

MediaOne Global Entertainment Limited



Annual Report
2008-09



JAYAMRAVEN
JEEVA'S

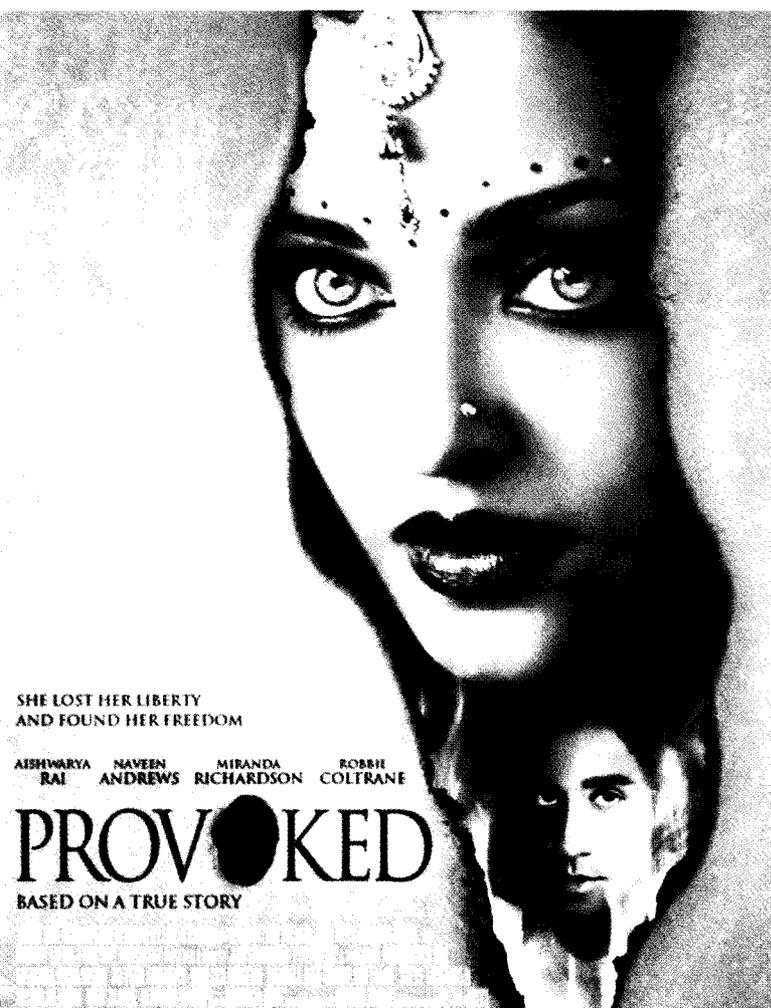
DHAAM DHOOM

HARRIS JA

V.T.VIJAYAN THOTA THARANI S.RAMAKRISHNAN
CHRIS ANDERSON KANAKKANNAN B. THIVYARAJAN RAJU SUNDARAM REKHA CHINNIPRAKASH SHOBI G.K.MANIKANDAN B.RAJA
A.S.LAKSHMI NARAYANAN PAVITHRA NAMUTHUKUMAR ANEEZ JHONSON MITRAN



MediaOne Global Entertainment Limited Production

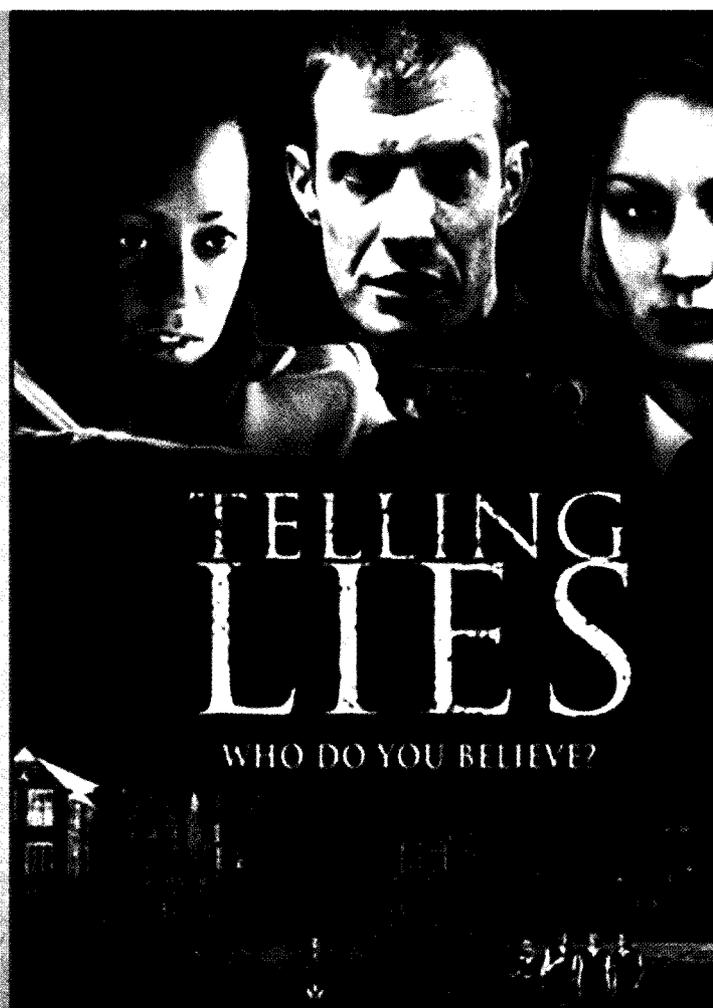


SHE LOST HER LIBERTY
AND FOUND HER FREEDOM

AISHWARYA NAVEEN MIRANDA ROBBIE
RAI ANDREWS RICHARDSON COLTRANE

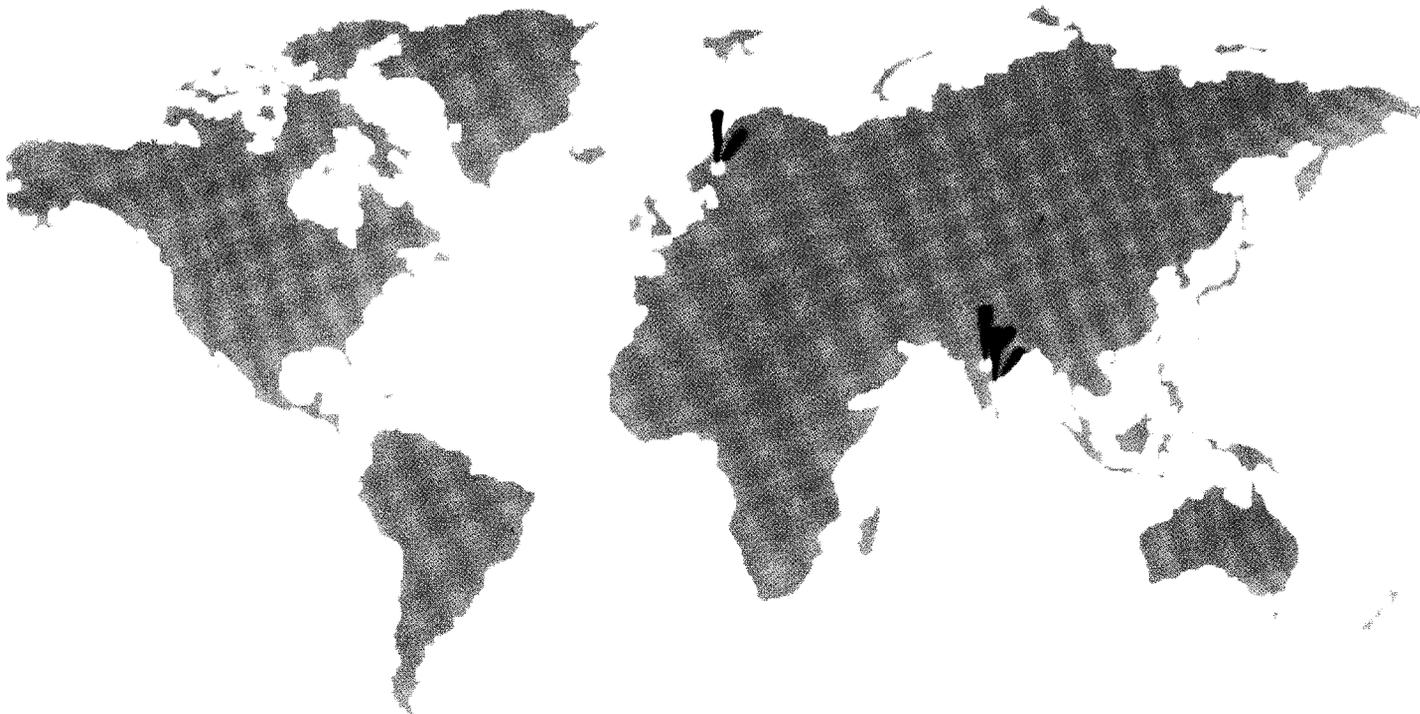
PROVOKED

BASED ON A TRUE STORY



TELLING LIES

WHO DO YOU BELIEVE?



Registered Office :

MEDIAONE Global Entertainment Limited
No.59, Vijayaraghava Road,
T.Nagar, Chennai - 600 017.
India.

Branch Office:

MEDIAONE Global Entertainment Limited,
F-113, CENTRAL Chambers - 5B,
2nd Main Gandhi Nagar,
Bangalore - 560 009.



Overseas Subsidiary:

MEDIAONE Global Limited
8th Floor Crown House
North Circular Road,
London, NW 10-7 PN

Distribution Office:

MEDIAONE Global Entertainment Limited
19, Cheran Palace,
Door No.9, Gopalapuram,
Coimbatore - 641 018.

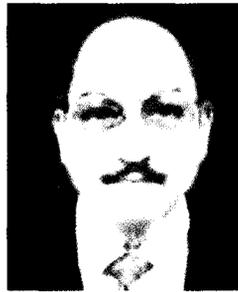
Board Directors



Mr. Suryaraj Kumar
Chairman & Managing Director



Mr. T. Venkateswara Rao
Independent Director



Mr. Bomi Kavina
Independent Director



Mr. Thomas Kuruvilla
Independent Director

Management



Mr. Suryaraj Kumar
Chairman & Managing Director



Mr. J. Kumara Swamy
COO



Mr. G. Benedict Victor
CFO & Company Secretary

Management Staff



Chairman Statement



Dear Shareholders,

Greetings!

It gives me immense pleasure to present my views on the Media & Entertainment Industry and the achievements of your Company for the financial year 2007-08.

Overall Industry Scenario

The Indian media and entertainment industry is one of the fastest growing sectors of the Indian economy. It has benefitted from the economic growth and rising income levels in the country, and is in a crucial phase of transformation.

The financial year 2007-08 was a good year for the industry and it was characterized by consolidation, realignment and growth in most segments of the industry. Further, the media and entertainment industry is expected to grow faster than India's GDP growth and consequently more expenditure are also expected upgrading this sector.

India is seen as a source of intellectual capital. In the last few years, Government has been very keen in promoting public private partnerships in exploring new opportunities for intensifying the rapid growth in the various sectors of the Indian Economy. Competing with the world economy, India has been one of the world's fastest growing economies, with an average GDP growth rate of close to 7%. We are excited that India is poised to maintain this growth rate and this innovative approach would enable media and entertainment sector to open doors for global investment.



A joint report on this industry by the Federation of Indian Chambers of Commerce and Industry (FICCI) and Pricewaterhouse (PWC) stated: "In 2007-08, the Indian media and entertainment industry grew 17 percent over the previous year touching the \$11.92 billion mark". According to an expert in the industry that is the largest in the world in terms of the number of films produced, worth \$2.12 billion in 2006. It is estimated to grow at a CAGR of 16 percent to \$4.42 billion by 2011. Other entertainment content areas like music and television also have huge potential in the international market. According to an estimate, the total value of Indian content sold overseas is over \$20 crores in a year. This is expected to grow over 20% every year."

Media & Entertainment Industry – in the near Future

The media and entertainment industry has been witnessing a transformation empowered by technological advancements, new delivery platforms and increasing diversity in content. Digital technology is advancing at an ever-increasing pace. Innovative technologies have boosted the media industry to bring a turnaround whereby remarkable achievements have been made by many leading DTH (Direct to Home) operators in competing among themselves for providing the best package for the consumer, which could lead to a driving challenge for the industry.

Consumer expectations are also changing fast. Although consumers are likely to spend more on media and entertainment in the future, they are increasingly going to be attracted to products that give them more control, choice and pricing flexibility. Consumers are becoming more aware on the pricing methodology and the quality content which would indeed enable only novel media and entertainment companies to sustain in this global competitiveness.

Review of Performance

I am happy to report that we have posted a 63% growth in revenues this year. Our consolidated revenues for the year have increased from Rs.59 crores to Rs.96 crores for the year ended 30th June 2008. Our consolidated operating profit has increased by 54% to Rs. 5.45 crores from Rs.3.55 crores as compared to the previous year. Profit after tax increased by a phenomenal 96% year on year to touch Rs.4.90 crores versus last year's figure of Rs.2.50 crores. Acknowledging this significant growth, the Board has recommended a dividend of 6% for the financial year ended June 30th 2008. The outflow on account of dividend and allied distribution tax would be Rs.0.13 Crores.

Our Business Divisions

In order to map our specialised offerings better with the market opportunities, we have streamlined our business divisions into Production, Distribution, Exhibition and Events.

Production

Under Production, we have been actively producing Feature Films and Television Content for leading TV Channels. During the year the company has produced "DHAAM DHOOM", a Tamil feature film starring Jayam Ravi, Kangana Ranaut, Laxmi Rai, Directed by Late. Jeeva and Music which was composed by Harris Jayaraj has been a great success. Another feature film has been "TELLING LIES" (English Film), starring Melony Brown (Spice Girl), Jason Fleming and Directed by Antra Bharadwaj, has also been a successful production. These films has been in addition to our past productions like PROVOKED – (English) 2007 RAMJI LONDONWALE – (Hindi) 2005 SAJNI – (Kannada) 2007. Apart from film productions, we have also been successful in producing content for leading channels and to name a few would be "Alaipayuthe" for Jaya TV, "Keladi Kanmani" and "Vegam Vivegam" for Vasanth TV, "Avalukun Oru Manam" for ZEE (tamil), "Theem Tarikita" for Kalaignar TV, were some of the programmes done during the year. Our past Television programmes, have been "Visswarupam " for Raj TV, Geetanjali for ZEE (Kanada), "Kichchu" for E TV Kanada,



“Swabhimana “ for ZEE (Kanada), “Krishnapaksham” for Surya TV – SUN Network. Many more such programmes are on the anvil and our company is in the process of signing contacts with a few more channels early next year.

Distribution

Your company’s core competency has been distribution and this has certainly helped the company in taking up distribution of English and Hindi films during the year. To name a few English Films like “Hancock”, “Forbidden Kingdom”, “Mummy III” have done successfully well, apart from some Hindi Films distributed. The company now plans to focus more in distributing more English Films and has tied up with a leading company, for distributing new releases of English films. The company is confident of bringing a turnaround in its Distribution Business

Exhibition

Mediaone’s ultimatum lies in becoming an “Asset Based Media & Entertainment Company” and has ventured into acquiring theatres in and around B1 and B2 centres, with a prime focus of converting these theatres into modern digital theatres with state of the art viewing experience, coupled with exquisite ambiance and ample parking facilities. This innovative approach would enable Mediaone to screen new movies simultaneously in “B1 and B2 centers” at par with “A centers” by extending an opportunity to viewers across various categories of centers in Tamil Nadu to view the movie on the same day of release. The idea behind such new venture would be in beating piracy, encashing on the initial publicity and connectivity through digital network. Mediaone’s first owned “Balaji theatre” is nearing completion and will start generating revenue early next year. Apart from this, a few more theatres have also been shortlisted and will be finalised in the due course.

