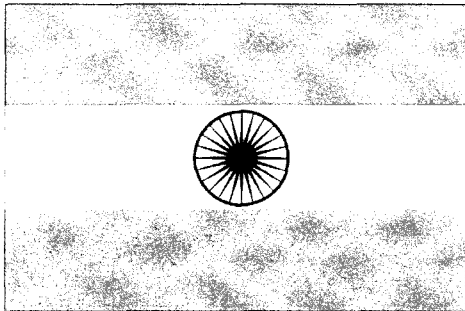
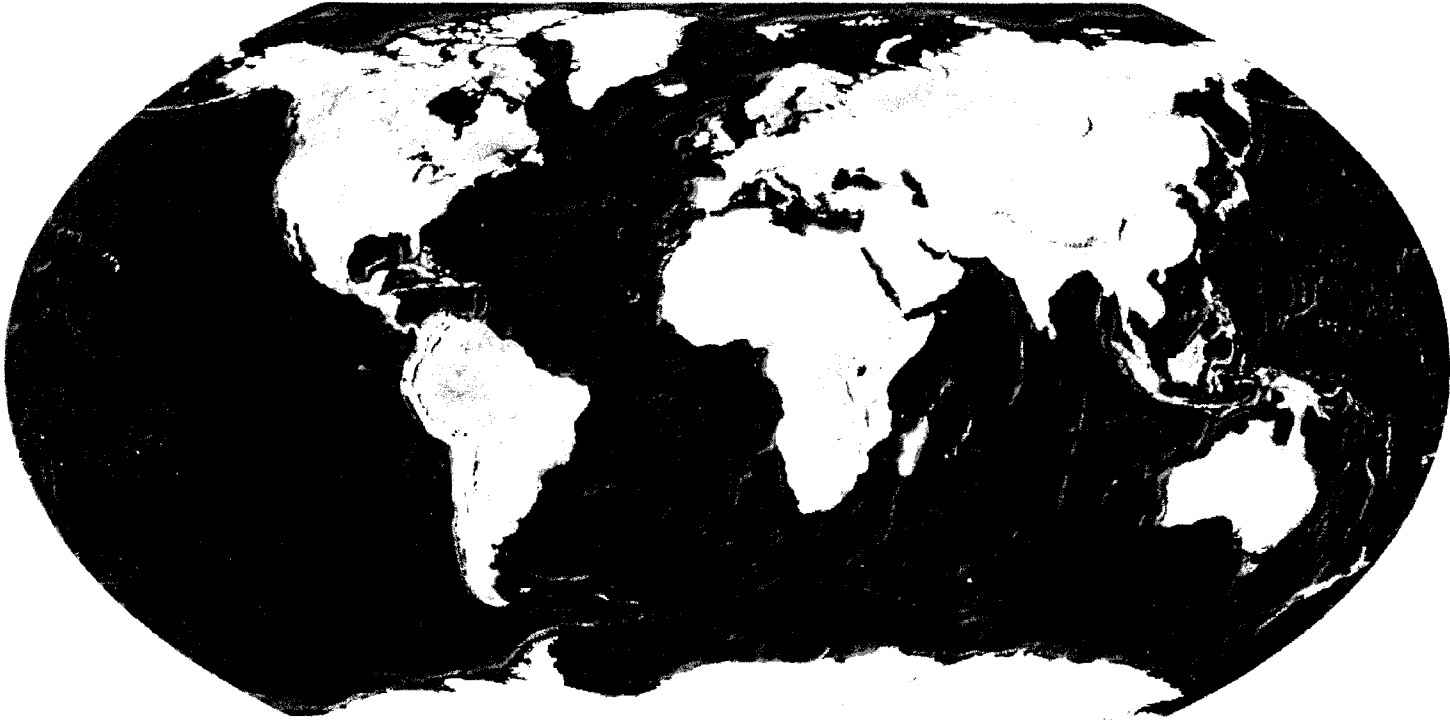


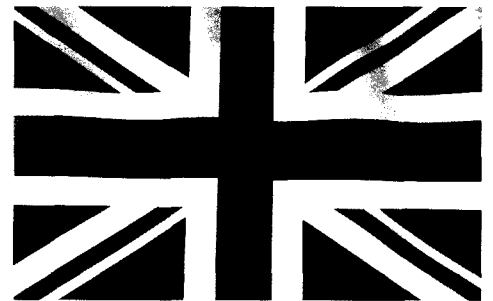
# **MEDIAONE GLOBAL**

## **Entertainment Limited**

**Annual Report**  
**2011-12**



**Registered Office :**  
**Mediaone Global Entertainment Limited**  
No.59, Vijayaraghava Road,  
T.Nagar, Chennai-600 017.  
India.



**Overseas Subsidiary :**  
**Mediaone Global Limited**  
8th Floor Crown House,  
# 60, North Circular Road,  
London, NW 10-7 PN



## **31st ANNUAL GENERAL MEETING**

Date : 28th December 2012

Day & Time : Friday, 11.30 a.m.

Venue : Hotel Guru,  
Rukmani Lakshmipathy Salai,  
Egmore, Chennai-600 008.



## Mediaone's Key Highlights

- An Asset Based Entertainment Company
- Listed on the Bombay Stock Exchange (BSE)
- South India's fast upcoming Entertainment Company
- Steady Growth Rate in Turnover & Profits
- Constant rise in EPS and Market Cap
- Prime focus in Exhibition (Theatres) along with Distribution and Production
- End-to-End solutions provider in the entertainment spectrum
- Knitting the chain of Production, Distribution & Exhibition of feature films
- Quality content provider for leading Televisions Channels.
- Back-end tie ups with leading Production Houses to overcome risks
- Dynamic team of young, creative and innovative professionals.



# Board of Directors



**Mr. Suryaraj Kumar**  
Chairman & Managing Director

is a management professional having long years of experience in the media and entertainment industry. He has been involved in the production and distribution of television serial for various regional channels in India and Overseas networks. He has also been involved in the production of many international film/sports programmes and has many firsts to his credit in the production, marketing and telecasting on the National network such as The Film fare awards, National Games, Cricket matches played in the Caribbean islands, B&H Cricket matches, 1984 Olympic Games etc.



**Dr. J. Murali Manohar**  
Director

is a Doctor by qualification. He was smitten by the Entertainment bug very early in his career and has a multi dimensional experience spanning over 25 years in Film/ Content production, management and distribution. He has produced 15 films and also imported over 150 English films for distribution in India. He was the producer of many successful films like Jeans (1996), Minnale(2001) and Thambi (2004). These films were all content driven successes and musical blockbusters. He launched the 24 hour Telugu satellite channel Gemini TV in India in 1995 and also launched a 24 hour Tamil satellite channel 'SOUTH FOR YOU' in the United Kingdom and Ireland in 2000. He was the guiding force behind CEE (I) TV Entertainment Limited. He was also the pioneer of organizing big international events in India, was associated with the Samantha Fox show in Chennai, Mumbai and Delhi, way back in 1989. He now provides direction on corporate and business strategies.



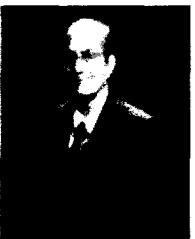
**Mr. Bomi Kavina**  
Director

Possess 40 yrs of experience in banking industry having worked with Central Bank of India, Standard Chartered Bank and BNP Paribas. Currently, he is a Management Consultant and Trainer for Various banks. He is Expertise in Banking and Managing Consultancy Services.



**Mr. Thomas Kuruvilla**  
Director

Possess 15 years of experience in capital market and financial services. He has worked as Division Chief in SEBI and as Managing Director of Muthoot Capital services. Currently he is the Chief Executive Officer of Indus Motors and Expertise in Finance, Accounts and Financial Services.



**Mr. D. G. Prasad**

served as Head of Corporate Banking and Chief General Manager of Export-Import Bank of India (Exim Bank). Mr. Prasad joined Exim Bank in 1983. He was employed at Canara Bank for over 8 years and has been a career banker for over 33 years. He holds considerable expertise in trade finance, international finance, merchant banking, corporate strategies, mergers and acquisitions, loan syndications, forfeiting, international negotiations and co-financing with multilateral agencies. Mr. Prasad was trained in 'Treasury Management' at Credit Suisse, Switzerland; 'International Banking and Development' at the International Development Ireland at Dublin and London and 'Advanced Agribusiness Management' at Cornell University, Ithaca, New York, USA. He is a Chartered Accountant.

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**Vision**

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To develop primary vertical of “Asset based Exhibition” and combine the existing and new activities to build up a major integrated media and entertainment company based on three central columns:

1. Exhibition
2. Content Provider
3. Content Distributor

And become a

1. Market leader in the south of India for theatrical exhibition
2. Major company for content development for television and films
3. Major distributor of film content in India both for South Indian and Hindi films and a developing a strong position in the international market in VOD market.

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**Mission**

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Positioning Mediaone in the Global Map by setting a benchmark for quality and innovative content to discerning audience worldwide.

To be a standout in the Exhibition Theatre business.

