, as Auditors and to fix their remuneration.		
Special Business :			
5.	Appointment of Mr. Pawan N. Borad as Independent Director for a term of 5 Years.		
6.	Appointment of Mr. Ashok Bothra as Independent Director for a term of 5 Years.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2014

Signature of Shareholder \_\_\_\_\_ Signature of Proxy \_\_\_\_\_



Affix  
Revenue  
Stamp  
₹ 1/-

# JMD Telefilms Industries Limited

CIN : L67190MH2000PLC033180

Regd. Office : Unit No. 323 & 324, 3rd Flr, Bldg No. 9, Laxmi Plaza, New Link Road, Andheri (West),  
Mumbai-400 053

Email : jmdtele@gmail.com; Website : www.jmdllimited.com

## ATTENDANCE SLIP

(Pursuant to the section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration), 2014)

Registered Folio No. / DPID/Client Id \_\_\_\_\_

Name & Address of Share Holder \_\_\_\_\_

I/We hereby record my/our presence at the 30th Annual General Meeting of the Company at 2.00 PM Unit No. 323 & 324, 3rd Floor, Building No. 9, Laxmi Plaza, New Link Road, Andheri (West), Mumbai-400 058 on Monday, 22nd September 2014, at 2.00 P.M.

Members' Folio/DPI/Client Id

Member/Proxy's Name in Capital

Member/Proxy's Signa

Please complete the Folio/DP Id/Client Id and Name, sign this Attendance Slip and hand it over at the Attendance verification counter at the Entrance of the Meeting Place.



# BOOK-POST

*If undelivered, please return to :*

**JMD Telefilms Industries Limited**

Unit No. 323 & 324, 3rd Floor, Bldg No.9, Laxmi Plaza, New Link Road, Andheri (W), Mumbai-400 053.