Events

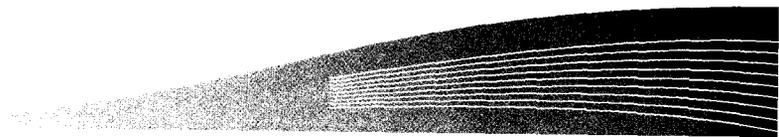
During the year Mediaone had actively partnered with Spellbound-an event management company in sponsoring “Snow Ball”, a unique event of its own which took place during the peak summer season at Island Ground in Chennai and at Jail Ground Gandhipuram, Coimbatore. Mediaone has active plans line-up for current year in sponsoring many more events like film-fare awards, Bravo awards, etc. Mediaone is also in active talks with leading Event Management Companies for conducting of many more events during the year.

Corporate Governance

The Company adheres with Corporate Governance Code as laid down by SEBI and Stock Exchanges. To further strength our Corporate Governance, a set of guidelines has been laid down and the same followed by the Board of Directors and the Management of the Company to create value for the stakeholders. Your Company respects and strives hard to meet the objectives of good corporate governance. Our Commitments and social responsibility in all dealings with customers, Government authorities, suppliers, employees and other stakeholders enable us to achieve our objectives of good Corporate Governance.

Outlook for the future

With the Indian Media and Entertainment (M&E) industry poised to enter a golden era, I am confident that India would become one of the largest markets in the world, seeing a potential growth of over 18%-19% per cent against 6% -7% globally.





The Indian film industry, with over 3 billion admissions per annum, is the largest in the world, in terms of number of films produced per year. This industry, which was worth US\$ 2.12 billion in 2006, is estimated to grow at a CAGR of 16 per cent to US\$ 4.42 billion by 2011.

Advancements in technology along with a rise in consumer income and change in consumption patterns has led a massive shift in all spheres of the film industry - production, exhibition, distribution and marketing. One perceptible change has been the rapid growth of multiplexes, which meets consumer demand for quality entertainment and has also helped boost production of niche films targeted at niche audiences.

Simultaneously, Television Channels have been competing among themselves to give the best for the viewers', wherein most of the Indians have a 'Home - Office - Home' life and that wouldn't change much. Hence Television is something that would not stop growing and there is sort of mimicking localization effect which seems to work very well. One successful show in Hindi or English - converts into a regional show and attracts the local audience glued to the TV. Even with poor service from cable operators or DTH, people can live without food but not without TV. Moreover, the Indian Television form part of the top ten advertising categories and the penetration rate of cable TV in Indian householder has been one of the key drivers for the boom in the Indian Television Industry.

Mediaone plans to encash on this opportunity and will ensure in bringing out good films and focus more in creating content for the most popular channels. Apart from its existing business of Production, Distribution and Content generation for TV Channels, Mediaone also focuses in acquiring chain of theatres in the market as a "Value for Money" proposition, differentiating itself from the other theatres by providing the state of art technology and ambience to the deserving audience and branding these theatres the umbrella of "Mediaone", which will be a standout from other theatres in terms of best Interiors, upgraded canteen facility, unique digital movie experience at an economical cost.

Our Commitment

The key for our success has been our people, comprising of a team of young creative, dynamic & innovative professionals determined to excel. We as a team are always committed to our shareholders, bankers, customers and to everyone associated with our company. We do hope that with your continued support, we would be able to rise up and deliver to your expectation always.

With best wishes,

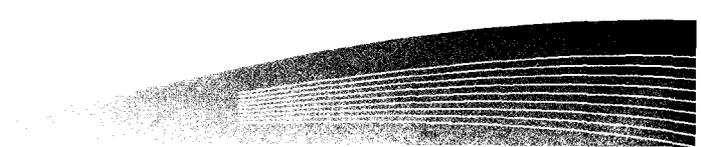
Suryaraj Kumar
Chairman & Managing Director

Mission

- Positioning Mediaone in the Global Map by setting a benchmark for quality and innovative content to discerning audience worldwide.
- To be a stand out in the Exhibition Theatre business.
- State of the Art technology in renovating and refurbishing of existing theatres in Upcoming center.
- Distribution of worldwide releases of films through improvised distribution Network.

Vision

***“Unique media content with end to end solution in
Entertainment' industry to compete globally”***





Contents

	Pg.No.
Corporate Information	1
Notice of Annual General Meeting	2
Financial Highlights	4
Directors' Report	5
Corporate Governance	10
Shareholder's information	13
Management Discussion & Analysis	17
Auditors' Report	19
Balance Sheet	22
Profit and loss account	23
Schedules	24
Significant Accounting Policies & Notes on Accounts	32
Balance sheet abstract and Company's general business profile	35
Statement of cash flows	36
Statement pursuant to section 212 of the Companies Act, 1956 relating to subsidiary Company	37
Financial statements of subsidiary	42
Consolidated Auditors' Report	47
Consolidated Financials	48
Proxy form / Attendance slip	59

Corporate Information

Registered Office:

Mediaone Global Entertainment Limited,
No.59, Vijayaraghava Road, T.Nagar, Chennai 600017.
Tel: 044-42148005 Fax : 044-42146321
www.mediaoneglobal.in

Branch Office

5-B Central Chambers
5th Floor, F-113
2nd Main Road, Gandhi Nagar
Bangalore 560 009.

Statutory Auditors

R.P.Madhu & Co
Chartered Accountants
W-41, (Old # 124)
III Avenue, Annanagar
Chennai 600040.

Bankers

THE LAKSHMI VILAS BANK
Cathedral Road Branch
70 Cathedral Road
Chennai 600086

VIJAYA BANK

Egmore Branch
123 Dugar Towers
Rukmani Lakshmipathy Road,
Egmore,
Chennai 600008

VIJAYA BANK

P.B. No.9934, 34, 1st Floor
Hariram Complex
K.G.Road,
Bangalore 560009.

Subsidiary

Mediaone Global Limited,
9th Floor, Crown House
60 North Circular Road,
London NW 10-7 PN.

Internal Auditors

MRC & Associates
Chartered Accountants
No.51, (New No.8) 1st Floor,
Gajapathy Nagar, Shenoy Nagar
Chennai 600030.

Registrars & Share Transfer Agents

Cameo Corporate Services Ltd
Subramanian Building,
#1, Club House Road,
Chennai - 600002.

Legal Advisor

P.D.Audikesavalu, Advocate
Catholic Centre Building,
64, Armenian Street, Chennai 600002.



Notice

Notice is hereby given that the 27th Annual General meeting of the Shareholders of MEDIAONE GLOBAL ENTERTAINMENT LIMITED will be held at 11.30 A.M. on Wednesday, the 24th December, 2008 at Hotel Guru, 69, Rukumani Lakshmpathy Salai (Marshall Road), Egmore, Chennai 600008 to transact the following business :

Ordinary Business:

1. To consider and adopt the Balance Sheet as at 30th June 2008 and the Profit and Loss Account for the period ended 30th June 2008 along with the Schedules, the report of the Directors and Auditors thereon.
2. To declare dividend
3. To appoint a Director in the place of Mr. Bomi Kavina, who retires by rotation and being eligible, offers himself for re-appointment.
4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution;

"RESOLVED THAT M/s. R. P. Madhu & Co.,, Chartered Accountants, the retiring auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the company on such remuneration as may be decided by the Board of Directors plus reimbursement of actual travel and other out-of-pocket expenses."

Special Business:

To consider and, if thought fit, to pass, with or without modification, the following resolution which will be proposed as an Ordinary Resolution:

5. "RESOLVED THAT subject to the provisions of Section 198, 269 309,310 Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 the approval of the Members be and is hereby given for revision and re-fixing within the overall limit specified under Schedule XIII of the Companies Act, 1956 the remuneration payable to Mr. Suryaraj Kumar, Managing Director, with effect from 1st May 2008, as set out hereunder:
Salary – Rs.1,50,000/- per month

"RESOLVED FURTHER the Board of Directors of the Company be and is hereby authorized to vary, alter or modify the different components of the aforesaid remuneration within the overall limit specified under section 198 read with section I of Part II of Schedule XIII of the Companies Act, 1956 as may be agreed to by the Board and Mr. Suryaraj Kumar, Managing Director.

Chennai
31st October, 2008

For Mediaone Global Entertainment Limited
Suryaraj Kumar
Managing Director

Annexure to Notice:

- a) **A member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and vote instead of themselves and a proxy need not be a member. (Proxy form is enclosed)**
- b) The Register of Members and the Share Transfer Books of the company will remain closed from 23.12.2008 to 24.12.2008 (both days inclusive) in connection with the Annual General Meeting.
- c) Dividend recommended by the Directors for the year 30.06.2008, if approved by the members at the Annual General Meeting, will be payable to those members whose names appear on the Register of Members as on 24.12.2008.
- d) Members are given an option to hold their securities in a depository or in the physical form. Members opting for depository form are requested to notify the Company's REGISTRAR AND SHARE TRANSFER AGENTS immediately at their address given below:

Cameo Corporate Services Ltd.

Subramanian Building, 1, Club House Road,
Chennai – 600002.
Tel:044-28460390 Fax: 044-28460129

- e) Members are requested to inform the Company any change in their addresses immediately so as to enable the company to despatch the dividend warrants and any future communication at their correct address.
- f) Shareholders who have not encashed their dividend warrants are requested to submit their claims for dividend to the Registered Office of the Company.
- g) Nomination facility is now available for the Shareholders. Members who want to file Nomination may write to the Company.

Explanatory Statements

(As required under Section 173(2) of the Companies Act, 1956)

Item No.5.

Mr. Suryaraj Kumar, Managing Director, was co-opted by the Board as an Additional Director on 25th August 2005 and affirmed appointment by the shareholders in their meeting held on 30th September 2005 as a Director and later appointed as Managing Director with effect from 24th January 2006 for a period a five years on a remuneration of Rs.75,000/- p.m. The Board after reviewing the performance of Suryaraj Kumar found it desirable to revise his present remuneration to Rs.1,50,000/- per month with effect from 1st May 2008. A copy of the contract entered into by the Company with Mr. Suryaraj Kumar is available for inspection at the Registered Office of the Company between 11.a.m. and 1.p.m. on all working days of the Company.

The Directors recommend the resolution for the approval of the Shareholders. None of the Directors of the Company, except Mr.Suryaraj Kumar is interested in this resolution.

Chennai
31st October, 2008

For Mediaone Global Entertainment Limited
Suryaraj Kumar
Managing Director

Financial Highlights

(Rupees in lakhs)

S.No.	Particulars	Standalone Financials		Consolidated Financials	
		30.06.2008	30.06.2007	30.06.2008	30.06.2007
1	Income from Operations	2329.79	1181.19	8514.80	5532.50
2	Work in Progress	1114.29	281.65	1114.29	281.65
3	Other Income	10.54	96.08	10.54	96.08
4	Total Income	3454.62	1558.92	9639.63	5910.23
	Expenditure				
	(a) Direct Expenses	2963.93	1271.58	8720.14	5378.48
	(b) Opening Work in Progress	281.66	-	281.66	-
	(c) Staff Cost	30.47	71.92	30.53	21.48
	(d) Administrative Expenses	51.89	2.29	62.00	157.10
	(e) Pre-operative expenses w/o	6.17	-	6.63	-
	(f) Financial charges	-	-	0.47	-
5	Depreciation	6.24	2.35	6.24	2.35
6	Profit before tax	114.26	210.78	531.96	350.82
7	Provision for Taxation	0.00	58.39	41.81	100.84
8	Deferred Tax Liability/ (Asset)	(1.48)	-	(1.48)	-
9	Provision for FBT	0.61	-	0.61	-
10	Net Profit	115.13	152.39	491.02	249.98
11	Paid-up Equity Capital	1472.00	47.00	1472.00	47.00
12	Reserves -excluding revaluation reserves	714.50	260.18	1092.15	400.03
13	Earnings per share(Rs.) (Annualised)	0.78	32.34	3.34	53.19
14	Aggregate of Public Shareholdings				
	a. Number of shares	4857682	144047	4857682	144047
	b. Percentage of shareholdings	33%	30.65%	33%	30.65%

Directors' Report

To the Members

Your directors are pleased to present their report on the business and operations of your Company for the year ended 30th June 2008.

Results of operations

Your Company's performance during the year has been quite impressive. The total consolidated revenues grew to Rs.9639.63 lakhs from last year's Rs 5910.23 lakhs, a growth rate of 63%. The consolidated operating profits grew to Rs.544.83 lakhs from last year's Rs 355.46 lakhs, a growth rate of 54%. The overall operating profit margins have increased due to enhanced revenue productivity, lower growth in administrative expenses and broadening of the business mix. Profit after tax has increased to Rs 490.94 lakhs from last year's Rs 249.99 lakhs, a growth rate of 96%.

Dividend

Your directors recommend a dividend of 6% on 1,47,20,000 equity Shares of Rs 10 each for the financial year ended June 30, 2008. The dividend, if approved by the Shareholders in the forthcoming Annual General Meeting, will be paid to holders of the above Shares whose names appear on the Register of Members of the Company as on 24th December 2008.

Increase in Share capital

During the year, as approved in the Extra-ordinary General Meeting, the authorized capital of the Company was increased from Rs 2.82 crores to Rs 14.72 crores. In pursuance of the approval given 1,19,00,000 Equity Shares of Rs.10/- each at a premium of Rs.5/- per share amounting to Rs.17.85 crores have been allotted on preferential basis to the promoters and their group on 25th June 2008.

Business

During the year, the business divisions of the company, namely, Production and Distribution continued to be buoyant. Your Company's had produced "Dhaam Dhoom" a Tamil feature film which turned out to be a great success. Simultaneously, another English feature film, "Telling Lies" was also produced. Apart from this, the company has also produced television content for various channels like Jaya TV, Kalaignar TV, Vasanth TV, ZEE TV, E TV, Raj TV and Surya TV during the year. Your company has also undertaken distribution of some of the leading films in English and Hindi during the year. Your Company has partnered with a leading distribution company for undertaking distribution of English Films exclusively in Tamilnadu and Karnataka. Apart from this, your company has also partnered with Spellbound (an event management company) in sponsoring events like "Snowball" which took place in Chennai and Coimbatore. Your company also has on its anvil a couple of events like Bravo Awards and Film Fare Awards lined-up to be organized and sponsored before this year end.

Your company's new business strategy lies in acquiring a chain of theatres in and around B1 & B2 centres of Tamilnadu. The company would undertake to refurbish these theaters and bring them under the umbrella of "Mediaone" to be a standout by providing the best state of art technology, infrastructure, digital connectivity with DTS sound effects in order to be at par with some of the leading theatres in and around "A" centres. The company's future plans of acquiring more and more theatres enable it to be "An Asset Based Media & Entertainment Company", creating value for shareholders.

Mediaone Global Limited UK

Your Company's Wholly Owned Subsidiary in the "Mediaone Global Limited UK.", continued its rapid growth during this year as well. The sales turnover of the subsidiary grew by about 42% to £ 7,646,628 from previous year's £ 5,371,975.

As required under section 212 of the Companies Act, 1956, the audited statements of accounts and Auditors' reports thereon alongwith the report of the Directors of the subsidiary for the year ended June 30, 2008, are annexed to this report.

Dematerialization

Your Company's Shares have been listed on the Bombay Stock Exchange. Your Company's Shares have been admitted for dematerialization by National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd (CDSL) bearing ISIN INE 828I01019.

Fixed Deposits

During the year under review, the Company has not accepted or renewed any deposits within the meaning of Section 58A of the Companies Act, 1956 and rules made thereunder.

Directors

As per Article 121 of the Articles of Association, Mr Bomi Kavina retires by rotation in the forthcoming Annual General Meeting and he being eligible, offers himself for re-appointment.

Auditors

M/s. R. P. Madhu & Co., Chartered Accountants, Statutory Auditors of the Company retire at the ensuing Annual General Meeting and have confirmed their eligibility for re-appointment. The Company has received a Certificate from the Auditors to the effect that their appointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956. The members are requested to appoint the Auditors and authorize the Board to fix their remuneration.

Auditor's Report

Observations made by the Auditors of the Company in their report read with relevant Notes to the Accounts are self-explanatory and do not call for any further comments under Section 217(3) of the Companies Act, 1956.

Corporate Governance

A Report on Corporate Governance along with a certificate from M/s. R.P.Madhu & Co., Chartered Accountants, regarding compliance of the requirements of Corporate Governance is annexed herewith.