State of the Art technology in renovating and refurbishing of existing theatres in Upcoming centers.

Distribution of worldwide releases of films through improvised distribution, Network.



**MEDIAONE**  
GLOBAL ENTERTAINMENT LIMITED  
ZING OF VIBRANCY

## Corporate Information

**Mediaone Global Entertainment Limited,**

No.59, Vijayaraghava Road,

T.Nagar, Chennai 600017.

Tel: 044-42148005 Fax : 044-42146321

[www.mediaoneglobal.in](http://www.mediaoneglobal.in)

Registrars & Share Transfer Agents

**Cameo Corporate Services Ltd**

Subramanian Building,  
#1, Club House Road,  
Chennai - 600 002.

Bankers

**Lakshmi Vilas Bank**

Cathedral Road Branch  
No.62, Cathedral Road,  
Chennai 600 086.

Statutory Auditors

**KNR ASSOCIATES**

CHARTERED ACCOUNTANTS

126, Muthumariamman Koil Street,  
Pondicherry -605 001

**Indian Overseas Bank**

T. Nagar Branch  
No.104, Sir Theyagaraya Road,  
Chennai - 600 017.

**HDFC Bank Ltd**

Ashok Nagar Branch  
No.53, Plot No.B-41, 4th Avenue,  
Ashok Nagar, Chennai - 600 083

## **Content of the annual report**

1. Financial Highlights
2. Message from Managing director
3. Notice of Annual General Meeting
4. Director Report
5. Corporate Governance
6. Shareholders Information
7. Management Discussion and Analysis
8. Auditor Report
9. Balance sheet
10. Profit and loss account
11. Significant Accounting Policies & Notes on Accounts
12. Statement of Cash Flow
13. Statement Pursuant to section 212 of the Companies Act, 1956
14. Financial statement of Subsidiary
15. Consolidated Auditor's Report
16. Consolidated Financials
17. Proxy from/ Attendance From





## Financial Highlights

Rupees in Lakhs

S.No.	Particulars	Standalone Financials		Consolidated Financials	
		30.06.2012	30.06.2011	30.06.2012	30.06.2011
<b>1.</b>	<b>Income</b>				
	Revenue from operations	11498.16	10706.25	14197.87	12574.43
	Other Income	546.69	241.81	666.04	241.81
	<b>Total Revenue</b>	<b>12044.85</b>	<b>10948.07</b>	<b>14863.91</b>	<b>12816.24</b>
<b>2.</b>	<b>Expenditure</b>				
	Direct expense	10319.42	8291.63	12915.30	10076.04
	Changes in inventories of finished goods / work-in-progress	-244.84	1351.91	-244.84	1351.91
	Employee benefits expense	49.92	47.02	49.92	47.02
	Finance costs	71.57	137.15	72.94	137.15
	Depreciation and amortization expense	120.62	123.18	146.28	123.18
	Other expenses	969.21	259.80	969.21	285.25
	<b>Total Expenditure</b>	<b>11285.90</b>	<b>10210.68</b>	<b>13908.82</b>	<b>12020.54</b>
<b>3.</b>	<b>Profit before tax</b>	<b>758.95</b>	<b>737.39</b>		
	<b>Tax expense:</b>				
	(1) Current tax	230.13	213.01	246.11	216.09
	(2) Deferred tax	31.53	30.43	31.53	30.43
<b>4.</b>	<b>Profit after tax</b>	<b>497.29</b>	<b>493.95</b>	<b>677.46</b>	<b>549.19</b>
	<b>Paid up Share Capital</b>	<b>1472</b>	<b>1472</b>	<b>1472</b>	<b>1472</b>
<b>5.</b>	<b>Earnings per equity share:</b>				
	(1) Basic	3.38	3.36	4.60	3.73
	(2) Diluted	3.38	3.36	4.60	3.73



## **Message from the Managing Director**

Dear Shareholders,

Greetings

It gives me immense pleasure to welcome you all to the 31<sup>st</sup> Annual General Meeting of your company. Over the last few years, your company has been recording consistent growth in Income and Profits. I now take the privilege to comment on the company performance during the financial year 2011-2012.

## **Business Model**

Mediaone's business model consists of the following distinct business propositions:

Production of films

Distribution of films

Exhibition of films

## **Production of films**

Mediaone's business model in production of films is unique that draws on the competencies of its management in project and financial management, understanding of the entertainment landscape and expertise in film production management.

The company only acts as a producer to produce the film on behalf of investors and Multi-national companies, for a fee and percentage of the profit. Thus the company effectively mitigates risks, which are generally associated with the success or the failure in the production of films. The company has entered in to a contract to produce films for Eros International, UK (company listed in AIMS) to produce films for them on turnkey basis.

## **Distribution of films**

Mediaone acts as a Distributor to Multinational companies/ corporate houses working for a fee which is a percentage of the collections. Thus the company effectively mitigates risks involved in distribution segment of the business.

## **Exhibition of Films**

Mediaone aims to carve a unique space in mass access using theatre infrastructure to deliver entertainment. Mediaone owns a chain of theaters in Kanchipuram, Achirapakkam, Thiruvallur and manages BIG cinemas chain of 34 theaters in Pondicherry, Vellore, Salem, Madurai, Sivakasi, Dindugal, Tanjore, Chengi, kallakurichi, Thirupurur, Manali etc. Mediaone takes over run down theaters on lease and spends money to modernize the theatres including the digitalization.

## **Strategy**

Mediaone's strategy is to build an asset based integrated entertainment company focusing on:

Acquisition of Multiplexes in the malls in around Chennai city and other major towns of Tamilnadu.

Buying / Leasing old theatres predominantly in monopoly centres, to modernize them into Digital theatres, with state of art sound and light system, with good facilities.

The strategy is to become a theatre chain company having presence in all categories of theatres including Malls, Multiplexes, Cineplexes and stand-alone theatres. Mediaone would acquire theatres on outright basis/ long lease basis and improve the infrastructure to bring it at par with world-class standards to offer high quality viewing experience.

Mediaone would convert films in to Digital, transmit these films using satellite medium to various theatres in a secured encryption mode. Using digital rights management, Mediaone would exhibit the films in digital mode without physical film prints. This would also help to kill pirated CD market as new films can be released simultaneously across many places.

Location is as critical as content for the success of a multiplex business. While selection of right content helps in reaching out to the right target, selection of right location results in attracting higher footfalls. All our multiplexes would be located in high traffic commercial business districts or in the midst of affluent residential areas, which would provide us with a competitive advantage

## **Uniqueness of the Business Plan**

Perceived as a volatile business due to the traditionally unorganized stamp that the film industry has earned over the years, companies like Mediaone have had to redefine the rules of the game by adopting a derisked strategy for its business in the following ways:

**Production:** Mediaone offers pre-production, production, and post-production activities for the Investors/ MNCs for a fixed fee and profit sharing terms. The Investor/ MNC will invest the money for the movie production, and will reap the entire profits from the operation. The Investor/ MNC also bear the risk of poor performance at the box office. Mediaone will use its industry experience to produce a commercially viable movie in a local language. Depending on the financial outlay and the risk appetite of the Investor/ MNC, Mediaone will offer a choice of high star power movie (higher cost, lower risk, immense upside potential and immense downside potential) or a low star power movie (low cost, high risk, limited upside potential, limited downside potential). Mediaone will work on all stages of the movie making, right from script selection to cast selection to actual production up till the movie is ready for release. In return for its services, Mediaone will earn a fixed fee which is generally a percentage of the cost of the movie and also profit sharing as per pre-agreed terms.

**Distribution of films:** The distributor acts as a cushion between the producer and the exhibitor. While the exhibitor will not be interested in paying upfront for a movie whose performance is uncertain, the producer's funds get locked up until the movie performs. Hence, the distributor acts as a link and takes up the movie either on an outright basis or a profit sharing with or without minimum guarantee basis from the producer, and circulates the movie for distribution among theatres in the area. Mediaone follows a strategy of only distributing films on pre fixed percentage on collection basis without minimum guarantee.

Exhibition: The Prime focus is acquiring theatres in B1 and B2 centers of Tamil Nadu and converting them into modern digital theatres with state of the art viewing experience. The idea is to extend the innovative approach in screening of new movies simultaneously in B1 and B2 centers at par with A centers and providing an opportunity to viewers across various categories of centers in Tamil Nadu and encashing on the initial publicity.

Flowing from its goal of emerging as one of India's lead studios, Mediaone has focused on creating a brand name, which is synonymous with quality and successful cinema. To continuously strengthen its core competencies, Mediaone has indigenously evolved a series of processes that are periodically fine-tuned and are applicable to a project from idea to release.

### **Projects to date:**

#### 1. Production of Movies:

Mirattal (2012-2013) starring Vinay, Sharmila music by Praveen Mani Directed by Madesh

Chikku Bhukku (2010-2011) starring Arya, Shriya Saran; Music by Colonial cousins; Directed by Manigandan

Dhaam Dhoom (2008-2009), Tamil starring Jayam Ravi, Kangana Ranawat; Music by Harris Jayaraj; Directed by Jeeva..