Management Discussion & Analysis Report

The report on Management Discussion and Analysts is annexed herewith.

PARTICULARS AS PER SECTION 217(2A) OF COMPANIES ACT, 1956:

During the year under review, none of the employees of the Company were in receipt of remuneration aggregating to Rs.24,00,000/- per annum or more for the whole of the year, if employed throughout the year, or Rs.2,00,000/- or more per month, in case employed for part of the year. Hence, there are no particulars to be annexed to this report as required under Section 217(2A) of the Companies Act, 1956 and the rules made thereunder.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information pursuant to Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules, 1988 is not applicable in view of the nature of operations of your Company.

ACKNOWLEDGEMENTS:

The Board would like to express their gratitude for the continued support which the Company has received from its Shareholders, Customers, Suppliers, Bankers, Statutory Authorities and all other business associates.

The Board wishes to place on record their sincere appreciation to all the Company's employees for their collective contribution to the Company's improved performance.

Chennai
31st October, 2008

For & On behalf of the Board
Suryaraj Kumar
Managing Director

Annexure to Directors' Report

Particulars pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988

1. Details of Conservation of Energy

The operations of your Company do not consume high levels of energy. Adequate measures have been taken to conserve energy wherein your Company uses latest technology and energy efficient equipment. As energy cost forms a very small part of total costs, the impact on costs is not material.

2. Technology Absorption

a. Research & Development

Since your Company is in the business of Media & Entertainment there is no investment made by the company in research and development.

b. Benefits Derived

By implementing digital connectivity across Mediaone's chain of theaters, would enable the company in encashing on the initial publicity and help the film industry in beating piracy. This will also internally improve the Company's reputation of becoming an "Asset based media & Entertainment Company" and be a standout in the Exhibition industry.

c. Future Plan of action

Your company plans to invest in innovative technology in monitoring theatre collections and payments.

d. Expenditure incurred

The expenditure is mainly in the form direct expenses which involves cost of Production of films and TV contents and distribution cost which form the major portion of expenses , apart from salaries and benefits to the employees

3. Technology absorption, adaptation and innovation

Your Company uses the latest technology available in its operations. Your Company continues to keep its thrust in modern technology applications.

4. Foreign exchange earnings and outgo for the year ended June 30th

	<i>Rs in lakhs</i>	
	2008	2007
Foreign exchange earnings	1067.84	492.51
Foreign exchange outgo	Nil	42.08

Chennai
31st October, 2008

For & On behalf of the Board
Suryaraj Kumar
Managing Director

Annexure to Directors' Report

Directors' Responsibility Statement

In terms of section 217 (2AA) read with Section 292A of the Companies Act 1956, we, the Directors of Mediaone Global Entertainment Limited, state that in respect of Financial year 2007 – 08 that:

- i. in the preparation of annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii. the Directors have selected 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;
- iii. the Directors have 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;
- iv. the Directors have prepared the annual accounts on a going concern basis
- v. the Board opines that the Company has internal control systems commensurate with the size of the Company and the nature of its business.

Chennai
31st October, 2008

For & On behalf of the Board
Suryaraj Kumar
Managing Director

Corporate Governance

Pursuant to clause 49 of the Listing Agreement with Stock Exchanges, the Company submits the report on the matters mentioned in the said clause and the practices followed by the Company.

Company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance envisages maintaining a high level of disclosure and transparency in all its operations. It aims at enhancing the shareholder value through adoption of sound business practices, prudent financial management and a high standard of ethics throughout the organization.

Board of Directors

The Board comprises of 4 directors with knowledge and experience in different fields like entertainment and business management.

The Board has an appropriate mix of executive and independent directors to ensure proper governance and management.

Composition and category of Directors is as follows:

Category	Names of the Directors
<i>Promoter</i>	
Chairman & Managing Director	Mr. Suryaraj Kumar
<i>Non-Promoter</i>	
Non-Executive & Independent Directors	Mr. T.Venkateswara Rao Mr. Bomi Kavina Mr. Thomas Kuruvilla

SHAREHOLDING OF NON-EXECUTIVE DIRECTORS

Name of the Non-Executive Director	No. of Shares held
Mr. T.Venkateswara Rao	1800
Mr. Bomi Kavina	900
Mr. Thomas Kuruvilla	3000

Board Meetings

Number of Board Meetings held and the dates on which they were held

During the year 2007-08, the Board met 9 times and the dates on which the meetings were held on were 14-08-2007, 24-10-2007, 28-12-2007, 28-01-2008, 02-02-2008, 10-04-2008, 28-04-2008, 14-06-2008, 25-06-2008. The attendance of each Director at the Board Meetings, last Annual General Meeting and the Number of other Directorship and Chairmanship/Membership of Committee of each Director in various companies as under:

Name of The Director	Attendance	particulars	No. of other directorships in Companies	
			Foreign Companies	
			Committee member/chairmanship	
	Board Meetings	Last AGM	Other Committee Chairmanship	Directorship Membership
Mr. Suryaraj Kumar	9	1	Nil	
Mr. T.Venkateswara Rao	9	1	Nil	
Mr. Bomi Kavina	9	1	Nil	
Mr. Thomas Kuruvilla	9	1	Nil	

Board Procedure

The Board meets at least once in a quarter and the interval between two meetings is normally not more than four months. Apart from the statutory requirements the role of the board includes setting annual business plan, periodic review of operations and considering proposals for diversification, investments, and business re-organization. The information periodically placed before the board includes proceedings/minutes of all committees including the audit committee.

Audit Committee

The Company has a qualified independent Audit Committee consisting of three members all being non-executive directors. All the members of the Committee have excellent financial and accounting knowledge. The terms of reference stipulated by Board to the audit committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreements with the Stock Exchanges.

The Board of Directors of the Company has constituted an Audit Committee, in compliance with the provisions of Clause 49 of the Listing Agreement.

Mr. T. Venkateswara Rao is the Chairman of the Audit Committee.

Number of Audit Committee Meetings held and the dates on which they were held during the year 2007-08 :

During the year 2007-08, the Audit Committee met 4 times and the dates on which the meetings were held are as follows:

- i. 24th Oct 2007
- ii. 2nd Feb 2008
- iii. 28th Apl 2008
- iv. 25th Jun 2008

The attendance of the each member of the Audit Committee at its meetings is under:

Name of the Committee Member	No. of meetings Attended
Mr. T.Venkateswara Rao	4
Mr. Bomi Kavina	4
Mr. Thomas Kuruvilla	4



Remuneration Committee

The Remuneration Committee has been constituted to recommend and approve the remuneration package of the Managing Director, based on the performance of the Company.

During the year, the Committee met on 24th Oct 2007, 2nd Feb 2008, 28th Apl 2008 & 25th Jun 2008. The attendance of the each member of the Remuneration Committee at its meetings is as under:

Name of the Committee Member	No.of meetings Attended
Mr. T.Venkateswara Rao	4
Mr. Bomi Kavina	4
Mr. Thomas Kuruvilla	4

The details of remuneration paid to all the Directors for the year:

i) Executive Director

Name of the Managing Director	Salary	(Rupees in lakhs)	
		PF	Total
Mr. Suryaraj Kumar	9.75	-	9.75

ii) Non-Executive Directors

The Company does not pay any sitting fees to the Non-Executive Directors for the Board Meetings and Statutory Committee meeting attended by them.

Shareholders/Grievance Committee

The Board has constituted a Shareholders/Grievance Committee comprising of:

- i. Mr. T.Venkateswara Rao
- ii. Mr. Bomi Kavina
- iii. Mr. Thomas Kuruvilla

The Committee looks into redressing of shareholders' complaints, if any, like transfer of shares, non-receipt of balance sheets, non-receipt of dividend warrants etc.

Mr. Bomi Kavina is the Chairman of the Shareholders/Grievance Committee.

There was no request for dematerialisation pending for approval as on 30.06.2008.

General Body Meetings

a) Location and time for last 3 Annual General Meetings were:

Year	Location	Date	Time
2004-05	305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad 500029	30.09.2005	3.00 p.m.
2005-06	305, Bluechip Arcade, 3-6-111, Himayatnagar, Hyderabad 500029	27.07.2006	11.00 a.m.
2006-07	Hotel Guru, 69 Marshall Road, Egmore, Chennai 600008	28.09.2007	12.45 p.m.

- b) In the last three years, five Special Resolutions were passed:
 i) Issue of 7,20,000 Rights Shares in 2005-06; ii) Increase of authorized share capital, and consequential alteration of Memorandum and Articles of Association; iii) Issue of Bonus shares iv) Issue of Rights Shares v) Issue of shares on Preferential basis.
- c) The special resolutions passed in the Annual General Meetings do not require postal ballot.

Disclosures

Related party transactions during the year have been disclosed as a part of accounts as required under Accounting Standard 18 issued by the Institute of Chartered Accountants of India.

There has been no instance of non-compliance by the Company, penalty or strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority on any matter related to capital markets.

Means of Communication

The quarterly/half-yearly unaudited financial results and the annual audited financial results are published in English Edition of 'Business Standard, Trinity Mirror & Local Edition Makkal Kural.

The Management Discussion and Analysis (MD & A) report forms part of the annual report.

General Shareholder Information

Annual General Meeting

Date and Time : 24th December 2008 @ 11.30 a.m.
 Venue : Hotel Guru, 69 Rukamani Lakshmiipathy Salai, Chennai 600 008

Financial calendar : 1st July to 30th June
 Results for the quarter ending 30.09.08 – End Oct. 2008
 Results for the quarter ending 31.12.08 – End Jan.2009
 Results for the quarter ending 31.03.09 – End April 2009
 Results for the quarter ending 30.06.09 – End July 2009

Book Closure dates : from 23.12. 2008 to 24.12.2008 (both days is inclusive)

Dividend payment : January 2009

Listing of Equity shares : The BSE Ltd., Mumbai.

The Annual Listing Fees as prescribed has been paid to the above stock exchange.

- (a) Stock Code : Mumbai : 503685
 (b) Demat ISIN Number in NSDL & CDSL for - ISIN INE828I01019

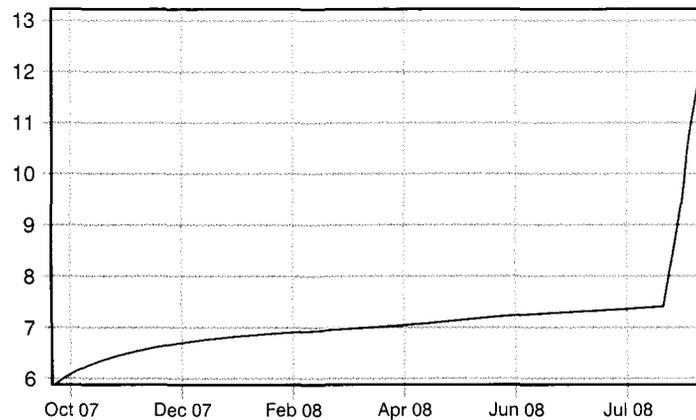


Stock market data (The Stock Exchange, Mumbai)

Stock Prices

	Share Price		Sensex	
	High Rs.	Low Rs.	High	Low
July 2007	-	-	15868.85	14638.88
August 2007	-	-	15542.40	13779.88
September 2007	35.25	33.60	17361.47	15323.05
October 2007	38.85	37.00	20238.16	17144.58
November 2007	-	-	20204.21	18182.83
December 2007	40.75	40.75	20498.11	18886.40
January 2008	-	-	21206.77	15332.42
February 2008	-	-	18895.34	16457.74
March 2008	-	-	17227.56	14677.24
April 2008	7.08	7.08	17480.74	15297.96
May 2008	-	-	17735.70	16196.02
June 2008	-	-	16632.72	13405.54

Share price performance in comparison to broad based index – BSE Sensex.



Transfer Agents : **Cameo Corporate Services Ltd.**,
'Subramaniam Building', No.1, Club House Road, Chennai 600 002.

Share Transfer System:

The Company's shares are traded in the Stock Exchanges compulsorily in demat mode. Pursuant to the directive issued by the Securities and Exchange Board of India, the share transfers both physical and demats, is now handled by our Transfer Agent, Cameo Corporate Services Ltd. Chennai. Shares in physical mode, which are lodged for transfer either with the Company or with the Share Transfer Agent, are processed and the share certificates are returned to the transferees within 30 days of lodgment, as per the Listing Agreement.

Distribution of shareholding as on 30th June 2008:

No. of shares	Shareholders		No. of shares	
	Number	%	Number	%
Upto 500	99	52.38	12,572	0.0854
501 - 1,000	36	19.05	30,200	0.2052
1,001 - 2,001	16	8.47	27,550	0.1872
2,001 - 3,000	9	4.76	26,700	0.1814
3,001 - 4,000	1	0.53	3,600	0.0244
4,001 - 5,000	2	1.06	9,500	0.0645
5,001-10,000	5	2.64	37,700	0.2561
10,001 and above	21	11.11	1,45,72,178	98.9958
Total	189	100.00	1,47,20,000	100.0000

(b) Pattern of Shareholding as on 30.06.08

Category	No. of shares	Percentage
Promoters	98,62,318	66.999
Banks/Financial Institutions		
NRI		
Bodies Corporate	8,49,600	5.772
Public	40,08,082	27.229
Total	1,47,20,000	100.000

Dematerialisation of Shares: The shares of the company are held both in dematerialised form and in physical form.

The Company's shares are listed on the Bombay Stock Exchange, Mumbai.

The Company has not issued any GDR/Warrants and Convertible Bonds.

Registered Office:

Address for Correspondence: No.59, Vijayaraghava Road, T.Nagar, Chennai 600 017.

Tel: 044-42148005; Telefax: 42146321

E-Mail : contact@mediaoneglobal.in

Non-mandatory disclosure : The non-mandatory requirements have been adopted as stated below:

The Board : No specific tenure has been fixed for the independent directors.

Remuneration Committee : The Board has set up a Remuneration Committee.

Shareholder Rights : The half-yearly results of the Company are published in newspapers. They are not sent to the shareholders individually.

Audit Qualifications : The statutory statements of the Company are unqualified.

Training of Board Members mechanism for evaluating non-executive directors.

All the non-executive directors are having rich experience and expertise in functional areas and in the opinion of the Board they do not require any special training.

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

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the Financial Year ended 30th June 2008.

For Mediaone Global Entertainment Limited,

Suryaraj Kumar

Managing Director

31st October, 2008

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of

Mediaone Global Entertainment Ltd.,

We have examined the compliance of corporate governance by Mediaone Global Entertainment Ltd., for the year ended 30th June 2008, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to 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 opinion on the financial statements of the Company.

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

We furtherNo investor grievances are pending for a period exceeding one month against the company as per the records maintained by the Company.

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

Place: Chennai

Date: 31st October 2008

R.P.Madhu & Co.,
Chartered Accountants

Management's discussion and analysis of financial condition and results of operations

Overview

The Indian media and entertainment industry is estimated to grow at a CAGR of 19 per cent. Maximum growth is expected in television and film segments, with more than 300 national and regional TV channels telecast in the country. Close to 1000 films are being produced every year and the Government has allowed liberal FDI policies across all the segments of the industry and now focussing on regulations to give further impetus to the industry.

The Media & Entertainment (M&E) market can be characterized by two words: diversity and competition. Film Production and content development for television Channels is extremely competitive, responding on-time to market demands and consumer tastes.

Production of Films involves a process, from the development of a story idea to commissioning the writing of a cutting-edge script, and further to filming, editing and delivering a finished product. For achieving this, a movie production company in India must adopt and master a myriad of technologies and techniques. Moreover, it must have its creative fundamentals firmly in place to ensure that the product features differentiated content and is suitable for the designated audience.

The film industry faces exciting opportunities, including new distribution channels for digital content and growing markets for cross-merchandise. With increasing industry consolidation and pressures to control spiralling costs, film studios are looking for ways to streamline operations and control costs to meet investor expectations. In addition, a multibillion-dollar piracy problem forces film companies to find the optimal balance between asset protection and readily available content.