Provoked (2006-2007) starring Aishwarya Rai, Oscar award winning actor Miranada Richardson, Music by AR Rahman Directed by Jag Mundhra .

RAMJI LONDON WALEY (2004-2005) Hindi Film starring : Madhavan, Samita Bhangargi Music Vishal Bhardwaj Dir Sanjay Dayama.

#### 2. Distribution of Films:

Mediaone has distributed recently successful films like Nanban, Kadhalil Sodapuvathu Yeppadi, Thadayara Thakka, Mirattal, Maattrraan and Thuppaki in Tamil, English Vinglish, and Student of the year, Agnipath, Housefull 2, Cocktail, Vicky Donor and Ra One in Hindi. In both Tamil and Hindi, the blend of films have been between small, medium and big budget. Also Films like Kadhalil Sodapuvathu Yeppadi in Tamil and Vicky Donor in Hindi have been niche successes. The company selects films for distribution based on content, star cast and budget and it is a risk free model since the distribution is on pre fixed percentage on collection basis without minimum guarantee.

### **Industry Outlook**

The Indian film industry has recovered from a two year slowdown in 2011. A steady increase in average ticket price on account of the growing multiplex culture, increasing content with mass connect, star-power and digitization facilitated countrywide releases, all contributed their part in this turnaround.

The Indian film industry was estimated to be INR 93 Billion in 2011 indicating a growth of 11.5 percent vis-à-vis 2010. Quality content combined with the revival of films with mass connect improved the occupancy rates which in-turn increased domestic box-office collections.

Indian production houses such as Eros, Reliance and UTV along with joint ventures of foreign media houses such as Fox and Viacom 18 have brought in increased sophistication across the industry value chain through processes such as stricter financial discipline, regular audits, scientific methods for marketing and distribution and developing new talent. In addition, they continue to explore additional monetization channels to tap latent demand for Indian films. Production houses are getting involved right from the scripting stage till release for large budget films to control costs, where as they continue to directly source quality smaller budget films from independent producers.

There is an increasing trend towards opting for co-productions in the Indian market as it seen to provide a win-win situation for both the production house and the studio. Each get's to leverage his strength the production house get's to focus entirely on the task of producing a good quality film with the studio simultaneously exploring and implementing the best distribution and marketing strategies for its release.

With best wishes

**SURYARAJ KUMAR**  
Managing Director

## NOTICE

Notice is hereby given that the 31<sup>st</sup> Annual General Meeting of the share holders of the Company will be held at 11.30 A.M. on Friday, the 28th day of December 2012 Hotel Guru, 69, Rukamani Lakshmi pathy salai, Egmore, Chennai 600008, to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Audited Balance Sheet as at 30<sup>th</sup> June 2012 and the Audited Profit and Loss Account for the year ended 30<sup>th</sup> June 2012 and the Reports of Directors and Auditors along with the Schedules, the report of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Mr. Thomas Kuruvilla ,who retires by rotation and is eligible for re-appointment.
4. To consider and if thought fit, to pass without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. KNR Associates., 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."

Place: Chennai  
Date : 29.08.2012

for **Mediaone Global Entertainment Limited**

**SURYARAJ KUMAR**  
Managing Director

## **ANNEXURE TO NOTICE:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXY FORMS COMPLETE IN ALL RESPECTS, SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING. FORM OF PROXY IS ENCLOSED.
2. The Register of Members and the Share Transfer Books of the Company will remain closed from 21.12.2012 to 28.12.2012 (both days inclusive) in connection with the Annual General Meeting.
3. Dividend recommended by the Directors for the year 30.06.2012, 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 28.12.2012.
4. 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- 600 002.  
Tel: 044-28460390 Fax: 044-28460129

5. Members are requested to inform the Company any change in their addresses immediately so as to enable the Company to dispatch the dividend warrants and any future communication at their correct address.
6. Shareholders who have not encashed their dividend warrants are requested to submit their claims for dividend to the Registered Office of the Company.
7. Nomination facility is now available for the Shareholders. Members who want to file Nomination may write to the Company.
8. Pursuant to Clause 49 of the Listing agreement, the details of the retiring Director are given below:

**Mr. Thomas Kuruvilla, M.com, FCA,**

Possess 15 years of experience in capital market and financial services. He has worked as Division Chief in SEBI and as Managing Director of Muthoot Capital services. Currently he is the Chief Executive Officer of Indus Motors and Expertise in Finance, Accounts and Financial Services.

## **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 30<sup>th</sup> June 2012.

### **Results of the operations**

Your Company's performance during the year has been good. The total revenues were Rs.1,20.44 crores as against the previous years' figures of Rs.109.48 crores. The operating profits were at Rs.9.52 crores as against last years' Rs.9.92 crores. The profit after tax was Rs.4.97 crores against Rs.4.94 crores last year.

### **Dividend**

Your directors recommend a dividend of 8% on 1,47,20,000 equity shares of Rs.10/- each for the financial year ended 30<sup>th</sup> June 2012. The dividend, if approved by the shareholders in the forthcoming Annual General Meeting, will be paid to the holders of the above shares whose names appear on the Register of Members of the Company as on 30<sup>th</sup> December 2012.

### **Business**

Your Company is in the business of Television and Filmed entertainment. The company is focused to grow in Film Exhibition (theaters) through an asset based ownership model. Currently your company is attempting to integrate its discrete production and distribution operation to create a unique value chain. This is being achieved by agglomerating the theaters under single management and extending the power of scale on the entire value chain, which enables the company to plan content as a supply chain. The company enjoys domain strength, forward integration presence in Tamilnadu, pricing power, and cross- packing advantage. Your company has tremendous eco- system strengths that give it a competitive edge and restricts entry of new players. Listed on the BSE, your company's market capitalization is around Rs.1,237 million.



## **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 828101019.

## **Acceptance of Deposits under Sec 58A of the Companies Act, 1956**

During the year under review, your company has not accepted or renewed any deposits within the meaning of Sec 58 A of the Companies Act, 1956 and rules made there under.

## **Directors**

As per Article 121 of the Articles of Association, Mr. Thomas Kuruvilla retire by rotation in the forthcoming Annual General Meeting and being eligible, offers himself for re-appointment.

## **Auditors**

During the year, M/s. KNR Associates, Chartered Accountants, Pondicherry, were appointed as the Statutory Auditors of the Company to fill the casual vacancy caused by the resignation of M/s. R.P.Madhu & Co., Chartered Accountants, Chennai, to hold office until conclusion of the next Annual General Meeting, at a remuneration to be fixed by the Board.

## **Reply to Auditors' Report**

Observation made by the Auditors of the Company in their report with relevant Notes to the Accounts are self explanatory and not call for any further comment under section 217(3) of the Companies Act, 1956.

## **CORPORATE GOVERNANCE**

A Report on Corporate Governance along with a certificate from M/s. KNR Associates., Chartered Accountants regarding compliances of the requirements of Corporate Governance is annexed herewith.

## **MANAGEMENT DISCUSSION & ANALYSIS REPORT**

The report on Management Discussion & Analysis 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.60,00,000/- p.a or more for the whole of the year, if employed throughout the year, or Rs.5,00,000/- 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 sec 217(2A) of the Companies Act, 1956 and the rules made there under.

### **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 have been furnished in the annexure.

### **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.

Place: Chennai  
Date: 29.08.2012

**for & On behalf of the Board**

**SURYARAJ KUMAR**  
**Chairman & 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 form 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 Implementation of digital connectivity across Mediaone's chain of theatres, would help beat piracy.
- c) Future plan of action

Your company plans to invest in innovative technology by exploring the market for effective utilization of digital media files across India and the Globe.

### 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 30<sup>th</sup> June 2012

Particulars	Rs in LAKHS	
	2012	2011
Foreign Exchange Earnings	Nil	Rs.2,700.00
Foreign Exchange Outgo	Rs.95.95	Rs.1,168.70

Place: Chennai  
Date:29.08.2012

**for & On behalf of the Board**

**SURYARAJ KUMAR**  
Chairman & Managing Director

## **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 (MOGEL), state that in respect of Financial Year 2011-2012

- 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 judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state 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 provision of the Act for safeguarding the assets to 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 system commensurate with the size of the Company and the nature of its business

Place: Chennai  
Date:29.08.2012

**for & On behalf of the Board**

**SURYARAJ KUMAR**  
**Chairman & Managing Director**

## Corporate governance

Pursuant to clause 49 of the listing Agreement with Stock Exchange, the Company submits the report on the matters mentioned in the said clause and 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 shareholders value through adoption of sound business practices, prudent financial management and a high standard of ethics throughout of ethics throughout the organization.