Indian television is a major revenue-spinner that drives a number of retail and entertainment markets. One of the main challenges to stay ahead in the Television segment lies in controlling cost and continually offering high quality content to attract more viewers and new advertisers.

Performance

Our consolidated revenues for the year have increased from Rs.59 crores to Rs.96 crores for the year ended 30th June 2008 recording a 63% growth in revenues this year. Our operating profit has increased by 54% to Rs. 5.45 crores from Rs.3.55 crores as compared to the previous year. Profit after tax increased by a phenomenal 96% year on year to touch Rs.4.91 crores versus last year's figure of Rs.2.50 crores.

Risk Factors

Investment in the film industry is highly speculative and inherently risky. There can be no assurance of the economic success of any motion picture since the revenues derived from the production and distribution of a motion picture depend primarily upon its acceptance by the public, which cannot be predicted. The commercial success of a motion picture also depends upon the quality and acceptance of other competing films released into the marketplace at or near the same time, general economic factors and other tangible and intangible factors, all of which can change and cannot be predicted with certainty.

The entertainment industry in general and the motion picture industry in particular, are continuing to undergo significant



changes, primarily due to technological developments. In addition, the theatrical success of a motion picture remains a crucial factor in generating revenues in other media such as video rights and television. Due to the rapid growth of technology, shifting consumer tastes, and the popularity and availability of other forms of entertainment, it is impossible to predict the overall effect these factors will have on the potential revenue from and profitability of feature-length motion pictures.

Risk Mitigation

The company plans to overcome these risks by creating an “asset” by acquiring theatre across southern Tamilnadu. Mediaone's plan of having a chain of theatres with sophisticated infrastructure and digital connectivity would enable it to attract audience and avoid video piracy. Mediaone has backend tied-up arrangements with leading Production and Distribution houses who confirm their offer price even before production of movies.

Mediaone's plans of becoming an “Asset based Media & Entertainment Company with back-end tied would enable it to de-risk the business.

Internal Audit & Control

The company has an internal audit system, which takes care in establishing frequent check and controls on cost. Any deviations from the established systems and procedures are reported to the management to take corrective actions in time. The company has a regular management system which provides a constant feedback to the Management to ensure effective control over the financial and operational activities. Adequate controls are taken for data back-ups and storages for disaster recovery.

Human Resources

The company maintains cordial relationship with employees at all levels. The company emphasis on employee retention and provides a cordial work atmosphere.



Auditors' Report

TO THE MEMBERS OF M/S.MEDIAONE GLOBAL ENTERTAINMENT LTD

- 1) We have audited the attached Balance Sheet of M/s. MEDIAONE GLOBAL ENTERTAINMENT LTD (Formerly known as RAJAMATA INVESTMENTS AND FINANCE LIMITED), as at 30th June 2008, the Profit and Loss Account and the Cash Flow Statement of the Company for the period ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
- 2) We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
- 3) As required by the Companies (Auditor's Report) Order 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of sec.227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4) Further to our comments in the annexure referred to above, we report that:
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - ii. In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books. The company does not have any branches. Hence branch audit and branch audit report is not applicable.
 - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
 - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of sec.211 of the Companies Act, 1956.
 - v. On the basis of written representations received from the directors, as on 30th June, 2008 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30th June 2008 from being appointed as a director in terms of clause (g) of sub-sec.(1) of sec.274 of the Companies Act, 1956.
 - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the companies act, 1956 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 30th June '08 and
 - b) In the case of the Profit and Loss Account, of the Profit of the Company for the Period ended on that date; and
 - c) In the case of the Cash Flow Statement, of the cash flows of the Company for the Period ended on that date.

Chennai
31.10.2008

**For R.P.MADHU & CO.,
CHARTERED ACCOUNTANTS
R.P.Madhu
Partner
Membership No: 202264**

ANNEXURE TO AUDIT REPORT

- i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed Assets.
(b) The fixed assets have been physically verified by the management during the year and there is a program of verification which in our opinion is reasonable having regard to the size of the company and the nature of its business. No material discrepancies were noticed on such verification.
(c) During the year, the company has not disposed off any major part of the Fixed Assets.
- ii) The Company does not have any inventory; therefore the question of reporting does not arise.
- iii) The Company has taken loan unsecured from:
 - (a) Surya Raj Kumar – Rs.3,95, 000
 - (b) The loan taken are not prima facie Prejudicial to the interests of the company
 - (c) The Payment of Principal & Interest is regular & No Issues have been reported.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size and the nature of the business for the purchase of plant and machinery equipment and other assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- v) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, there no transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lakhs in respect of any party during the year.
- vi) The Company has not accepted any deposits as defined under sections 58A and 58AA of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- vii) In our opinion, the Company is having an internal audit system commensurate with its size and nature of its business.
- viii) The Central Government has not prescribed the maintenance of cost records u/s. 209(1) (d) of the Companies Act, 1956.
- ix) (a) There are no statutory dues payable including Provident Fund, Investor Education Protection Fund, Employee's State Insurance, Income Tax, Sales Tax, Customs Duty, Excise Duty and Cess and other material statutory dues applicable to it.
(b) According to the information and explanations given to us , no undisputed amount payable in respect of Income Tax, Wealth Tax , Sales Tax, Customs Duty, Excise Duty and Cess were in arrears, at June30, 2008 for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess which have not been deposited on account of any dispute.

- x) The company has no accumulated cash losses at the end of the financial year.
- xi) In our opinion and according to the information and explanations given to us the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii) The special statutes applicable to chit fund is not applicable to the company since the company is not a chit fund company
- xiv) The Company does not deal or trade in shares, securities, debentures and other investments.
- xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xvi) The Term Loans so obtained were applied for the purpose of which the loans were obtained
- xvii) According to the information and explanations given to us no funds rose on short term basis and have been used for long term investments and vice-versa.
- xviii) During the Period the Company has made preferential allotment of shares to parties & Companies covered in the Register maintained u/s 301 of the act and the price at which shares have been issued are not prejudicial to the interests of the company.
- xix) The company has not issued any debentures to create the securities.
- xx) The Management of the Company had disclosed on the end use of the money raised by public issues & the same have been verified by us.
- xxi) No fraud on or by the company has been noticed or reported during the year.

Chennai
31.10.2008

**For R.P.MADHU & CO.,
CHARTERED ACCOUNTANTS
R.P.MADHU
Partner
Membership No: 202264**



BALANCE SHEET AS AT 30.06.2008

	Schedules	As at	
		30.06.2008	30.06.2007
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	185000000.00	4700000.00
Reserves & Surplus	2	72228680.23	26018790.95
Loan Funds	3	49863944.37	36042735.00
		<u>307092624.60</u>	<u>66761525.95</u>
APPLICATION OF FUNDS			
Fixed Assets	4	4303539.57	707913.97
Capital Working in Progress			
Balaji Theatre		9524879.00	0.00
Investments			
Media One Global Ltd., U.K (Wholly Owned Subsidiary Company) (1000 Shares of 1 Pound Each)		79000.00	79000.00
Current Assets, Loans & Advances			
Sundry debtors	5	29901208.47	16753261.93
Loans , Advances & Deposits	6	64287112.99	33047866.19
Cash & Bank Balances	7	129662666.34	5978000.37
Work In Progress	8	111429163.49	28165537.67
		335280151.29	83944666.16
Less:- Current Liabilities & Provisions			
Sundry Creditors	9	34949993.00	12169207.00
Provisions & Outstanding Expenses	10	9747409.80	6703463.69
		44697402.80	18872670.69
Net Current Assets		290582748.49	65071995.47
Deffered Tax Asset Net		134116.42	(13685.89)
<i>Miscellaneous Expenditure</i>			
(to the extent not written off or adjusted)	11	2468341.12	916302.40
		<u>307092624.60</u>	<u>66761525.95</u>
Notes forming part of the financial statements	16		
As per our report on even date			

**For R.P.MADHU & CO.,
CHARTERED ACCOUNTANTS**

for MEDIAONE GLOBAL ENTERTAINMENT LIMITED

Chennai
31.10.08

**(R.P.MADHU)
PARTNER**

**(SURYARAJ KUMAR)
Managing Director**

**(T.VENKATESWARA RAO)
Director**



PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 30.06.2008

		As at	
	Schedules	30.06.2008	30.06.2007
INCOME			
Direct Income	12	232978837.11	118118603.00
Work in Progress		111429163.49	28165537.67
Other Income	13	1054236.44	9608169.14
		345462237.04	155892309.81
EXPENDITURE			
Opening Work in Process		28165537.67	0.00
Direct Expenses	14	296392938.43	127158199.52
Administrative Expenses	15	8236238.93	7191602.46
Pre-operative Expenses Written Off		617085.28	229075.60
Depreciation		624201.89	235383.05
		334036002.20	134814260.63
PROFIT BEFORE TAX		11426234.84	21078049.18
LESS:- PROVISIONS			
Provision for Taxation		0.00	5804682.00
Deferred Tax Liability/(Asset)		(147802.31)	0.00
Provision for Fringe Benefit Tax		60791.98	34641.00
PROFIT AFTER TAX		11513245.17	15238726.18
Dividend@6%		1114027.00	147025.00
Provision for Dividend Tax @16.995%		189328.89	24987.00
Amount Transferred to Reserves & Surplus		10209889.28	15066714.18
EARNING PER SHARE		0.78	32.42
As per our report on even date			

**For R.P.MADHU & CO.,
CHARTERED ACCOUNTANTS**

for MEDIAONE GLOBAL ENTERTAINMENT LIMITED

Chennai
31.10.08

**(R.P.MADHU)
PARTNER**

**(SURYARAJ KUMAR) (T.VENKATESWARA RAO)
Managing Director Director**



SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS

	As at	
	30.06.2008	30.06.2007
Schedule 1		
Authorised Share Capital		
32000000 Equity Shares of 10/- Each	320000000.00	10000000.00
	<u>320000000.00</u>	<u>10000000.00</u>
Issued Capital		
14720000 Equity Shares of 10/- Each	147200000.00	4700000.00
	<u>147200000.00</u>	<u>4700000.00</u>
Subscribed & Paid up Capital		
14720000 Equity Shares of 10/- Each	147200000.00	4700000.00
	<u>147200000.00</u>	<u>4700000.00</u>
Share Application Money	37800000.00	0.00
	<u>37800000.00</u>	<u>0.00</u>
Total (A)	147200000.00	4700000.00
Total (B)	37800000.00	0.00
Total (A) + (B)	<u>185000000.00</u>	<u>4700000.00</u>
Schedule 2		
Reserves & Surplus		
Profit & Loss Account - Opening Balance	15668790.95	602076.77
Add: Transferred from Profit & Loss Account	10209889.28	15066714.18
Less: Transferred for Bonus Issue	13150000.00	0.00
	<u>12728680.23</u>	<u>15668790.95</u>
Total (A)	12728680.23	15668790.95
Share Premium	10350000.00	10350000.00
Add: Share Premium received during the year	59500000.00	0.00
	<u>69850000.00</u>	<u>10350000.00</u>
Less: Utilised for Bonus Issue	10350000.00	0.00
	<u>59500000.00</u>	<u>10350000.00</u>
Total (B)	59500000.00	10350000.00
Total (A) + (B)	<u>72228680.23</u>	<u>26018790.95</u>
Schedule 3		
Details of Loan Funds		
Secured Loans		
Long Term Loans		
HDFC Bank -Logan DLS	554816.01	0.00
HDFC Bank -Omni LPG	205316.70	0.00
HDFC Bank -Wagon R	310341.66	0.00
Short Term Loans		
Short Term Loan From LV Bank	2000000.00	0.00
	<u>2000000.00</u>	<u>0.00</u>
Total (A)	3070474.37	0.00
Unsecured Loans		
Mediaone Global (Subsidiary)	0.00	1643500.00
Pace Shares & Stock Ltd	10000000.00	0.00
Centaniel	36398470.00	34399235.00
Surya Rajkumar	395000.00	0.00
	<u>395000.00</u>	<u>0.00</u>
Total (B)	46793470.00	36042735.00
Total Loan Funds	<u>49863944.37</u>	<u>36042735.00</u>

Film Production

Medaone Global Entertainment Limited.
In association with
Ayngaran International / Metro Films (P) Ltd.
Present

ஜீவாவின
ஜெயஸ் ரவி

ROCKING



வது
நாள்

தாம்பூ

V.T.விஜயத் HARRIS ஜெயராஜ்
தோட்டதரணி S.ராமகிருஷ்ணன்
கலைக் கண்ணன் ப.தியாகராஜன் ராஜ் கந்திரம் ரேகாஜித் விபிரகாஷ் ஜெ.பி. சத்யானி கண்டித்
பா.விவேத் நா.யுத்தகாமயன் சி.வி.ஜி. ஜி.வி.சி. வி.தாஸ் வி.பி.பா

Medaone Global Entertainment Limited.
In association with
Ayngaran International / Metro Films (P) Ltd.
Present



Dazzling Victory

ஜீவாவின
ஜெயஸ் ரவி

வது
நாள்

தாம்பூ

HARRIS ஜெயராஜ்

TV Production



Raj



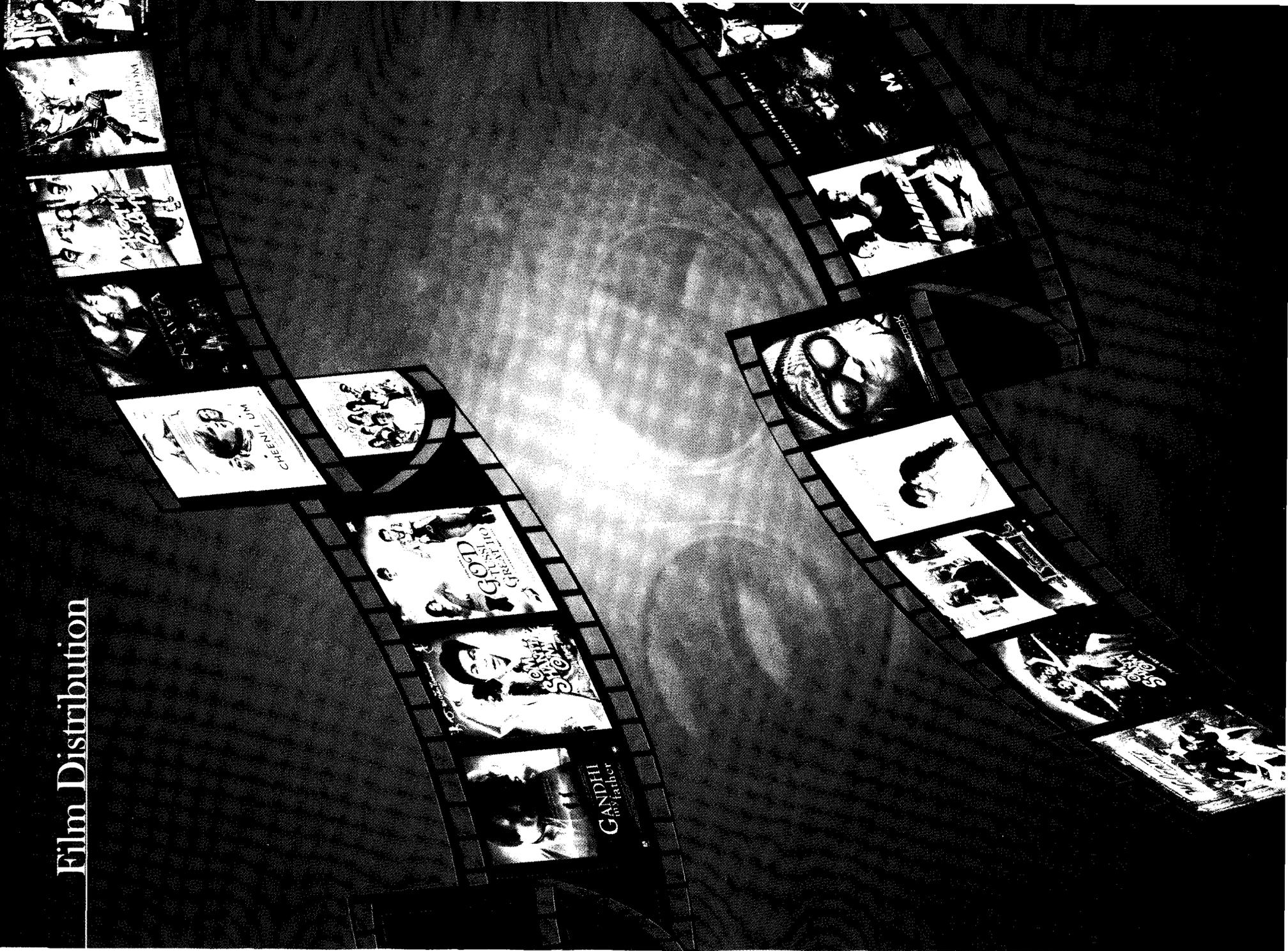
Asinet



काशी

KAIRALI

Film Distribution



Schedule - 4

DETAILS OF FIXED ASSETS & DEPRECIATION

Particulars	Rate	Gross Block			Depreciation		Net Block		
		As on 1.07.07	Additions	As on 30.6.2008	As on 01.07.07	For the year	As on 30.06.08	As on 30.06.08	As on 01.07.07
Air conditioner	13.91%	73830.00	0.00	73830.00	14208.59	8293.34	22501.93	51328.07	59621.41
Office Equipment	18.10%	63424.50	108500.00	171924.50	11525.67	13063.19	24588.86	147335.64	51898.83
Furnitures & Fittings	18.10%	593650.91	2542499.50	3136149.41	138887.47	455111.22	593998.69	2542150.72	454763.44
Electrical Fittings	18.10%	35458.00	48122.00	83580.00	8671.21	7585.18	16256.39	67323.61	26786.79
Motor Vehicles	25.89%	0.00	1405056.00	1405056.00	0.00	71966.32	71966.32	1333089.68	0.00
Printer	40.00%	8000.00	11961.00	19961.00	4170.96	6263.73	10434.69	9526.31	3829.04
Scanner	40.00%	6900.00	0.00	6900.00	3597.45	1321.02	4918.47	1981.53	3302.55
Computers	40.00%	183480.00	103690.00	287170.00	75768.09	60597.91	136366.00	150804.00	107711.91
Total		964743.41	4219827.50	5184570.91	256829.44	624201.91	881031.35	4303539.56	707913.97
Previous Year Figures		406912.90	557831.90	964743.41	21446.39	235383.05	256829.43	707913.97	385466.51

Schedule 5

As at

Sundry Debtors

30.06.2008 **30.06.2007**

Outstanding for Less than Six Months and considered good

Bhagyalakshmi Films	16778996.88	6238380.10
Bigg Power Media Team	526855.43	0.00
Euro Andhra Entertainment Limited	0.00	2100000.00
Karthick Videos	5618.00	0.00
Lotus Marketing	0.00	47190.00
LR Swamy	1911.00	0.00
Mavis Satcom	3582260.00	0.00
Mediacorp	328880.08	73368.00
Metro Films U.K	2957090.83	2957090.83
Premier Advertising	57303.60	0.00
Proclaim Advertising & Marketing	192009.90	0.00
Sceptre Concepts	18604.00	0.00
Sky Commercial	45843.44	0.00
Vinisha vision	12749.31	0.00

Outstanding for More than Six Months and considered good

New Age Entertainment	55853.00	0.00
Provoked Limited - London	596019.00	596019.00
Raj TV - Visswarupam	186686.00	186686.00
Servex Agencies Ltd	1318064.00	1318064.00
Speed Page Group Ltd	2700000.00	2700000.00
Time Code Films ETV	471257.00	471257.00
Zee TV Kannada Swabhimana	65207.00	65207.00

29901208.47 **16753261.93**

Schedule 6

Loans & Advances & Deposits

Loans & Advances

Advance - Panchayat	0.00	280000.00
Advance - Digital - Camera	950000.00	0.00
Advance Alaipayuthe	32940.00	0.00
Advance Dhaam Dhoom	4201437.50	15308579.70
Advance- Forbidden Kingdom	900000.00	0.00
Advance- Kelladi Kanmani	1602376.00	0.00
Advance- Nirakuttu	200000.00	0.00
Advance Income Tax	800000.00	400000.00
Advance Tax - Fringe Benefit Tax	7112.00	24511.00
Advance -vegam vivegam	968324.00	0.00
Balaji Theatres	0.00	100000.00
Kareem Advance	0.00	40000.00

	As at	
	30.06.2008	30.06.2007
Mayur Puri - Provoked	0.00	825000.00
Metro Films Pvt.Ltd	2324702.00	(1320000.00)
Metro Net	224112.00	0.00
Rent Advance - Office	190000.00	190000.00
Rent Advance New Premises	1300000.00	0.00
Space Design	106409.49	(23590.51)
Travelling Advance – SRK	0.00	17000.00
Deposits		
Deposit - Sun TV	0.00	134688.00
Distribution Film - Partner	0.00	1500000.00
Electricity Deposit	2540.00	2540.00
FDR - Vijaya Bank Bangalore	50000000.00	15000000.00
Tax Deducted at Source	475160.00	567138.00
Telephone Deposit	2000.00	2000.00
	64287112.99	33047866.19
Schedule 7		
Cash and Bank Balances		
Cash in hand	119130.36	141419.11
Balances with Scheduled Banks		
Lakshmi Vilas Bank	356967.40	66154.35
Lakshmi Vilas Bank-Preference Issue	128506000.00	0.00
UTI Bank	5602.73	65526.21
Vijaya Bank	573828.85	5704900.70
HSBC	101137.00	0.00
	129662666.34	5978000.37
Schedule 8		
Work In Process		
WIP – Alaipayuthae	3000000.00	0.00
WIP - Kannamoochi	1923675.50	1411648.50
WIP - Kara Saarama	1114216.72	0.00
WIP - Dhaam Dhoom	84283758.27	23349417.17
WIP – Provoked	0.00	949323.50
WIP - Telling Lies	21107513.00	2455148.50
	111429163.49	28165537.67
Schedule 9		
Sundry Creditors		
Advt. Thambi Payable	0.00	299633.00
Sunanda Murali Manohar	11849992.00	8269573.00
Gagan Ashok Khemka	0.00	3500000.00

	As at	
	30.06.2008	30.06.2007
Advances From Customers :		
Ayngaran international	22800000.00	0.00
Pyramid Saimeera	100001.00	100001.00
Vasanth & Co Media network (p) ltd	200000.00	0.00
	34949993.00	12169207.00

Schedule 10

Provisions & Outstanding Expenses

Provision For Taxation	5302845.00	5804682.00
Outstanding Expenses		
TDS	239460.18	335418.00
FBT	68527.98	34641.00
Audit Fees	0.00	101561.00
Bonus Payable	288065.00	0.00
Internal Audit fees	29600.00	32158.00
Service Tax	610225.25	59779.19
Dividend	1114027.00	147025.00
Dividend Tax	214315.89	24987.00
Gratuity	32307.00	32307.00
Staff Salary	385706.00	87125.00
Rent	128911.00	0.00
Other Outstanding Expenses	1333419.50	43780.50
	9747409.80	6703463.69

Schedule 11

Deferred Revenue Expenditure

Share Issue Expenses	916302.40	1145378.00
Add: Issue Expenses	2169124.00	0.00
	3085426.40	0.00
Less: 1/5th Written off during the year	617085.28	229075.60
	2468341.12	916302.40

Schedule 12

Direct Income

Advertisement Income Theem Tharikita	1175646.25	0.00
Advertisement Income -Srinivasa Kalyanam	1334995.00	0.00
Distribution Income - Cheeni Kum	0.00	16055896.00
Distribution Income - Eklavya	11214.00	16332345.00
Distribution Income - Namaesthe London	38584.00	20813313.00
Distribution Income Nayadaur	544161.00	0.00
Distribution Income No Smoking	1712002.00	0.00
Distribution Income Om Shanthi Om	64983408.00	0.00

As at

	30.06.2008	30.06.2007
Distribution Income Partner	26695123.86	0.00
Distribution Income 1 2 3	8922974.00	0.00
Distribution Income Black & White	3051694.00	0.00
Distribution Income Bombay to Bangkok	1336745.00	0.00
Distribution Income Borra Bay To Goa	1131754.00	0.00
Distribution Income Buddha Mar Gaya	1201083.00	0.00
Distribution Income Gandhi My Father	2761328.00	0.00
Distribution Income Heyy Baby	28021430.00	0.00
Distribution Income Mr White Mr Black	961032.00	0.00
Distribution Income Salam Ishq	7014.00	19207769.00
Distribution Income Sunday	12528825.00	0.00
Distribution Income U Me Hur hum	16238169.00	0.00
Distribution Income Welcome	33471655.00	0.00
Income from Audio Film Rights	8100000.00	0.00
Income From Snow Ball	4450000.00	0.00
Lotus Corp	0.00	42000.00
Media Corp Add	0.00	113050.00
Royalties - Visswarupam	0.00	7735000.00
Royalties - Alaipayuthe	13300000.00	0.00
Royalties - Geethanjali	0.00	7396080.00
Royalties - Kichchu	0.00	7290000.00
Royalties - Swabhimana	0.00	6600000.00
Sale of Film Rights	0.00	16500000.00
Sale of Television Rights - Theem Tharikita	1000000.00	0.00
Sceptre Concepts Add	0.00	33150.00
	232978837.11	118118603.00

Schedule 13

Other Income

Dividend from Subsidiary Company	0.00	9000000.00
Income from Advertisement - Thambi Film	0.00	450326.00
Interest on Fixed Deposit	653941.65	157843.14
Sundry Balances Written Off	400294.79	0.00
	1054236.44	9608169.14

Schedule 14

Direct Expenses

Distribution Expenses - for Film Cheeni Kum	0.00	11457719.00
Distribution Expenses - For Film Eklavya	7209.00	10291316.00
Distribution Expenses - For Film Namesthe London	24804.00	14753296.00
Distribution Expenses - For Film Salam Ishq	4509.00	12337507.00
Distribution Expenses Nayadaur	1586701.00	0.00



	As at	
	30.06.2008	30.06.2007
Distribution Expenses No Smoking	3769338.00	0.00
Distribution Expenses Om Shanthy Om	60273384.75	0.00
Distribution Expenses Partner	23349960.41	0.00
Distribution Expenses 1 2 3	9245294.00	0.00
Distribution Expenses Black & White	4922732.00	0.00
Distribution Expenses Bombay To Goa	1393657.00	0.00
Distribution Expenses Buddha Mar Gaya	2189550.53	0.00
Distribution expenses Gandhi My Father	3329304.00	0.00
Distribution Expenses Heyy Baby	26628436.00	0.00
Distribution Expenses Mr White Mr Black	1166838.00	0.00
Distribution Expenses Sunday	14891384.00	0.00
Distribution Expenses U Me Hur hum	8978348.19	0.00
Distribution Expenses Welcome	31537554.20	0.00
Distribution Income Bombay to Bangkok	1550756.00	0.00
Project -Haal -E-dil	3314.00	0.00
Project - Cheeni Kum	0.00	2850000.00
Project - Dhaam Dhoom	60934341.10	23349417.17
Project - Geethanjai	0.00	6306259.00
Project - Joker	0.00	6264052.35
Project - Kannamoochi	512027.00	1411648.50
Project - Khara Saarama	1114216.72	0.00
Project - Kichchu	0.00	6750000.00
Project - Provoked	1549485.00	949323.50
Project - Swabhimani	0.00	6180000.00
Project - Telling Lies	16153556.00	2455148.50
Project - Visswarupam	0.00	7031818.50
Project- Alaipayuthe	13567596.00	0.00
Project Manasaveena	38463.00	0.00
Project- Srinivasa Kalyanam	1263578.00	0.00
Project Theem Tharikita	2469180.78	0.00
Project-Vegam vivegam	0.00	0.00
Purchase of Rights of Films	0.00	14770694.00
Share of Advertisement Income - Big Power Media Team	377420.75	0.00
Snow Ball Event Expenses	3560000.00	0.00
	296392938.43	127158199.52

Schedule 15

Administrative Expenses

Audit Fees	120000.00	101124.00
Advertisement Expenses	344622.00	158149.00
Bad Debts Written off	41011.95	0.00

	As at	
	30.06.2008	30.06.2007
Bank Charges	137786.53	116196.76
Bonus	306798.00	8622.00
Books & Periodicals	4862.00	11115.50
Business Promotion	5258.00	35636.00
Commission	0.00	880000.00
Conveyance & Travelling Expenses	741627.50	319063.00
Donation	0.00	501.00
Electricity Charges	79816.00	72462.00
Exgratia	0.00	17961.00
Share Issue & ROC Expenses	694699.00	46407.00
Food & Beverages	0.00	12408.00
Income Tax 06 - 07	0.00	384684.00
Insurance on Vechiles	0.00	15251.00
Interest on Secured Loan	47097.37	1361096.00
Interest on Service Tax	42861.00	66292.00
Internal Audit Fees	33000.00	78000.00
Leave Travel Allowance	34281.00	0.00
Legal Fees	5000.00	3000.00
Listing Fee	0.00	20000.00
Logo Designing Charges	0.00	10000.00
Miscellaneous Expenses	5691.23	0.00
Membership & Subscription	5618.00	8052.00
Office Maintenance	63273.00	39306.50
Petrol expenses	8000.00	0.00
Pooja Expenses	6075.00	1020.00
Postage	34581.50	17264.00
Printing & Stationery	229839.50	174095.00
Professional & Consultancy Charges	562654.00	232700.00
Rates & Taxes	4323.00	3696.00
Registration fee	20000.00	0.00
Rent Payments	1286150.00	294692.00
Repairs & Maintenance - Equipments	33579.00	118800.00
Repairs & Maintenance - Building	0.00	10057.00
Salary	2573992.00	2121288.00
Security charges	198069.00	0.00
Staff Welfare	132199.25	47270.90
Subscription Fee	10500.00	1000.00
Telephone Expenses	176096.60	148485.80
Vechile Maintenance	229277.50	223907.00
Web Designing Charges	17600.00	32000.00
	8236238.93	7191602.46

SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS

1) Significant Accounting Policies

1) Basis of Preparation of Financial Statements

The Financial Statements are prepared under the historical cost convention on an accrual basis and are in accordance with the requirements of the Companies Act, 1956 and the applicable Accounting Standards issued by the Institute of Chartered Accountants of India.

Accounting Period

The Financial Period of the Company is From 01.07.2007 - 30.06.2008

2) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The Operating Revenue includes Entertainment Tax, Sales Tax, and Service Tax collected. Where the screens were on show hire, revenue is recognised at Gross Amount inclusive of taxes.

a) Sale of Tickets of Films

Revenue from sale of tickets of films is recognised as and when the film is exhibited.

b) Income from Distribution of films

Theatrical Revenue from the distribution of films is accounted for on the basis of box office collections received from various exhibitors at gross amount inclusive of taxes.

c) Advertisement Revenue

Advertisement revenue is recognised as and when advertisement is displayed.

d) Income From Royalties

Income From Royalties is being Recognised on Accrual Basis according to the terms and Conditions of the Agreement.

e) Sharing of Revenue

Income from Revenue sharing is recognised in accordance with the terms of agreement with the party to operate and manage.

f) Income From Sale of Audio Rights

Income from Audio rights is being Recognised on the basis of Contracts made - No Proportionate Expenditure has been Recognised with respect to this Income.

3) Fixed Assets

Fixed assets are stated at Historical Cost Net of Accumulated Depreciation, cost includes Inward Freight, Duties, Taxes and other attributable costs.

4) Depreciation

Depreciation has been provided on the Fixed Assets on Written Down Value method as per the rates prescribed under Schedule XIV of the Companies Act , 1956 on pro-rata basis

5) Investments

Total Investment in the Wholly owned Subsidiary Company has been valued as per Accounting Standard - 13 i.e., at Cost of Acquisition

6) Working In Progress

Proportionate expenses in relation to the Tele serials ; All the Expenses of Feature Film are transferred to their respective Work In Process accounts since all the Feature Films are at production stage and no income is accrued during the year on those films those serials

7) Provision for Tax

Provision for Taxation has been made for the current year since an Excess Provision of Rs.5302845 present in books.