## Board of Directors

The Board comprises of 5 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	Name of the Directors
Promoter / Chairman & Managing Director Promoter	Mr. Suryaraj Kumar Dr. J. Murali Manohar
Non- Executive & Independent Directors	Mr. Bomi Kavina
Non- Executive & Independent Directors	Mr. Thomas Kuruvilla
Non- Executive & Independent Directors	Mr. D.G. Prasad

## SHAREHOLDING OF NON- EXECUTIVE DIRECTORS

Name of the Non- Executive Directors	No. of Shares held
Dr. J. Murali Manohar	848,821
Mr. Bomi Kavina	900
Mr. Thomas Kuruvilla	3,000
Mr. D.G. Prasad	-

## Board Meeting

Number of Board Meeting held and the dates on which they were held:

During the year 2011- 2012, the Board met 4 times and the dates on which the meetings were held on were 13.08.2012, 15.11.2011, 14.02.2012, and 14.05.2012.

The attendance of each Director at the Board Meeting, last annual General Meeting and the Numbers of other Directorship and Chairmanship/ Membership of Committee of each Director in various companies as under:

Name of Director	Attendance particulars		No. of other directorships in Companies & Foreign Companies/ Committee members/ Chairmanship
	Board Meeting	Last AGM	Other Committee Directorship Chairmanship Membership
Mr. Suryaraj Kumar	4	Yes	Nil
Dr. J. Murali Manohar	4	Yes	Nil
Mr. Bomi Kavina	4	Yes	Nil
Mr. Thomas Kuruvilla	4	Yes	Nil
Mr. D.G. Prasad	-	No	Additional Director – Suven Life Sciences Ltd.  Non- Executive Independent Director–Gokak Textiles Ltd.  Additional Director – Asian Electrical Ltd.  Non- Executive Directors – Asian Clinical Trials Pvt. Ltd.

## Board Procedure

The Board meets at least one in 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 proposal 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 and an independent Audit Committee of three members, all being non- executive directors. All the members of the Committee have an excellent financial and accounting knowledge. The terms of reference stipulation by Board to the audit committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreements with 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 agreements.

Mr. Bomi Kavina is the Chairman of the Audit Committee.

Number of Audit Committee Meetings held and the dates on which were held during the year 2011- 2012:

During the year 2011- 2012, the audit Committee met 4 times and the dates on which the meetings were held are as follows:

- i) 13.08.2011
- ii) 15.11.2011
- iii) 14.02.2012
- iv) 14.05.2012

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

<b>Name of the Committee Member</b>	<b>No. of meetings Attended</b>
Mr.D.G.Prasad	-
Mr. Bomi Kavina	4
Mr. Thomas Kuruvilla	4

## **Remuneration Committee**

The Remuneration Committee was constituted in the year 2002 as required by Schedule XIII to the Companies Act, 1956 to consider and approve the remuneration package of the Managing Director, based on the performance of the Company.

During the year, the committee met on 13<sup>th</sup> August, 2011, 15<sup>th</sup> November 2011, 14<sup>th</sup> February 2012 and 14<sup>th</sup> May 2012. The attendance of the each member of the Remuneration Committee at its meetings is as under:

<b>Name of the Committee Member</b>	<b>No.of meetings Attended</b>
Mr.D.G.Prasad	-
Mr. Bomi Kavina	4
Mr. Thomas Kuruvilla	4

The Details of managerial remuneration paid to Directors during the year:

**i)Executive Director**

<b>Name of the Managing Director</b>	<b>Salary (Rs.) Per annum</b>
Mr. Suryaraj Kumar	Rs.18.00 Lakhs

**ii) Non – Executive Directors**

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

**Shareholders / Grievance Committee**

The Board has constituted a share holders / Grievance Committee comprising of

Mr.D.G.Prasad

Mr. Bomi Kavina

Mr. Thomas Kuruvilla

The Committee looks into redressing of shareholder’s 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 dematerialization pending for approval as on 30.06.2012.



## General Body Meetings

a) Location and time for last 3 annual general Meeting were:

Year	Location	Date	Time
2008-2009	Hotel Guru, 69, Rukumani Lakshmipathi salai, Egmore, Chennai - 600008	30.12.2009	11.30 A.M
2009-2010	Hotel Guru, 69, Rukumani Lakshmipathi salai, Egmore, Chennai - 600008	30.12.2010	11.30 A.M
2010-2011	Hotel Guru, 69, Rukumani Lakshmipathi salai, Egmore, Chennai - 600008	30.12.2011	11.30 A.M

b) The following Resolutions were passed through postal Ballot on 30.09.2011.

1. Special Resolution: Raising of fund through follow-on Public Issue/ Qualified Institutional Placement/ Foreign Currency Convertible Bonds / Global Depository Receipts/ American Depository Receipts etc.. pursuant to section 81 (1a) of the Companies Act 1956.
2. Ordinary Resolution : Re-Appointment of Mr.Suriyarajkumar as Managing Director

### Disclosure

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 Accountant 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 Cammunication

The quarterly / half –yearly unaudited financial results and the annual audited financial results are published in English Edition of 'Trinity Mirror' and Local Edition 'Makkal Kural'. The Management discussion and Analysis (MD&A) report forms part of the annual report.

Place: Chennai  
Date:29.08.2012

**for & On behalf of the Board**

**SURYARAJ KUMAR**  
**Chairman & Managing Director**

## General Shareholder Information

### i) Annual General Meeting

- Date and time : 28th December 2012 @ 11.30 A.M
- Venue: Hotel Guru, 69, Rukamani Lakshmi pathi Salai, Egmore , Chennai - 600008
- Financial Calender : 1st July to 30th June
- Results for the quarter ending 30.09.2012 – Between October 15<sup>th</sup> to 15<sup>th</sup> November
- Results for the quarter ending 31.12.2012 Between 15<sup>th</sup> January to 15<sup>th</sup> February
- Results for the quarter ending 31.03.2013 - Between 15<sup>th</sup> April to 15<sup>th</sup> May
- Results for the quarter ending 30.06.2013 - Between 15<sup>th</sup> July to 15<sup>th</sup> August
- Book Closure dates : 21<sup>th</sup> December to 28<sup>th</sup> December 2012 (both days inclusive)
- Dividend Payment : on or before 27<sup>th</sup> January 2013.
- Listing of Equity Shares : The BSE Ltd., Mumbai
- The Annual Listing Fees as prescribed has been paid to above stock exchange
- Stock Code : MUMBAI - 503685b
- Demat ISIN Number in NSDL & CDSL for - ISIN INE828101019

### Stock Prices (The Stock Exchange, Mumbai)

BSE SENSEX					
Months	Share Price		Sensex		
	High Rs.	Low Rs.	High	Low	
Jul-11	80.00	57.25	19,131.70	18,131.86	
Aug-11	97.90	60.00	18,440.07	15,765.53	
Sep-11	110.00	76.45	17,211.80	15,801.01	
Oct-11	106.50	94.00	17,908.13	15,745.43	
Nov-11	103.75	74.00	17,702.26	15,478.69	
Dec-11	115.50	82.10	17,003.71	15,135.86	
Jan-12	99.85	76.90	17,258.97	15,358.02	
Feb-12	99.90	70.20	18,523.78	17,061.55	
Mar-12	93.90	70.00	18,040.69	16,920.61	
Apr-12	84.90	62.00	17,664.10	17,010.16	
May-12	98.80	66.15	17,432.33	15,809.71	
Jun-12	96.80	82.00	17,448.48	15,748.98	
May-12	98.80	66.15	17,432.33	15,809.71	
Jun-12	96.80	82.00	17,448.48	15,748.98	

Transfer Agents : Cameo Corporate Services Ltd.,  
Subramaniam building,  
No. 1, Club House Road, Chennai - 600002

**Share Transfer System:** The Company's shares are traded in the Bombay Stock Exchange 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 lodgement, as per the Listing Agreement.

**Distribution of Share Holding as on 30<sup>th</sup> June 2012:**

**Pattern of share holding based on number of shares**

Shareholding Rs. – Rs.	Shareholders		Share amount	
	Number	%	Rs.	%
10 - 5000	519	73.3050	604040	0.4103
5001 - 10,000	61	8.6158	488290	0.3317
10,001 - 20,000	40	5.6497	640230	0.4349
20,001 - 30,000	16	2.2598	424110	0.2881
30,001 - 40,000	6	0.8474	212820	0.1445
40,001 - 50,000	12	1.6949	569270	0.3867
50,001 - 1,00,000	15	2.1186	1081510	0.7347
100,001 and above	39	5.5084	143179730	97.2688
<b>Total</b>	<b>708</b>	<b>100</b>	<b>147200000</b>	<b>100</b>

**pattern of share holding based on Group wise**

Category	No. of shares	Percentage
Promoters	8169024	55.4960
Clearing Member	9320	0.0633
NRI	27247	0.1851
Bodies Corporate	4668556	31.7157
Resident	1845853	12.5397
Total	14720000	100

**Dematerialization of Shares:**

The Shares of the company are held both in dematerialized form and physical form.

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

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

**Registered Office:**

Address for Correspondence:  
No.59, Vijayaraghava Road T.Nagar, Chennai – 600017  
Telephone: 044-42148005 Fax: 044- 42146231

**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.

**Shareholders Right**

The quarterly and half-yearly results of the company are published in news papers. They are not sent to the shareholders individually.