8) Accounting Standards

The Accounting Standards prescribed by the Institute of Chartered Accountants of India have been complied with wherever applicable.

9) Other Accounting Policies

Accounting Policies are consistently followed throughout the period under audit and Inconsonance with the generally accepted accounting principles followed by the companies.

SCHEDULE -16

II) NOTES ANNEXED TO AND FORMING PART OF ACCOUNTS

1) Income & Expenditure are accounted on accrual basis.

	As at	
	30.06.2008	30.06.2007
2) Payment to Statutory Auditors		
Statutory Audit fees	120000.00	90000.00
Certification Charges	26967.00	0.00
E- Filing Charges	25000.00	0.00
	<hr/>	<hr/>
	171967.00	90000.00
Service Tax	14832.00	11124.00
	<hr/>	<hr/>
	186799.00	101124.00

3) There are no SSI Units to whom amount in excess of Rs. 1.00 Lac is due for a period exceeding 30 days

4) The Balances of Sundry Debtors and Sundry Creditors are subject to Confirmation from the respective parties.

5) The provisions for Provident Fund & Gratuity Act are not applicable to the Company for this year

6) Number of employees of the company through out or for any part of the Financial who are in receipt of remuneration for the year, which in aggregate was not more than Rs.24,00,000/-p.a. or Rs.2,00,000/- p.m.	NIL
7) Foreign Exchange difference debited/credited to Profit & Loss Account	NIL
Managing Director's Remuneration (Including all Allowances) (Rs. in Lacs)	9.75
Commission to Managing Director (Rs. in Lacs)	<u>NIL</u>
Total	<u>9.75</u>
8) Related Party Disclosures for the year ended 30.06.08	
List of Related Parties:	
a) Subsidiary Companies	
Media One Global Limited (U.K)	
b) Associate/Joint Venture	
c) Key Management Personnel	
Mr.Suryaraj Kumar - Managing Director	
d) Transactions With Related Parties	
Suryaraj Kumar : (Key Management Personnel)	Amount (Rs.) in lacs
Loan received	3.95
Managerial Remuneration	<u>9.75</u>
	<u>13.70</u>
9) Additional information pursuant to the provision paragraph 3,4C and 4D of Part II of Schedule VI of the Companies Act 1956 (to the extent applicable)	
a) Expenditure in Foreign Currency	Amount (Rs. in Lacs)
Project :	
Dhaam Dhoom	901.27
Alaipayuthe	7.76
Telling Lies	<u>158.81</u>
	<u>1067.84</u>
10) Earnings in Foreign Exchange	Nil
11) Dividend :	
Dividend has been declared @ 6% on Paid up Capital on Pro-rata Basis - as at 30.06.2008	
12) Deferred Revenue Expenditure	
The Company has incurred Share issue Expenses of Rs. 21,69,124/- during the year under review and a sum of Rs.6,17,085 (1/5 th) has been written off during the year .	
13) Deferred Tax Asset	
Deferred Tax Asset has been Computed as Per AS-22 and Disclosed Net of Deferred Tax Liability as required by the Standard	
Deferred Tax Asset :	147802.31
Deferred Tax liability:	<u>13685.89</u>
Net Deferred Tax Asset :	<u>134116.42</u>

Balance sheet abstract and Company's general business profile as per part IV to Schedule VI to the Companies Act, 1956

I. REGISTRATION DETAILS

Registration No.			39833
State Code			18
Balance sheet Date			30.06.2008

II. CAPITAL RAISED DURING THE YEAR(Amount in Rs. Thousands)

Public issue	112800	Bonus Issue	23500.00
Rights issue	Nil	Private Placement	Nil

III. POSITION OF MOBILISATION & DEPLOYMENT OF FUNDS (Amount in Rs. Thousands)

Total Liabilities	307092.62	Total Assets	307092.62
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SOURCES OF FUNDS

Paid-up Capital	147200.00	Secured Loans	3070.47
Reserves & Surplus	72228.68	Unsecured Loans	46793.47

APPLICATION OF FUNDS

Net Fixed Assets	13828.42	Pre-operative Expenses	2468.34
Investments	79.00	Deferred Tax Asset	134.12
Net Current Assets	290582.75		

IV. PERFORMANCE OF COMPANY (Amount in Rs. Thousands)

Turnover	345462.24	Profit/Loss before Tax	11426.23
Total Expenditure	334036.00	Profit/Loss After Tax	11513.25
Earnings per Share (in Rs.)	0.78	Dividend Rate (%)	6.00

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

(as per monetary terms)

Production Description	Item Code
Television Software / serials / Feature Films	NA



CASH FLOW STATEMENT FOR THE YEAR ENDED 30-06-2008

Indirect Method

A) Cash Flow from Operating Activities

Net Profit before Taxation, and Extraordinary item		1,14,26,235
Adjustments for ;		
Depreciation	6,24,202	
Bad Debts W/off.	-2,69,959	
Preliminary Exp W/off	6,17,085	
Interest Expense	47,097	
Interest Income	-6,53,942	
		<u>3,64,484</u>

Operating Profit before Working Capital Changes :

		1,17,90,719
Decrease/(Increase) in Receivables		-1,31,47,947
Increase/(Decrease) in Payables		2,27,80,786
Decrease/(Increase) in Inventories		-8,32,63,626
Increase in Current Liabilities		<u>18,79,262</u>

Cash generated from Operations

		-5,99,60,805
Income Taxes Paid		<u>-9,941</u>

Net Cash Flow from Operations

-5,99,70,746

B) Cash Flows from Investing Activities

Purchase of Fixed Assets	-1,36,44,707	
Increase in Advances & Deposits	<u>-3,12,58,812</u>	
		-4,49,03,518
Interest Income		6,53,942

Net Cash Flow from Investing Activities

-4,42,49,577

C) Cash Flows from Financing Activities

Proceeds from Issuance of Capital		11,90,00,000
Share Application Money		3,78,00,000
Share Premium		5,95,00,000
Proceeds from Long Term Borrowings		11,58,000
Net Increase in Unsecured Loans		<u>1,27,50,735</u>
	(a)	<u>23,02,08,735</u>
Interest Expenses		-47,097
Deferred Revenue Exp		-21,69,124
Repayment of Long Term Borrowings		<u>-87,526</u>
	(b)	<u>-23,03,747</u>

Net Cash Flow from Investing Activities

(a-b)

22,79,04,988

Net Increase in Cash & Cash Equivalents		<u>12,36,84,665</u>
Cash and Cash equivalents as at 01.07.07		<u>59,78,000</u>
Cash and Cash equivalents as at 30.06.08		<u>12,96,62,666</u>

Statement pursuant to Section 212 of the Companies Act, 1956, relating to Subsidiary Company

- | | | |
|---|---|-----------------------------------|
| 1. Name of the subsidiary | : | Mediaone Global Limited |
| 2. Financial year ended | : | June 30th, 2008 |
| 3. Holding company's interest | : | 100% |
| Issued share capital of 1000 Ordinary | | |
| Shares of £1 UK pound each fully paid-up | : | (Equivalent Rupee value) 79,000/- |
| 3. Net aggregate amount of Subsidiary's | : | (Rupees in lakhs) |
| Profits/losses not dealt with in Holding | | |
| Company's accounts: | | |
| a. for the Subsidiary's Financial Year ended 30th June 2008 | : | 376.34 |
| b. for the previous Financial Year ended 30th June 2007 | : | 98.12 |
| 4. Net aggregate amount of Subsidiary's | : | (Rupees in lakhs) |
| Profits/losses dealt with in Holding | | |
| Company's accounts: | | |
| a. for the Subsidiary's Financial Year ended 30th June 2008 | : | Nil |
| b. for the previous Financial Year ended 30th June 2007 | : | Nil |
| 5. Changes in the interest of the Holding Company | : | Not Applicable |
| Between the end of Subsidiary's Financial | | |
| Year ended and June 30th 2008 | | |
| 6. Material changes between the end of the | : | Not Applicable |
| Subsidiary's Financial Year ended 30th June 2008. | | |

(For and on behalf of the Board of Directors)
For Mediaone Global Entertainment Limited

Suryaraj Kumar
Managing Director

Vide my report of even date

R.P. Madhu & Co.

Chartered Accountant

Chennai
31st October, 2008

MEDIAONE GLOBAL LIMITED, UK

(a subsidiary of Mediaone Global Entertainment Limited)

Financial statements for the year ended June 30th, 2008

Registered office:

9th Floor, Crown House
#60, North Circular Road
London NW 10-7 PN

Board of Directors

D.J.M. ManoharDirector

Sunanda Manohar.....Director

Auditors

R & C Associates
Chartered Accountants,
29, West Hatch,
Manor, Ruislip
Middlesex,
HA48QU

DIRECTOR'S REPORT

MEDIAONE GLOBAL LIMITED, UK

Dear Shareholders,

For the financial year ending June 30th 2008, Mediaone Global Limited, UK has registered a turnover of over £7,646,628 with a net profit of £516,974. We have been able to continue our good performance this year also.

The Principal activity of the company in the period under review was that of motion picture and video production. The company is also venturing into other activities of producing commercials for Television and is also in the anvil of partnering with leading entertainment houses for organising of events globally.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES :-

The director is responsible for preparing the financial statement in accordance with applicable law under the United Kingdom Generally Accepted Accounting Practice.

Company Law requires the Director to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statement on the going concerns basis unless it is inappropriate to presume that the company will continue in business.

The Director is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the company and the group and to enable to ensure that the financial statements comply with the Companies Act 1985. The Director is also responsible for safeguarding the assets of the company and the group and hence for taking responsible steps for the prevention and direction of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS :-

So far as the Director is aware, there is no relevant audit information (as defined by Section 234 ZA of the Companies Act 1985) of which the group's Auditor are unaware, and he has taken all the steps that he ought to have taken as the Director in order to make himself aware of any relevant audit information and to establish that the company's auditor are aware of that information.

AUDITORS

The Auditors, R & C Associates, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985. This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Date : 31.10.2008

ON BEHALF OF THE BOARD

Dr.J.M.Manohar

Director

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MEDIAONE GLOBAL LIMITED, UK.

We have audited the financial statements of Mediaone Global Limited for the period ended 30th June 2008. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2005).

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members, those matters are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors:

As described in the earlier page two the company's Director is responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Company's Act 1985. We also report to you if, in our opinion, the report of the Director is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Director's remuneration and other transactions is not disclosed.

We read the report of the director and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Audit opinion:

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the Director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned & performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion:

In our opinion the financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of affairs of the company and the group as at 30th June 2008 and of the profit of the group for the period then ended; and
- have been properly prepared in accordance with the Companies Act 1985.

R & C Associates
Chartered Accountants,
29, West Hatch,
Manor, Ruislip
Middlesex,
HA48QU UK

31.10.2008



MEDIA ONE GLOBAL ENTERTAINMENT , U.K

(Wholly Owned Subsidiary of Media One Global Entertainment Limited, India)

	SCHEDULE NO	2008		2007	
		IN INR	IN £	IN £	IN INR
BALANCE SHEET AS AT 30.06.2008					
SOURCES OF FUNDS					
A) Share Holder's Funds					
Share Capital	1	79,000	1,000	1,000	81,000
Reserves & Surplus	2	5,18,55,127	6,40,733	1,75,456	1,42,21,008
B) Borrowed Funds					
Bank loans and overdrafts	-	5,302	63	-	-
Foreign Currency Translation Reserve		29,35,730			
		5,48,75,159	6,41,796	1,76,456	1,43,02,008
APPLICATION OF FUNDS					
Fixed Assets	-	-	-	-	-
Investments	-	-	-	-	-
Current Assets					
Work in Progress	3	2,33,28,109	2,72,835	2,71,658	2,20,04,370
Debtors	4	16,59,92,249	19,41,371	7,13,135	5,77,63,854
Cash at Bank and in Hand	-	8,21,338	9,606	1,32,524	1,07,34,444
Total	(A)	19,01,41,696	22,23,812	11,17,316	9,05,02,668
Less : Current Liabilities					
Creditors	5	12,53,40,418	14,65,925	7,65,356	6,19,93,746
Provisions & Out standings	6	99,26,119	1,16,091	1,75,504	1,42,06,914
Total	(B)	13,52,66,537	15,82,016	9,40,860	7,62,00,660
Net Current Assets	(A)-(B)	5,48,75,159	6,41,796	1,76,456	1,43,02,008

MEDIA ONE GLOBAL ENTERTAINMENT , U.K
(Wholly Owned Subsidiary of Media One Global Entertainment Limited, India)

	2008		2007	
	IN INR	IN £	IN £	IN INR
PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30.06.2008				
INCOME :				
Sales	61,85,00,675	76,46,628	53,71,975	43,51,29,975
	61,85,00,675	76,46,628	53,71,975	43,51,29,975
EXPENDITURE :				
Cost of production	57,56,20,858	71,16,498	50,70,240	41,06,89,440
Direct Expenses	-	-	-	-
Administrative expenses	10,64,129	13,156	17,090	13,84,209
	57,66,84,987	71,29,654	50,87,330	41,20,73,649
PROFIT BEFORE TAX	4,18,15,688	5,16,974	2,84,645	2,30,56,326
Provision for Tax	41,81,569	51,697	52,394	42,34,914
PROFIT AFTER TAX :	3,76,34,119	4,65,277	2,32,251	1,88,21,412
Proposed Dividend	-	-	1,11,110	90,00,000
TRANSFER TO RESERVES & SURPLUS	3,76,34,119	4,65,277	1,21,141	98,21,412
EPS Information :				
--- Net Profit attributable to Share Holders	3,76,34,119	-	-	1,88,21,412
--- No.of.Equity Shares O/s	1,000	-	-	1,000
--- Earnings Per Share	37,634	-	-	18,821
--- Nominal Value of Equity Share	79	-	-	79

MEDIA ONE GLOBAL ENTERTAINMENT , U.K
(Wholly Owned Subsidiary of Media One Global Entertainment Limited, India)

	2008		2007	
	IN INR	IN £	IN £	IN INR
Schedule-1				
Authorized Share Capital				
1000 Equity Shares of 1 pound each	79,000	1,000	1,000	81,000
Called & Paid Up Share Capital				
1000 Equity Shares of 1 pound each	79,000	1,000	1,000	81,000
	<u>79,000</u>	<u>1,000</u>	<u>1,000</u>	<u>81,000</u>

100% ordinary shares of Media One Global Limited is held by Mediaone Global Entertainment Limited incorporated in India.

Schedule-2
Reserves & Surplus

Opening Balance	1,42,21,008	1,75,456	54,315	43,99,596
Add: Transferred from Profit & Loss Account	3,76,34,119	4,65,277	1,21,141	98,21,412
	<u>5,18,55,127</u>	<u>6,40,733</u>	<u>1,75,456</u>	<u>1,42,21,008</u>

Schedule-3
Work In Progress

New Projects	2,33,28,109	2,72,835	2,71,658	2,20,04,370
	<u>2,33,28,109</u>	<u>2,72,835</u>	<u>2,71,658</u>	<u>2,20,04,370</u>

Schedule-4
Debtors: Amounts Falling Due Within One Year

Trade Debtors	15,80,53,077	18,48,518	50,006	40,50,486
Amount owed by group undertakings	-	-	4,70,766	3,81,31,965
Film - Dham Dhoom	-	-	1,71,429	1,38,85,749
Other Debtors	79,39,172	92,853	20,934	16,95,654
	<u>16,59,92,249</u>	<u>19,41,371</u>	<u>7,13,135</u>	<u>5,77,63,854</u>

Schedule-5
Creditors: Amounts Falling Due Within One Year

Trade Creditors	11,82,40,710	13,82,890	7,65,356	6,19,93,746
Amounts owed to group undertakings	42,75,130	50,000	-	-
Other Creditors	28,24,578	33,035	-	-
	<u>12,53,40,418</u>	<u>14,65,925</u>	<u>7,65,356</u>	<u>6,19,93,746</u>

Schedule-6
Provisions & Outstandings

Provision for Taxation	89,00,088	1,04,091	52,394	42,34,914
Provision for Liabilities	10,26,031	12,000	12,000	9,72,000
Proposed Dividend Payable	-	-	1,11,110	90,00,000
	<u>99,26,119</u>	<u>1,16,091</u>	<u>1,75,504</u>	<u>1,42,06,914</u>

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 30TH JUNE 2008

1. ACCOUNTING POLICIES

Accounting Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Stocks

Stock is valued at the lower of cost and net realisable value.