**Audit Qualification**

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 required any special training.

## **Annexure – IV**

### **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 personal of the Company have affirmed compliance with the Code of Conduct, as applicable to them for the financial year ended 30<sup>th</sup> June 2012.

Place: Chennai  
Date: 29.08.2012

For & On behalf of the Board

**SURYARAJ KUMAR**  
Chairman & Managing Director

## **Annexure – V**

### **AUDITOR'S CERTIFICATE ON COMPLIANCE WITH CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT**

To the Members of Mediaone Global Entertainment Limited,

We have examined the compliance of corporate governance by Mediaone Global Entertainment Ltd., for the year ended 30<sup>th</sup> June 2012, as stipulated in Clause 49 of the listing Agreement of the said Company with 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 expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to 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.

No investor grievances are pending for the 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: 29.08.2012

For **K.N.R. Associates**  
FRN : 007236S  
Chartered Accountants

**CA C.K.N. RAVISHANKARA PRABHU**  
Partner  
M No 204766

## **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

### **Overview**

As, the Entertainment and Media space is in a high-growth phase, triggered by increasing per capita income and the coming of age of latest technologies with regulatory changes on the anvil, auguring well for the industry, your company seeks to explore the business opportunities specifically, in Exhibition, Television and Film-making segment as it is set to benefit the most from latest developments, followed by cinema.

### **Industry Scenario**

Future prospects for the growth of the sector are promising. The growth of media and entertainment in times to come is going to be led by factors like increasing media penetration and per capita consumption in the sector across India, potential for growth in leisure platforms, immense penetration potential in the tier 2 - tier 3 towns and rural markets, scope for digitization with film studios and music companies adopting digital prints and rising demand for same, rising consumer understanding enabling players to target their consumers specifically and build loyalty and regional media channels gaining popularity, different tastes of the audience and thereby different content and growth of the importance of the media.

The Indian Media & Entertainment (M&E) Industry registered a growth of 12 percent over 2010, to reach INR 728 billion, according to a joint report by FICCI-KPMG report. Of course the growth trajectory is backed by strong consumption in Tier 2 and 3 cities, continued growth of regional media, and fast increasing new media business. Overall, the industry is expected to register a CAGR of 15 percent to touch INR 1,457 billion by 2016.

As per the statement issued by FICCI – KPMG, television continues to be the dominant medium, sectors such as animation & VFX, digital advertising, and gaming are fast increasing their share in the overall pie. Radio is expected to display a healthy growth rate. Print, while witnessing a decline in growth rate, will continue to be the second largest medium in the Indian M&E industry. Also, the film industry had a reason to cheer, with multiple movies crossing the INR 100 crore mark in domestic theatrical collections, and INR 30 crore mark in C&S rights.

### **COMPANY'S BUSINESS PLAN**

Mediaone Global Entertainment Limited has developed a business plan which is based on significant investments in the following areas:

- ❖ Asset Based Theatrical Exhibition, taking over / acquisition and on long term lease deeds more than 300 theatres in major semi-urban market in the south India which will secure the revenues of the produced feature films and create valuation for its business. It shall also enable MOGEL to become the only major organized player in exhibition in South India and simultaneously provide producers a strong option to directly exhibit the movies in such organized setup.

- ❖ Television and Film Content Supplier, to become a major content provider for television and cinema, satellite and DVD and to become a major suppliers for the entertainment needs of the growing Indian middle class for families and children and to make a move into the international market by their subsidiary in United Kingdom. The company plans to foray into Hindi content in this segment thus catering to massive growing requirement of Television channels in this segment.
- ❖ Content Distributer, to become the key distributor of content in South India and established setup for distribution of Hindi content in various territories. This segment shall be supported by the huge exhibition chain thus securing the complete segment. This segment shall also include the emerging business of Video on Demand (VOD) for international markets for which the company has already registered a portal 'mytamilfilm.com'.

## **Performance**

The performance of the Company during the year has been normal, the reason being more competitors has emerged in industry. The total revenues grew to Rs.120 crores from last year's Rs.109 crores, a growth rate of 10%. The operating profits are Rs.9.52 crores from last year's Rs.9.92 crores. Profit after tax has increased to Rs. 4.97 crores from last year's Rs.4.93 crores. Similarly, the earnings per share has increased from Rs.3.38 to Rs.3.36 per share.

## **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 of these factors which will have potential revenue and profitability of feature-length motion pictures.

## **Risk Mitigation**

The company plans to overcome these risks by creating an “Asset” by acquiring theatre across 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 up would enable it to de-risk the business.

## **Internal Audit & Control**

The company has an internal audit system commensurate with size and nature of the company. Internal audit system 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.



## **AUDITOR'S REPORT**

### **To The Members of M/s. MEDIAONE GLOBAL ENTERTAINMENT LTD**

- 1) We have audited the attached Balance Sheet of MEDIAONE GLOBAL ENTERTAINMENT LIMITED, as at 30.06.2012, the Profit and loss account and the cash flow statement for the year ended on that date 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 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 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and as amended from time to time, 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 information and explanations, which to 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.
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - iv. In our opinion, the Balance Sheet, Profit and Loss Account and Cosh Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;



- v. On the basis of written representations received from the directors, as on 30.06.2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 30.06.2012 from being appointed as director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
- vi. In our opinion and to best of our information and according to explanation 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 Balance Sheet, of the state of affairs of the Company as at 31.03.2012; and
  - (b) in the case of Profit and Loss Account, of the Profit for the year ended on that date.
  - (c) in the case of cash flow statement, of the cash flow for the year ended on that date.

Place: Chennai  
Date: 29/08/2012

For **K.N.R. Associates**  
FRN 007236S  
Chartered Accountants

**CA C.K.N. Ravishankara Prabhu**  
Partner  
M No 204766

**Annexure referred to in paragraph 3 of our report of even date of Mediaone Global Entertainment Limited for the year ending 30.06.2012**

**i. FIXED ASSETS:**

- (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) All the assets have been physically verified by the management during the year which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) During the year, the company has not disposed off substantial part of fixed assets. Accordingly the provisions of clause 4(i)(c) of the companies (Auditors Report) order 2003 are not applicable to the company.

**ii. INVENTORY:**

- (a) The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

**iii. (a) The Company has taken loans from 2 Directors who are also shareholders of the company and the outstanding at the yearend is Rs.16,01,000/-**

- (b) The rate of interest and other terms and conditions subject to which the loan is taken is not prejudicial to the interest of the company.
- (c) According to the information and explanations furnished to us, there are not stipulation as to repayment of principal and payment of interest in respect of loans taken from parties listed in the register maintained under Section 301 of the Companies Act 1956 and hence we are unable to comment on the regularity or otherwise of repayment of principal and payment of interest.
- (d) As there are no stipulation as to repayment of principal or payment of interest in respect of loans taken from parties listed in the register maintained under Section 301 of the Companies Act, 1956, we are unable to comment on any overdue amount of principal or interest in respect of the said loans.
- (e) The Company has not granted any loans to companies, firms and other parties covered in the Register maintained under Section 301 of the companies Act, 1956. Accordingly the provisions of clause 4(iii) of the Companies Auditor's report order 2003 are not applicable to the company to the extent it relates to advances given.



- iv. In our opinion and according to the explanation given to us there is an adequate internal control procedure which is commensurate with the size and the nature of the company in respect of purchase of inventory, fixed assets and for the sale of goods. During the course of our audit, no major weakness has been noticed in the internal control.
- v. a. According to the information and explanation given to us, we are of the opinion that the transaction that needs to be entered into the register maintained under section 301 has been so entered.  
b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the registers maintained under section 301 and exceeding the value of five lakh rupees in respect of any party during the year have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- vi. In our opinion and according to the explanation given to us, the company has not accepted any deposits from the public as provided in Section 58A and 58AA of the Companies Act, 1956.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. Maintenance of Cost Records have not been prescribed for the company.
- ix. a. According to the information and explanations furnished to us, during the year, undisputed statutory dues relating to income-tax, and other material statutory dues applicable to it have been deposited with appropriate authorities and there have been delays.  
b. According to the information and explanations given to us, undisputed amounts payable in respect of income-tax, were outstanding, as at the year end for a period of more than six months from the date they became payable to the tune of Rs.2.32 crores and TDS of Rs. 2.99 laksh as on signing of this report.
- x. In our opinion, the company has no accumulated losses. The company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. In our opinion and according to the information and explanation given to us, the company has not defaulted in repayment of any dues to a financial institutions or bank.
- xii. In our opinion and according to the information and explanation given to us, the company has not granted any loans and advance on the basis of security by way of shares, debentures and other securities.
- xiii. The company is not a Non-Banking Finance Company and hence the provision of Clause 4(xiii) is not applicable to this company. The provisions of the relevant acts to the extent relatable to the accounts of the company have been complied with.