Deferred Tax

Full provision is made for deferred taxation resulting from timing difference between the recognition of gains and losses in the accounts and their recognition for tax purposes.

Deferred tax is calculated at the tax rates which are expected to apply in the period when the timing differences will reverse and discounted to reflect the time value of money using rates based on the post-tax yields to maturity that could be obtained at the balance sheet date on government bonds with maturity dates.

2. TURNOVER

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

3. TAXATION

Analysis of the Tax charge	2008	2007
	£	£
Current tax:		
UK corporation tax	51,697	52,394
	<hr/>	<hr/>
Tax on profit on ordinary activities	51,697	52,394

4. INVESTMENTS

	2008	2007
	£	£
Cost	Nil	Nil



	2008	2007
	£	£
5. DEBTORS		
Trade Debtors	1,848,518	50,006
Amount owed by group undertakings and undertakings In which the company has a participating interest		6,42,195
Other Debtors	92,853	20,934
	<u>1,94,371</u>	<u>7,13,135</u>
6. CREDITORS		
Trade Creditors	13,82,890	7,65,356
Amount owe to Group Undertakings	50,000	
Other Creditors	33,035	
	<u>14,65,925</u>	<u>7,65,356</u>
7. SHARE CAPITAL		
Authorised, allotted, issued and fully paid:		
Ordinary shares of £ 1 each	1,000	1,000
8. PROFIT OF PARENT COMPANY		
Opening Balance	175,456	54,315
Profit for the Financial Year	465,277	1,21,141

AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO
THE BOARD OF DIRECTORS OF M/S. MEDIAONE GLOBAL ENTERTAINMENT LTD

1. We have audited the attached consolidated Balance Sheet of M/s. Media one Global Entertainment Ltd ("the company") and its subsidiary as at 30th June '08 and the consolidated Profit and Loss account for the period then ended and the cash flow statement for the period ended on that date. These financial statements are the responsibility of the companies' management and have been prepared by the management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with generally accepted auditing standards in India. Those standards require that we plan and perform the audit to obtain reasonable assurance, whether the financial statements are free of material misstatements. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of the company's subsidiary, whose financial statements reflect total asset of Rs.549 (in lacs) as at 30th June 2008 and total revenue of Rs.6, 185 (in lacs) for the year ended on that date. These financial statements and other financial information have been audited by other auditors whose report have been furnished to us, and our opinion, is based solely on the report of other auditors.
4. We did not audit the financial Statements of the subsidiary, which have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the other auditors. The attached consolidated financial statements include share of Rs.519 (in Lacs) representing the Company's share of profits of the subsidiary for the year ended 30.06.2008
5. We report that the consolidated financial statement have been prepared by the company in accordance with the requirements of Accounting standards (AS)21- Consolidated Financial Statements issued by the institute of Chartered Accountants of India and on the basis of the separate audited financial statements of the company and its subsidiary included in the consolidated financial statements.
6. Based on our audit and on consideration of reports of other auditors on separate Financial Statements and on the other Financial Information of the components ,and to the best of the information and explanations given to us, we are of the opinion that the attached Consolidated Financials give a True and Fair view in Conformity with the accounting principles generally accepted in India :
 - a) In the case of the consolidated balance sheet ,of the state of affairs of the company and its subsidiary as at 30th June 2008 ;
 - b) In the case of the consolidated Profit and Loss account of the Profit for the Year ended on that date ; and
 - c) In the case of the consolidated cash flow statement, of the cash flows of the company and its subsidiary for the year ended on that date.

Chennai
31.10.2008

For R.P.MADHU & CO.,
CHARTERED ACCOUNTANTS
R.P.MADHU
Partner
Membership No: 202264



M/s. MEDIAONE GLOBAL ENTERTAINMENT LTD.
STATUS : PUBLIC LIMITED CO.,
(All Amounts are in Thousands of Indian Rupees , Unless otherwise Stated)

CONSOLIDATED BALANCE SHEET AS AT 30.06.08	Schedule No	AS AT	
		Rs. In '000	
		30.06.2008	30.06.2007
SOURCES OF FUNDS :			
Shareholder's Funds			
Share Capital	1	185000.00	4700.00
Reserves & Surplus	2	124030.88	40003.44
Borrowed Funds	3	13470.78	1320.00
Foreign Currency Translation Reserve		2935.73	-
Deferred Tax Liability (Net)		-	13.69
		325437.39	46037.13
APPLICATION OF FUNDS :			
Fixed Assets			
Gross Block		5184.57	964.74
Less : Accumulated Depreciation		881.02	256.83
Net Block		4303.55	707.91
Capital Working in Progress			
Balaji Theatre		9524.88	0.00
Current Assets, Loans & Advances			
Sundry debtors	4	195893.46	63644.35
Loans , Advances & Deposits	5	64287.11	34391.46
Closing Work In Process	6	134757.27	50169.84
Cash & Bank Balances		130484.00	16712.44
		525421.85	164918.09
Less:- Current Liabilities & Provisions			
Sundry Creditors	7	196688.88	108585.79
Provisions & Outstanding Expenses	8	19680.64	11919.38
		216369.52	120505.17
Net Current Assets		309052.33	44412.92
Deferred Tax Asset Net		134.11	0.00
Miscellaneous Expenditure (to the extent not written off)			
Deferred Revenue Expenditure	9	2422.52	916.30
		325437.39	46037.13
Notes forming part of the consolidated Financial statements	16		

As per our report on even date
For R.P.MADHU & CO.,
CHARTERED ACCOUNTANTS

for MEDIAONE GLOBAL ENTERTAINMENT LIMITED

Chennai
31.10.2008

(R.P.MADHU)
Partner
Membership No: 202264

(SURYARAJ KUMAR)
Managing Director

(T.VENKATESWARA RAO)
Director

CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE PERIOD ENDED 30.06.08

INCOME	Schedule No	AS AT	
		Rs. In '000	
		30.06.2008	30.06.2007
Direct Income	10	851479.51	553248.58
Other Income	11	1054.24	9608.17
Work In Process		111429.16	28165.54
		963962.91	591022.28
EXPENDITURE :			
Opening Work in Process		28165.53	0.00
Direct Expenses	12	872013.80	537847.64
Employee's Remuneration & Benefits	13	3053.35	2208.57
General & Administration Expenses	14	6199.93	14058.48
Financial Charges	15	47.10	1361.10
PROFIT BEFORE DEPRECIATION & AMORTISATION		54483.20	35546.50
Depreciation		624.19	235.38
Preliminary Exp Written Off		662.90	229.08
PROFIT BEFORE TAX		53196.11	35082.04
LESS:- PROVISIONS FOR TAXES			
Provision for Taxation		4181.57	10048.60
Deferred Tax Liability/ (Asset)		(147.80)	0.00
Provision for Fringe Benefit Tax		67.90	34.64
PROFIT AFTER TAX		49094.44	24998.81
Dividend @ 6%		1114.03	147.03
Provision for Dividend tax @16.995%		189.33	24.99
Amount transferred to Reserves & Surplus		47791.08	24826.79

As per our report on even date
 For R.P.MADHU & CO.,
 CHARTERED ACCOUNTANTS

for MEDIAONE GLOBAL ENTERTAINMENT LIMITED

Chennai
 31.10.2008

(R.P.MADHU)
 Partner
 Membership No: 202264

(SURYARAJ KUMAR)
 Managing Director

(T.VENKATESWARA RAO)
 Director

	AS AT	
	Rs. In '000	
Schedule 1	30.06.2008	30.06.2007
Authorized Share Capital		
32000000 Equity Shares of 10/- Each (Jun 30th ,2007- 10,00,000 shares of Rs.10/- Each)	3,20,000.00	10,000.00
	<u>3,20,000.00</u>	<u>10,000.00</u>
Issued Capital		
14720000 Equity Shares of 10/- Each (Jun 30th ,2007- 4,70,000 shares of Rs.10/- Each)	1,47,200.00	4,700.00
	<u>1,47,200.00</u>	<u>4,700.00</u>
Subscribed & Paid up Capital		
14720000 Equity Shares of 10/- Each (Jun 30th ,2007- 4,70,000 shares of Rs.10/- Each.. Of the Above 23,50,000 shares of Rs.10/- (Jun30th,2007-Nil) were Issued as fully paid up Bonus shares by Capitalization of Securities premium & Accumulated profits)	1,47,200.00	4,700.00
	<u>1,47,200.00</u>	<u>4,700.00</u>
Share Application Money	(A) 1,47,200.00	4,700.00
	(B) 37,800.00	0.00
	(A) + (B)	1,85,000.00
	<u>1,85,000.00</u>	<u>4,700.00</u>
Schedule 2		
Reserves & Surplus		
Profit & Loss Account - Opening Balance	29,653.44	4,826.65
Add : Last year's Unaccounted Profit	236.36	0.00
Add: Transferred from Profit & Loss Account	47,791.08	24,826.79
Less: Transferred for Bonus Issue	13,150.00	0.00
	(A) <u>64,530.88</u>	<u>29,653.44</u>
Share Premium		
Opening Balance	10,350.00	0.00
Add: Share Premium received during the year	59,500.00	10,350.00
	<u>69,850.00</u>	<u>10,350.00</u>
Less: Utilized for Bonus Issue	10,350.00	0.00
	(B) <u>59,500.00</u>	<u>10,350.00</u>
	(A) + (B)	1,24,030.88
	<u>1,24,030.88</u>	<u>40,003.44</u>
Schedule 3		
Details of Borrowed Funds		
Secured Loans		
Long Term Loans		
HDFC Bank -Logan DLS	554.82	0.00
HDFC Bank -Omni LPG	205.32	0.00
HDFC Bank -Wagon R	310.34	0.00
Short Term Loans		
Bank Overdraft	5.30	0.00
Short Term Loan From LV Bank	2,000.00	0.00
	(A) <u>3,075.78</u>	<u>0.00</u>

	AS AT	
	Rs. In '000	
	30.06.2008	30.06.2007
Unsecured Loans		
Media one Global, UK	0.00	0.00
Metro Films Pvt.Ltd	0.00	1,320.00
Pace Shares & Stock Ltd	10,000.00	0.00
Surya Rajkumar	395.00	0.00
	(B)	1,320.00
Total Borrowed Funds	(A) + (B)	1,320.00

Schedule 4

Sundry Debtors (Unsecured)

Trade Debtors :

---Less Than 6 Months

24508.12 11416.03

---More Than 6 Months

5393.09 5337.23

Other Debtors

165992.25 46891.09

195893.46 63644.35

Schedule 5

Loans & Advances & Deposits

Deposits

50479.70 15137.23

Advances Recoverable in Cash in hand

13807.41 19254.23

64287.11 34391.46

Schedule 6

Cash and Bank Balances

Cash in hand

119.12 141.42

Balances with Schedule Banks :

Lakshmi Vilas Bank

356.97 66.15

Lakshmi Vilas Bank-Preferential Issue

1,28,506.00 0.00

UTI Bank

5.60 65.53

Vijaya Bank

573.83 5,704.90

HSBC

101.14 0.00

U.K. Bank

821.34 10,734.44

1,30,484.00 16,712.44

Schedule 7

Current Liabilities :

A) Sundry Creditors

Advt. Thambi Payable

0.00 299.63

Sunanda Murali Manohar

11,849.99 8,269.57

Gagan Ashok Khemka

0.00 3,500.00

Space Design

0.00 23.59

Other Creditors

1,25,340.42 61,993.77

(A) 1,37,190.41 74,086.56

	AS AT	
	Rs. In '000	
	30.06.2008	30.06.2007
B) Advances From Customers :		
Centaniel	36,398.47	34,399.24
Ayngaran international	22,800.00	0.00
Pyramid Saimeera	100.00	100.00
Vasanth & Co Media network (p) ltd	200.00	0.00
	<hr/>	<hr/>
	(B) 59,498.47	34,499.24
	(A) + (B) 1,96,688.88	1,08,585.79

Schedule 8

Provisions & Outstanding Expenses

A) Provisions :		
Provision For Taxation	14,202.93	10,048.60
FBT	75.64	34.64
Dividend	1,114.03	147.03
Dividend Tax	214.32	24.99
Gratuity	32.31	32.31
	<hr/>	<hr/>
	(A) 15,639.22	10,287.56
B) Outstanding Expenses :		
TDS	239.46	335.42
Audit Fees	0.00	101.56
Bonus Payable	288.07	0.00
Internal Audit fees	29.60	32.16
Service Tax	610.23	59.78
Staff Salary	385.71	87.13
Rent	128.91	0.00
Other Outstanding Expenses	2,359.45	1,015.78
	<hr/>	<hr/>
	(B) 4,041.42	1,631.82
	(A) + (B) 19,680.64	11,919.38

Schedule 9

Differed Revenue Expenditure

Share Issue Expenses	916.30	1,145.38
Add: Issue Expenses	2,169.12	0.00
	<hr/>	<hr/>
	3,085.43	1,145.38
Less: 1/5th Written off during the year	662.90	229.08
	<hr/>	<hr/>
	2,422.53	916.30

Schedule 10

Direct Income

Advertisement Income	2510.64	0.00
Distribution Income	203618.20	536748.58
Income From Events	4450.00	0.00
Income from Film Production	0.00	16500.00

	AS AT	
	Rs. In '000	
	30.06.2008	30.06.2007
Royalty Income	13300.00	0.00
Sales Accounts	627600.67	0.00
	851479.51	553248.58

Schedule 11

Other Income

Dividend from Subsidiary Company	0.00	9,000.00
Income from Advertisement - Thambi Film	0.00	450.33
Interest on Fixed Deposit	653.94	157.84
Other Income	400.29	0.00
	1054.24	9608.17

Schedule 12

Direct Expenses

Film Production Cost	0.00	474237.11
Project Expenditure	673226.62	63610.53
Distribution Expenditure	194849.76	0.00
Share of Advertisement Income	377.42	0.00
Event Expense	3560.00	0.00
	872013.80	537847.64

Schedule 13

Employees' Remuneration & Benefits

Salaries and Allowances	1598.99	1006.29
Staff Welfare	479.35	87.28
Director's Remuneration	975.00	1115.00
	3053.35	2208.57

Schedule 14

General & Administration Expenses

Advertisement Expenses	344.62	158.15
Audit Fees	120.00	101.12
Bad Debts Written off	41.01	0.00
Bank Charges	137.79	116.20
Books & Periodicals	4.86	11.12
Business Promotion	5.26	35.64
Commission	0.00	880.00
Conveyance & Travelling Expenses	741.63	319.06
Dividend -Subsidiary	0.00	9000.00
Donation	0.00	0.50
Electricity Charges	79.82	72.46
Income Tax 06 - 07	0.00	384.68
Insurance on Vehicles	0.00	15.25



	AS AT	
	Rs. In '000	
	30.06.2008	30.06.2007
Interest on Service Tax	42.86	66.29
Internal Audit Fees	33.00	78.00
Legal Fees	5.00	3.00
Listing Fee	0.00	20.00
Logo Designing Charges	0.00	10.00
Membership & Subscription	5.62	8.05
Miscellaneous Expenses	5.69	0.00
Office Maintenance	63.27	39.31
Other Costs	1,064.13	1,436.54
Petrol expenses	8.00	0.00
Postage	34.59	17.26
Printing & Stationery	229.84	174.10
Professional & Consultancy Charges	562.65	232.70
Rates & Taxes	4.32	3.70
Registration fee	20.00	0.00
Rent Payments	1,286.15	294.69
Repairs & Maintenance - Building	0.00	10.06
Repairs & Maintenance - Equipments	33.58	118.80
Security charges	198.07	0.00
Share Issue & ROC Expenses	694.70	46.41
Subscription Fee	10.50	1.00
Telephone Expenses	176.10	148.49
Vehicle Maintenance	229.28	223.91
Web Designing Charges	17.60	32.00
	<u>6199.93</u>	<u>14058.48</u>

Schedule 15

Financial Charges

Interest On Loan

	47.10	1361.10
	<u>47.10</u>	<u>1361.10</u>

Schedule 16

NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(All amounts are in thousands of rupees unless otherwise stated)

1) These accounts comprise a consolidation of the Balance Sheet, Profit and Loss Account and Cash Flow Statement of Media one Global Entertainment Limited (Formerly known as Rajamata Investments), a company incorporated in India and its wholly owned Subsidiary Media one Global Limited, which is incorporated in the U.K. for a period of 12 months from 01.07.2007 to 30.06.2008

2) Statement of Significant Account Policies

a) Basis of Preparation

The consolidated Financial Statements ('CFS') have been prepared to comply in all material respects with the Notified Accounting Standard by companies Accounting Standards Rules, 2006 and the relevant provisions of the companies Act, 1956 ('the Act') to reflect the financial position of Media One together with its fully owned Subsidiary Media One Global Limited. Further, the consolidated financial statements are presented in the general format specified in Schedule VI to the companies Act, 1956. However these consolidated Financial Statements are not statutory Financial statements, Full Compliance with the above Act are not Required and so they do not reflect all the disclosure requirements of the Act.