- xiv. In our opinion and according to the information and explanation given to us, the company is not dealing or trading in shares, securities, debentures and other investments and so the provision of Clause 4(xiv) is not applicable for the company.
- xv. In our opinion and according to the information and explanation given to us, the company has not given any guarantee for any loans taken by others from bank or financial institutions.
- xvi. In our opinion, the term loans have been applied for the purpose for which the were raised.
- xvii. According to the information and explanations furnished to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii. In our opinion and according to the information and explanation given to us, the company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Act and consequently the provisions of Clause 4(xviii) is not applicable to this company.
- xix. In our opinion and according to the information and explanation given to us, the company has not issued any debentures during the year and consequently the provision of Clause 4(xix) is not applicable to this company.
- xx. The company not made any public issue and so the provisions of Clause 4(xx) is not applicable to this company.
- xxi. In our opinion and according to the information and explanation given to us and during the course of our audit, we have not noticed any fraud on or by the company.

Place: Chennai  
Date: 29/08/2012

For **K.N.R. Associates**  
FRN 007236S  
Chartered Accountants

**CA C.K.N. Ravishankara Prabhu**  
Partner  
M No 204766

## STANDALONE BALANCE SHEET AS AT 30.06.2012

PARTICULARS	Note	For the year ended June 30, 2012	For the year ended June 30, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	2	147,200,000	147,200,000
Reserves and Surplus	3	254,018,614	217,975,747
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	2,893,194	7,779,509
Deferred tax liabilities (Net)		9,628,565	6,475,819
Long-term provisions	5	1,141,379	1,141,379
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	167,640,255	66,515,787
Trade payables		192,748,342	1,183,829,922
Other current liabilities	7	283,026,571	63,816,539
Short-term provisions	8	7,938,428	6,517,578
<b>TOTAL</b>		<b>1,066,235,348</b>	<b>1,701,252,280</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	9		
Tangible assets		39,751,148	41,826,930
Intangible assets		63,152,096	72,020,754
Non-current investments	10	79,000	79,000
Long-term loans and advances	11	7,335,680	29,362,786
<b>CURRENT ASSETS</b>			
Inventories	12	33,000,000	8,516,253
Trade receivables	13	568,252,718	1,377,824,898
Cash and cash equivalents	14	1,654,205	3,503,015
Short-term loans and advances	15	35,232,281	5,127,398
Other current assets	16	317,778,220	162,991,246
<b>TOTAL</b>		<b>1,066,235,348</b>	<b>1,701,252,280</b>

Place: Chennai

Date: 29/08/2012

for **Mediaone Global Entertainment Limited**

for **K.N.R. Associates**  
FRN 007236S  
Chartered Accountants

**Suryaraj Kumar**  
Managing Director

**Dr. J. Murali Manohar**  
Director

**CA C.K.N. Ravishankara Prabhu**  
Partner  
M No 204766



## STANDALONE PROFIT & LOSS FOR THE PERIOD ENDED 30.06.2012

PARTICULARS	Note	For the year ended June 30, 2012	For the year ended June 30, 2011
Revenue from operations	17	1,149,815,817	1,070,625,419
Other Income	18	54,669,413	24,181,196
<b>TOTAL REVENUE</b>		<b>1,204,485,230</b>	<b>1,094,806,615</b>
Expenses:			
Direct expenses		1,031,942,270	829,162,568
Changes in inventories of finished goods / work-inprogress		-24,483,748	135,191,047
Employee benefits expense	19	4,992,454	4,701,636
Finance costs	20	7,156,606	13,714,764
Depreciation and amortization expense	9	12,061,631	12,317,558
Other expenses	21	96,921,042	25,980,345
<b>TOTAL EXPENSES</b>		<b>1,128,590,255</b>	<b>1,021,067,918</b>
<b>Profit before tax</b>		<b>75,894,975</b>	<b>73,738,697</b>
Tax expense:			
(1) Current tax		23,013,000	21,300,918
(2) Deferred tax		3,152,746	3,042,592
<b>Profit (Loss) for the period</b>		<b>49,729,229</b>	<b>49,395,187</b>
<b>Earnings per equity share:</b>			
(1) Basic		3.38	3.36
(2) Diluted		3.38	3.36
<b>Notes forming port of accounts</b>	1		

Place: Chennai

Date: 29/08/2012

for **Mediaone Global Entertainment Limited**

for **K.N.R. Associates**  
FRN 007236S  
Chartered Accountants

**Suryaraj Kumar**  
Managing Director

**Dr. J. Murali Manohar**  
Director

**CA C.K.N. Ravishankara Prabhu**  
Partner  
M No 204766

## **Significant Accounting Policies and Notes forming part of Accounts for the year ended June 30, 2012**

Note: 1

### **Corporate Information**

The Primary business of MEDIAONE GLOBAL ENTERTAINMENT LIMITED (MOGEL) is in the business of Production, distribution and exhibition of films. MOGEL is focused to grow in Film Exhibition (theaters) through an asset based ownership model. MOGEL is a BSE listed company with market capitalization of ₹ 1237 million. MOGEL shall develop their primary vertical of asset based exhibition and combining them with existing and new activities to build up a major integrated media and entertainment company which will be based on three central columns, namely,

1. Exhibition
2. Content provider and
3. Content distributors.

MOGEL is headquartered in Chennai and it has a wholly owned subsidiary, MEDIA ONE GLOBAL ENTERTAINMENT, UK which has produced films for international release.

#### 1. A) Significant Accounting Policies

**1: Disclosure of Accounting Policies:** The financial statements have been prepared to comply in all material respects with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of Companies Act, 1956. These financial statements have been prepared under the historical cost convention on the accrual basis. The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on the management's best knowledge of current events and actions the company may undertake in future, actual results ultimately differ from estimates.

**2: Valuation of Inventories:** Inventory of rights is valued at cost.

**3: Cash flow Statement:** Cash flow statement prepared under the direct method forms part of the financial statements.

**4: Contingencies and events occurring after the Balance Sheet date:** NIL

**5: Net Profit or Loss for the period, prior period items and changes in accounting policies:**

**(a) Net profit for the period:** All items of income and expenses in the period are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.

**(b) Prior period items – Nil.**



**(c) Changes in accounting policies:** There are no significant changes in accounting policies of the company from that of the previous period.

**6: Depreciation Accounting:** Fixed assets are depreciated under Written down Value Method (WDV) in the manner prescribed under Schedule XIV to the Companies Act, 1956. For the assets acquired during the year, the depreciation has been charged on pro-rata basis. Individual Assets costing less than ₹ 5,000, are written off in the period of acquisition.

**7: Accounting for Construction Contracts:** The above Standard is not applicable to the Company, as it is not engaged in the business of construction.

**8: Accounting for Research and Development:** This standard has been withdrawn with effect from 1-4-2003 consequent to the introduction of Accounting Standard AS-26 on Accounting for Intangible Assets.

**9: Revenue Recognition:**

1. Revenue from theatrical exhibition is accounted on sale of tickets.
2. Revenue from distribution is recognised based on the agreements entered into. Minimum guarantee is charged off in the year in which agreement is entered into irrespective of the spill over of period over which revenue accrues to the enterprise.
3. Revenue from rights are recognised in the period in which agreements are entered into.
4. Revenue from production is recognised based on the nature of agreements – While Minimum Guarantee is recognised on release, For Advance based agreements revenue is recognised over the period in which it accrues to the enterprise.

**10: Accounting for Fixed Assets:** Fixed assets are capitalised at acquisition cost, which comprises of freight, installation cost, duties, taxes, and other directly attributable cost of bringing the assets to its working condition for the intended use.

**11: Accounting for effects in foreign exchange rates:**

- a) Conversion - All monetary items denominated in foreign currency are reflected at the rates prevailing on the Balance sheet date.
- b) Initial Recognition - Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.
- c) Exchange Differences - Exchange differences, if any, arising on account of fluctuations in foreign exchange have been duly reflected in the Profit & Loss Account.
- d) Subsidiary: During the year the operations of subsidiary has become integral to the business of holding company and accordingly the monetary items are stated at closing rates and revenue items are converted at average rates. The fluctuation reserve recognised earlier is carried forward at historic cost as per the Standard.

**12: Accounting for Government Grants:** The Company has not received any grants.

**13: Accounting for Investments:** All Long term Investments are carried at cost. Investment in subsidiary is stated at cost.

**14. Accounting for Amalgamation:** This standard is not applicable for the current reporting period.

**15: Accounting for Retirement benefits:**

a) **Gratuity:** The company has gratuity payable of ₹ 1,141,379/- as on the balance sheet date which was recognised earlier. The liability of the present employees as per actuarial valuation is less than the aforesaid amount. However, no reversal is made as the details of claim / settlement of resigned employees is not available.

b) No other short term or long term benefit has accrued to the employees.

**16: Borrowing Cost:** Finance charges in respect of production of film is capitalised as part of inventory cost till the time it is ready for release. Interest so capitalized during the period is ₹ 2.82 Crores.