The Accounting policies applied by the Company are consistent with those used in the previous year

All assets and liabilities (other than borrowings and deferred taxes) that are expected to be settled in the Ordinary Course of Business within 12 months from the Balance Sheet date are separately stated as current assets (or) current liabilities respectively.

b) Principles of Consolidation

The Consolidated Financial Statements of the group have been prepared based on a Line-by-Line Consolidation of the Balance Sheet, at June 30th, 2008 and the profit and Loss and Cash Flows of Media one and Media One U.K for the year ended June 30th, 2008.

The financial Statements of the subsidiaries used for Consolidation are drawn for the same reporting period as that of the company i.e. year ended June 30th, 2008.

All Material inter-Company transactions and balances between the entities included in the Consolidated Financial statements have been eliminated.

The CFS have been prepared using uniform accounting Policies, except stated otherwise, for like transactions and are presented to the extent possible, in the same manner as the company's separate Financial Statements

c) Fixed Assets and Depreciation

Fixed Assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost Comprises the purchase price and any attributable cost of bringing the asset to its working Condition for its intended use.

Depreciation

Depreciation on fixed assets is provided on Written down value method , pro-rata to the period of use of the assets , at the annual depreciation rates stipulated in Schedule XIV to the Companies Act,1956

e) Working In Progress

Proportionate expenses in relation to the Tele serials ;All the Expenses of Feature Film are transferred to their respective Work In Process accounts since all the Feature Films are at production stage and no income is accrued during the year on those films, those serials

f) Taxation

Tax Expense Comprises Current, Deferred and Fringe Benefit Tax.

Provision for Current Income Tax is made on assessable income at the tax rate applicable to the relevant assessment year

Deferred Income Taxes are recognized for the future tax consequences attributable to timing differences between financial statement determination of income and their recognition for tax purpose

Fringe benefit Tax is measured at the amount expected to be paid to the tax authorities in accordance with the 'Income Tax Act ,1961

g) Earnings Per Share

The earnings considered in ascertaining EPS comprise the net profit after tax.

The Number of Shares used in Computing the basic earnings per share is the weighted average number of equity shares outstanding during the year , and are further adjusted for bonus issue of shares .

h) Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The Operating Revenue includes Entertainment Tax, Sales Tax, and Service Tax collected. Where the screens were on show hire , revenue is recognized at Gross Amount inclusive of taxes.

i) Sale of Tickets of Films

Revenue from sale of tickets of films is recognized as and when the film is exhibited.

ii) Income from Distribution of films

Theatrical Revenue from the distribution of films is accounted for on the basis of box office collections received from various exhibitors at gross amount inclusive of taxes.

iii) Advertisement Revenue

Advertisement revenue is recognized as and when advertisement is displayed .

iv) Income From Royalties

Income From Royalties is being Recognized on Accrual Basis according to the terms and Conditions of the Agreement .

v) Sharing of Revenue

Income from Revenue sharing is recognized in accordance with the terms of agreement with the party to operate and manage.

vi) Income From Sale of Audio Rights

Income from Audio rights is being Recognized on the basis of Contracts made - No Proportionate Expenditure has been Recognized for such Income.

i) Foreign Currency Transactions

At the year-end , Monetary items are converted into Rupee Equivalent at the year -end exchange rates.

All the exchange differences arising on settlement / conversion of foreign currency transactions are included in the profit & Loss A/c

j) Related Party Disclosures for the year ended 30.06.08

List of Related Parties:

i) Subsidiary Companies

Media One Global Limited (U.K)

b) Associate/Joint Venture

Metro Films (P) Ltd

c) Key Management Personnel

Mr.Suryaraj Kumar - Managing Director

d) Transactions With Related Parties

1	Subsidiary Companies :	NIL
	Media One Global Limited (U.K)	
2	Associate/Joint Venture :	NIL
3	Key Management Personnel :	
	Mr.Suryaraj Kumar :-	
	Loan	395.00
	Managerial remuneration	975.00
		<u>1370.00</u>

k) Prior Year Comparatives

Prior Year Figures have been regrouped wherever necessary to conform to the current year's classification.

As per our report on even date

For R.P.MADHU & CO.,

CHARTERED ACCOUNTANTS

for MEDIAONE GLOBAL ENTERTAINMENT LIMITED

Chennai
31.10.2008

(R.P.MADHU)
Partner

(SURYARAJ KUMAR)
Managing Director

(T.VENKATESWARA RAO)
Director

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30.06.2008

	As at	
	(Rs. In '000)	
	Jun 30th 2008	Jun 30th 2007
Cash Flow from Operating Activities :		
Net Profit before Taxation, and Extraordinary item	53,196.11	35,082.04
Adjustments for ;		
Depreciation	624.19	235.38
Bad Debts W/off.	-269.96	-
Preliminary Exp W/off	662.90	229.08
Income Tax	0.00	384.68
Interest Expense	47.10	1,361.10
Interest Income	-653.94	-157.84
Dividend Income	-	-9,000.00
Operating Profit before Working Capital Changes :	<u>53,606.40</u>	<u>28,134.44</u>
Decrease (Increase) in receivables	-132249.11	47947.00
Increase/(Decrease) in Payables	88,103.09	-2,295.49
Decrease/(Increase) in Inventories	-84,587.44	-47,907.83
Decrease/(Increase) in Advances & Deposits	-29,895.66	-30,032.55
Increase/(Decrease) in Current Liabilities	<u>7,209.22</u>	<u>88.89</u>
Cash generated from Operations	-97,813.49	-4,065.18
Income Taxes Paid	9.94	182.72
Net Cash Flow from Operations	(A) <u>-97,823.43</u>	<u>-4,247.90</u>
Cash Flows from Investing Activities:		
Purchase of Fixed Assets	-13,644.71	-557.83
Interest Income	653.94	157.84
Dividend Income	0.00	9,000.00
Net Cash Flow from Investing Activities	(B) <u>-12,990.76</u>	<u>8,600.01</u>
Cash Flows from Financing Activities:		
Proceeds from Issuance of Equity Shares	1,19,000.00	2,300.00
Share Application Money	37,800.00	-
Share Premium	59,500.00	10,350.00
Proceeds from Long Term Borrowings	1,158.00	-
Net Increase in Unsecured Loans	9,431.50	1,320.00
Interest Expenses	-47.10	-1,361.10
Share Issue Expenses	-2,169.12	-1,145.38
Repayment of Long Term Borrowings	-87.53	-
Net Cash Flow from Investing Activities	(C) <u>2,24,585.75</u>	<u>11,463.53</u>
Net Increase in Cash & Cash Equivalents	(A) + (B) + (C) <u>1,13,771.56</u>	<u>15,815.64</u>
Cash and Cash equivalents at the Beginning of the Year	<u>16,712.44</u>	<u>896.81</u>
Cash and Cash equivalents at the End of the Year	<u>1,30,484.00</u>	<u>16,712.44</u>

MEDIAONE GLOBAL ENTERTAINMENT LIMITED

Regd.Office : No.59, Vijayaraghava Road, T.Nagar, Chennai 600017.

Tel: 044-42148005 Fax : 044-42146321

www.mediaoneglobal.in

FORM OF PROXY

REGD. FOLIO NO. _____

I/We _____ of _____ in the district of _____ being member(s) of the above named company hereby appoint _____ of _____ in the district of _____ or failing him/her _____ of _____ in the district of _____ as my/ our proxy to vote for me/ us on my/our behalf at the 27th Annual General Meeting of the Company to be held on the 24th day of December, 2008 and at every adjournment thereof.

Signed this _____ day of _____ 2008.

For Office use only

No. of Shares held :

Proxy No. :

NOTE:

The proxy form, to be valid, should be deposited at the Registered Office of the Company at No.59, Vijayaraghava Road, T.Nagar, Chennai 600017, not less than 48 hours before the meeting.

Affix Re.1.00
Revenue
Stamp

SIGNATURE

MEDIAONE GLOBAL ENTERTAINMENT LIMITED

Regd.Office : No.59, Vijayaraghava Road, T.Nagar, Chennai 600017.

Tel: 044-42148005 Fax : 044-42146321

www.mediaoneglobal.in

ATTENDANCE SLIP

Please complete this attendance slip and hand it over at the entrance of the venue at Hotel Guru, 69, Rukumani Lakshmiipathy Salai Egmore, Chennai 600008

NAME OF THE MEMBER :

REGD. FOLIO NO. :

I hereby record my presence at the 27th Annual General Meeting of Mediaone Global Entertainment Limited held at "Hotel Guru", 69, Rukumani Lakshmiipathy Salai, Egmore, Chennai 600008 at 11.30 A.M. on the 24th December, 2008.

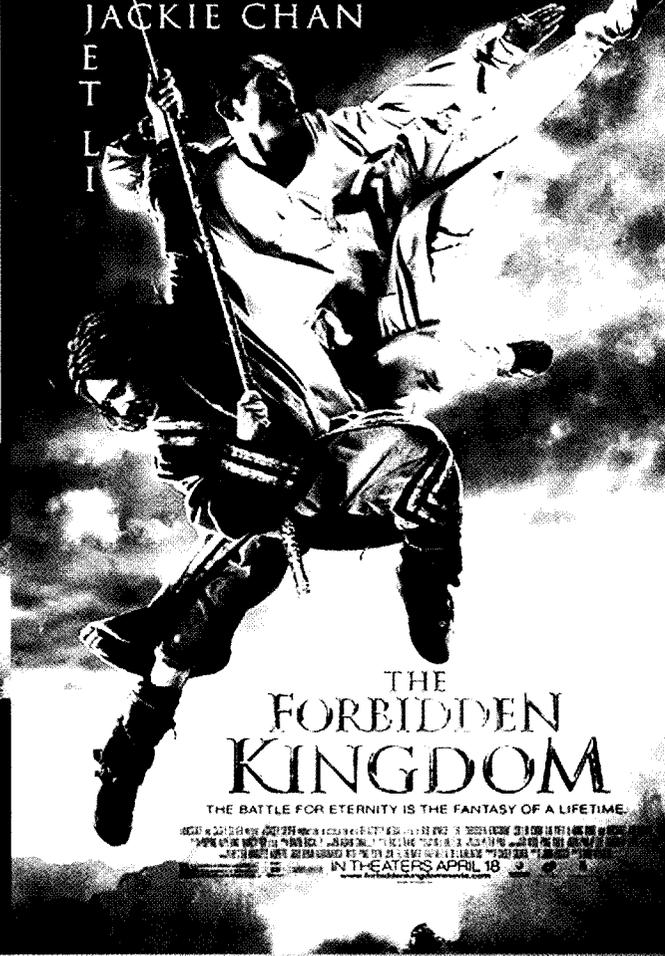
SIGNATURE OF THE MEMBER OR PROXY



MediaOne Global Entertainment Limited Releases



HANCOCK



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THE FORBIDDEN KINGDOM

THE BATTLE FOR ETERNITY IS THE FANTASY OF A LIFETIME

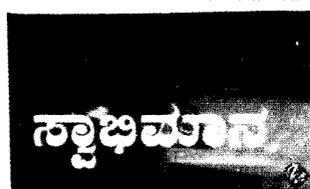
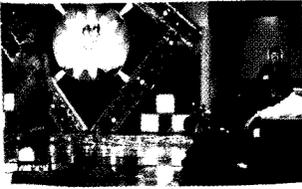
IN THEATERS APRIL 18

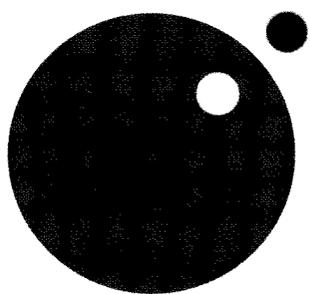


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MediaOne Global Entertainment Limited "T.V. Productions"

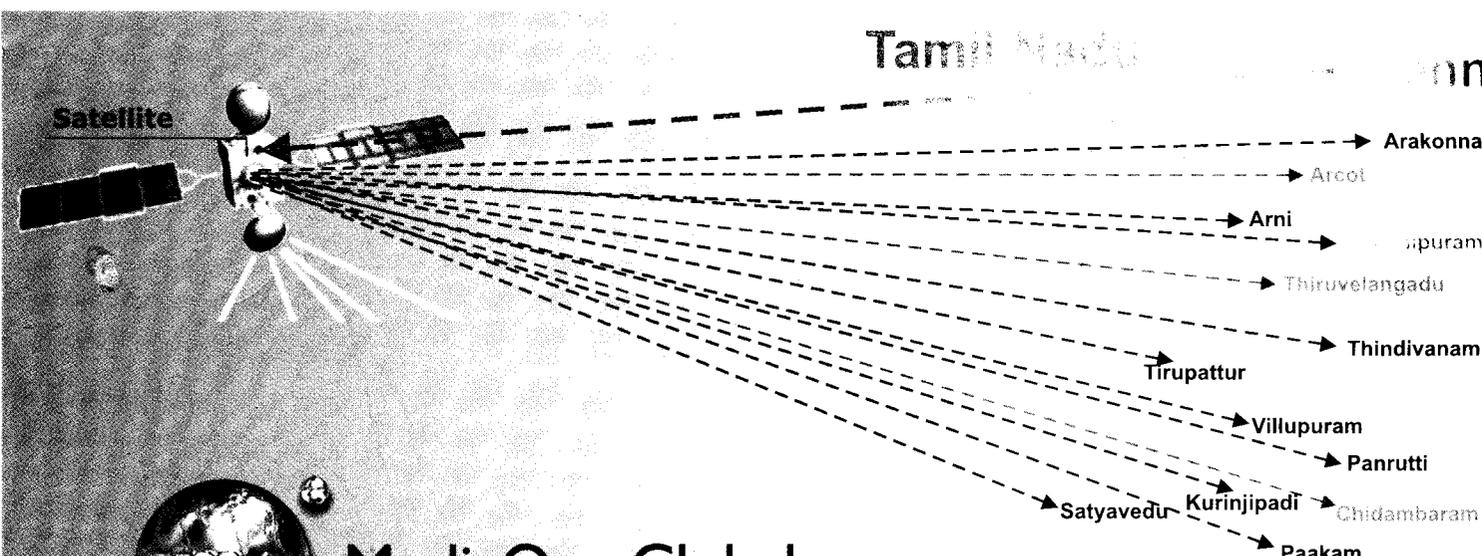




MEDIAONE

GLOBAL ENTERTAINMENT LIMITED

ZING OF VIBRANCY



MediaOne Global Entertainment Limited

No.59, Vijayaraghava Road, T.Nagar, Chennai - 600 017.
 Ph : 91-44-4214 8005, 4554 4028. Fax : 91-44-4214 6321
 E-mail : contact@mediaoneglobal.in
 Website : www.mediaoneglobal.in