**17: Segment Reporting:** This standard is not applicable to the company as there are no identifiable segments.

**18: Related party Disclosure:**

a) Enterprises in which key Management personnel or their relatives have significant influence

- i. Ocher Studios (P) Limited
- ii. Sultan Productions (P) Limited
- iii. Metronet Multimedia (P) Limited
- iv. Metro Films (P) Limited
- v. Asian Vision Limited
- vi. Majestic Multimedia Limited
- vii. Ceeity Entertainment Limited
- viii. S4U Limited
- ix. South For You Limited

b) Subsidiary Companies:

- Mediaone Global Limited UK

c) Key Management Personnel

- I. SURYARAJ KUMAR – Managing Director
- II. Dr. J. MURALI MANOHAR – Director

### Transactions with related parties

PARTICULARS	TRANSACTION AMOUNT	NATURE OF TRANSACTION
<b>Key Management Personnel</b>		
SURYARAJ KUMAR	₹ 100,000/- ₹ 1,800,000/-	Repayment of loan Managing Director remuneration
<b>Enterprise involving KMP</b>		
Metronet Multimedia P Ltd	₹ 180,000,000/-	Purchase of film rights
Metro Films P Ltd	₹ 320,000,000/-	Sale of film rights
Majestic Multimedia Limited	₹ 76,500,000/-	Sale of film rights

**19: Leases:** The Company has not acquired any asset under lease.

### 20: Earnings Per Share:

PARTICULARS	for For June 30, 2012	For June 30, 2011
Basic	Equivalent number of shares	Equivalent number of shares
Opening number of shares	<b>14,720,000</b>	14,720,000
Closing number of shares	<b>14,720,000</b>	14,720,000
Weighted average no. of shares	<b>14,720,000</b>	14,720,000
Profit after taxes	<b>₹ 49,729,229</b>	₹ 49,395,187
Dilutive shares	<b>Nil</b>	Nil
Basic EPS	<b>₹ 3.38</b>	₹ 3.36
Diluted EPS	<b>₹ 3.38</b>	₹ 3.36

**21: Consolidated Financial Statements:** Consolidated financial statements are prepared and enclosed to the statement.

### 22: Accounting for taxes on income: (Amount in ₹)

a) Current Tax: Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961. Provision for the year ₹ 23,013,000/- (PY ₹ 21,300,918/-).

b) Deferred Tax Provision: Deferred Tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is a reasonable certainty of their realization.

				(₹)
Particulars	Nature	Opening	Arising / Reversing	Closing
Fixed Assets and Depreciation	DTL	6,475,819	3,152,746	9,628,565
TOTAL		6,475,819	3,152,746	9,628,565

**23: Accounting for Investments in Associates:** There are no investments in associates during the year.

**24: Discontinuing Operations:** The Company has not discontinued any operations during the year.

**25: Interim Financial Reporting:** For the above accounting year, this Standard is not applicable.

**24: Intangible Assets:** Intangible in form of software acquired and License of film rights acquired are stated at acquisition cost and depreciated at 40% (WDV) and 10% (SLM) respectively.

**27: Financial reporting of interests in joint ventures:** The Company has not entered into any joint venture agreement during the year.

**28: Impairment of Assets:** There was no impairment of assets during the year.

**29: Provisions, Contingent Liabilities and Contingent Assets:** A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**Contingent Liabilities & Contingent Assets:** As on Balance sheet date there are no contingent liabilities.

1. B) Others:

1. Remuneration to directors: ₹ 1,800,000/- (₹ 1,800,000/-). Computation of net profits in accordance with Section 349 of the Companies Act, 1956 is given below

(₹)		
Particulars	For June 30, 2012	For June 30, 2011
Profit before tax as per profit and loss account	75,894,975	73,738,696
<b>Add :</b>		
Managerial Remuneration	1,800,000	1,800,000
Depreciation as per books	12,061,631	12,317,588
	<b>89,756,606</b>	87,856,284
<b>Less :</b> Depreciation as per section 350 of the companies Act,1956	12,061,631	12,317,558
<b>Net profit as per section 350 of the companies Act,1956</b>	<b>77,694,975</b>	75,538,726
<b>Maximum the remuneration allowable to director :</b>		
Ceiling limit :	3,884,749	3,776,934
Actual Amount paid :	1,800,000	1,800,000

2. Capital commitments: Capital Commitment not provided for is ₹ NIL (₹ 82,518,625/-).

3. Amount due to MSME Undertaking as on 30 JUNE 2012 is ₹ Nil (₹ Nil)

4. a) Amount earned in Foreign Currency during the year is ₹ Nil ₹ 270,000,000/-

b) Amount spent in Foreign Currency during the year is ₹ 95,953,166/- ₹ 116, 870,078/-

5. Payment to Auditors: (Excluding Service Tax)

(₹)		
PARTICULARS	For June 30, 2012	For June 30, 2011
Statutory Audit	600,000	515,000
Tax Audit	150,000	135,000
<b>TOTAL</b>	<b>750,000</b>	650,000

6. The Previous period figures have been restated / reclassified, wherever necessary to make them comparable to those of the current year.

7. Third party balance are subject to confirmation.

<b>NOTE 2 SHARE CAPITAL</b>				
<b>PARTICULARS</b>	<b>As On June 30, 2012</b>		<b>As On June 30, 2011</b>	
	<b>Number</b>	<b>₹</b>	<b>Number</b>	<b>₹</b>
<b>AUTHORISED</b>				
Equity Shares of ' 10 each	<b>32,000,000</b>	<b>320,000,000</b>	32,000,000	320,000,000
<b>ISSUED</b>				
Equity Shares of ' 10 each	<b>14,720,000</b>	<b>147,200,000</b>	14,720,000	147,200,000
<b>SUBSCRIBED &amp; PAID UP</b>				
Equity Shares of ' 10 each	<b>14,720,000</b>	<b>147,200,000</b>	14,720,000	147,200,000
<b>TOTAL</b>	<b>14,720,000</b>	<b>147,200,000</b>	<b>14,720,000</b>	<b>147,200,000</b>
<b>MOVEMENT OF SHARES</b>				
<b>PARTICULARS</b>	<b>Equity Shares</b>		<b>Preference Shares</b>	
	<b>Number</b>	<b>₹</b>	<b>Number</b>	<b>₹</b>
Shares outstanding at the beginning of the year	14,720,000	147,200,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year				
<b>Shares outstanding at the end of the year</b>	<b>14,720,000</b>	<b>147,200,000</b>	<b>-</b>	<b>-</b>
<b>SHAREHOLDING DETAILS</b>				
<b>NAME OF SHAREHOLDER</b>	<b>As On June 30, 2012</b>		<b>As On June 30, 2011</b>	
	<b>No. of Shares held</b>	<b>% of Holding</b>	<b>No. of Shares held</b>	<b>% of Holding</b>
Sripathee Investments P Ltd	7,715,170	52.41	7,715,170	52.41
BMFI Limited	1,500,000	10.19	1,500,000	10.19
General Ventures Limited	1,100,000	7.47	1,100,000	7.47
Rollmar	1,400,000	9.51	1,400,000	9.51
Murali Manohar J	848,821	5.77	843,261	5.73



PARTICULARS	₹	₹
	As On June 30, 2012	As On June 30, 2011
<b>NOTE 3 RESERVES AND SURPLUS</b>		
<b>SECURITIES PREMIUM ACCOUNT</b>		
Opening Balance	59,500,000	59,500,000
Closing Balance	59,500,000	59,500,000
<b>GENERAL RESERVE</b>		
Opening Balance	158,475,747	122,812,553
(+) Current Year Transfer	36,042,867	35,663,194
Closing Balance	194,518,614	158,475,747
<b>SURPLUS</b>		
(+) Net Profit/(Net Loss) For the current year	49,729,229	49,395,187
(-) Proposed Dividends	13,686,362	13,731,993
(-) Transfer to Reserves	36,042,867	35,663,194
Closing Balance	-	-
<b>TOTAL</b>	<b>254,018,614</b>	<b>217,975,747</b>
<b>NOTE 4 LONG-TERM BORROWINGS</b>		
<b><u>SECURED</u></b>		
<b>TERM LOANS</b>		
from banks	2,893,194	7,779,509
(Secured by own theatres and plant and other furniture and fixtures therein. Repayable in 60 months from date of sanction with 6 months holiday period)		
<b>TOTAL</b>	<b>2,893,194</b>	<b>7,779,509</b>
<b>NOTE 5 LONG-TERM PROVISIONS</b>		
<b>PROVISION FOR EMPLOYEE BENEFIT</b>		
Gratuity (unfunded)	1,141,379	1,141,379
<b>TOTAL</b>	<b>1,141,379</b>	<b>1,141,379</b>



PARTICULARS	₹	₹
	As On June 30, 2012	As On June 30, 2011
<b>NOTE 6 SHORT-TERM BORROWINGS SECURED</b>		
<b>LOANS REPAYABLE ON DEMAND</b>		
- banks (Loan from LVB is Secured by own theatres and plant and other furniture and fixtures therein. Loan from EXIM Bank is secured by property in name of associate and corporate guarantee of co promoter of the project)	<b>25,855,533</b>	33,176,592
- others	-	4,946,723
<b>TOTAL (A)</b>	<b>25,855,533</b>	38,123,315
<b>UNSECURED</b>		
Loans repayable on demand		
- Others	<b>41,742,500</b>	191,472
Loans and advances from related parties	<b>1,601,000</b>	1,701,000
Advances from customers	<b>98,441,222</b>	26,500,000
<b>TOTAL (B)</b>	<b>141,784,722</b>	28,392,472
<b>GRAND TOTAL (A+B)</b>	<b>167,640,255</b>	66,515,787
<b>NOTE 7 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt	<b>213,255,084</b>	4,975,371
Unpaid dividends	<b>11,807,280</b>	-
Provision for tax (including tax on distributed dividend)	<b>46,188,207</b>	47,033,888
Proposed dividend	<b>11,776,000</b>	11,807,280
<b>TOTAL</b>	<b>283,026,571</b>	63,816,539
<b>NOTE 8 SHORT-TERM PROVISIONS</b>		
<b>PROVISION FOR EMPLOYEE BENEFIT</b>		
Salary & Reimbursements	<b>694,888</b>	-
Others	<b>7,243,540</b>	6,517,578
<b>TOTAL</b>	<b>7,938,428</b>	6,517,578



**Mediaone Global Entertainment Limited**
**NOTE 9 FIXED ASSETS**

FIXED ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION			NET BLOCK		
	Balance as at 1 July 2011 ₹	Additions/ (Disposals) ₹	Balance as at 30th June 2012 ₹	Balance as at 1 July 2011 ₹	Depreciation charge for the year ₹	Balance as at 30th June 2012 ₹	Balance as at 30th June 2011 ₹	Balance as at 30th June 2012 ₹	Balance as at 30th June 2011 ₹
<b>A TANGIBLE ASSETS</b>									
Buildings	39,915,889	-	39,915,889	4,408,031	1,775,393	6,183,424	33,732,465	35,507,858	33,732,465
Plant and Equipment (13.91%)	769,500	-	769,500	197,836	79,518	277,354	492,146	571,664	492,146
Plant and Equipment (20%)	1,317,518		1,317,518	513,120	160,880	674,000	643,518	804,398	643,518
Furniture and Fixtures	6,096,369	159,613	6,255,982	2,884,393	588,889	3,473,282	2,782,700	3,211,976	2,782,700
Vehicles	1,135,736		1,135,736	697,070	113,571	810,641	325,095	438,666	325,095
Office equipment	1,439,050	56,500	1,495,550	440,854	141,225	582,079	913,471	998,196	913,471
Others (specify nature)			-			-	-	-	-
Computer	930,767	751,078	1,681,845	636,595	183,497	820,092	861,753	294,172	861,753
<b>TOTAL (A)</b>	51,604,829	967,191	52,572,020	9,777,899	3,042,973	12,820,872	39,751,148	41,826,930	39,751,148
<b>B INTANGIBLE ASSETS</b>									
Computer software	70,000	150,000	220,000	49,246	18,658	67,904	152,096	20,754	152,096
Copyrights, and patents and other intellectual property rights, services and operating rights	90,000,000	-	90,000,000	18,000,000	9,000,000	27,000,000	63,000,000	72,000,000	63,000,000
<b>TOTAL (B)</b>	90,070,000	150,000	90,220,000	18,049,246	9,018,658	27,067,904	63,152,096	72,020,754	63,152,096
<b>TOTAL FA (A+B)</b>	141,674,829	1,117,191	142,792,020	27,827,145	12,061,631	39,888,776	102,903,244	113,847,684	102,903,244
PREVIOUS YEAR	141,524,490	150,339	141,674,829	15,509,586	12,317,558	27,827,144	113,847,684	126,014,904	113,847,684



**Mediaworld Global Entertainment Limited**  
**NOTE 10 NON-CURRENT INVESTMENTS**

PARTICULARS	June 30, 2012	June 30, 2011
	₹	₹
<b>TRADE INVESTMENTS</b>		
- Investment in Equity instruments	79,000	79,000
<b>TOTAL</b>	<b>79,000</b>	<b>79,000</b>

DETAILS OF TRADE INVESTMENTS											
Sr. No.	Name of the Body Corporate	Subsidiary/ Associate / JV/ Controlled	No. of Shares / Units		Quoted / Unquoted	Partly Paid/ Fully paid	Extent of Holding (%)		Amount (₹)		Whether stated at Cost Yes / No
			June 30, 2012.	June 30, 2011			June 30 2012	June 30 2011	June 30 2012	June 30 2011	
(1)	(2)	(3)	(4)	(5)	(6)	((7)	(8)	(9)	(10)	(11)	(12)
(B)	INVESTMENT IN EQUITY INSTRUMENTS										
	Mediaworld Global UK Limited	WOS	1,000	1,000	Unquoted	Fully paid	100	100	79,000	79,000	Yes
	<b>TOTAL</b>								<b>79,000</b>	<b>79,000</b>	



Particulars	₹	₹
	As On June 30, 2012	As On June 30, 2011
<b>NOTE 11 LONG-TERM LOANS AND ADVANCES</b>		
<b>SECURITY DEPOSITS</b>		
Unsecured, considered good	<b>7,335,680</b>	29,362,786
<b>TOTAL</b>	<b>7,335,680</b>	29,362,786
<b>NOTE 12 INVENTORIES</b>		
Work-in-progress (valued at cost)	-	8,516,253
Finished goods (Valued at cost)	<b>33,000,000</b>	
<b>TOTAL</b>	<b>33,000,000</b>	8,516,253
<b>NOTE 13 TRADE RECEIVABLES</b>		
A. Trade receivables outstanding for a period less than six months from the date they are due for payment Unsecured, considered good	<b>299,759,639</b>	670,545,797
<b>TOTAL (A)</b>	<b>299,759,639</b>	670,545,797
B. Trade receivables outstanding for a period exceeding six months from the date they are due for payment Unsecured, considered good	<b>268,493,079</b>	707,279,101
<b>TOTAL (B)</b>	<b>268,493,079</b>	707,279,101
<b>GRAND TOTAL (A+B)</b>	<b>568,252,718</b>	1,377,824,898
<b>NOTE 14 CASH AND CASH EQUIVALENTS</b>		
Balances with banks	<b>848,115</b>	282,257
Cash on hand	<b>806,090</b>	3,220,758
<b>TOTAL</b>	<b>1,654,205</b>	3,503,015

Particulars	₹ As On June 30, 2012	₹ As On June 30, 2011
<b>NOTE 15 SHORT-TERM LOANS AND ADVANCES</b>		
Others (specify nature)		
Unsecured, considered good	<b>35,232,281</b>	5,127,398
<b>TOTAL</b>	<b>35,232,281</b>	5,127,398
<b>NOTE 16 OTHER CURRENT ASSETS</b>		
Project advance to overseas subsidiary - Kochadaiyaan	<b>317,778,220</b>	160,000,000
Others – STCA	-	2,991,246
<b>TOTAL</b>	<b>317,778,220</b>	162,991,246
<b>NOTE 17 REVENUE FROM OPERATIONS</b>		
Sale of services	<b>1,149,815,817</b>	1,070,625,419
<b>TOTAL</b>	<b>1,149,815,817</b>	1,070,625,419
<b>NOTE 18 OTHER INCOME</b>		
Interest Income	-	2,199,834
Other non-operating income (net)	<b>54,669,413</b>	21,981,362
<b>TOTAL</b>	<b>54,669,413</b>	24,181,196
<b>NOTE 19 EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries and incentives	<b>4,919,388</b>	4,644,940
(b) Staff welfare expenses	<b>73,066</b>	56,696
<b>TOTAL</b>	<b>4,992,454</b>	4,701,636
<b>NOTE 20 FINANCE COSTS</b>		
Interest expense	<b>7,156,606</b>	13,714,764
<b>TOTAL</b>	<b>7,156,606</b>	13,714,764



Particulars	₹	₹
	As On June 30, 2012	As On June 30, 2011
<b>NOTE 21 OTHER EXPENSES</b>		
Power and fuel	963,834	842,788
Rent	59,166,280	19,029,033
Insurance	37,843	16,699
Rates and taxes, excluding, taxes on income	18,690,598	771,700
Audit fee	842,700	565,000
Miscellaneous expense	16,835,416	4,459,643
Repairs & Maintenance – Others	384,371	295,482
<b>TOTAL</b>	<b>96,921,042</b>	<b>25,980,345</b>

Place: Chennai  
Date : 29.08.2012

for **MEDIAONE GLOBAL ENTERTAINMENT LIMITED**

for **K.N.R. Associates**  
FRN 007236S  
Chartered Accountants

**(SURYARAJ KUMAR)**  
Managing Director

**(Dr. MURALI MANOHAR)**  
Director

**CA C.K.N. Ravishankara Prabhu**  
Partner  
M No 204766

**Mediaone Global Entertainment Limited**
**CASH FLOW STATEMENT FOR THE PERIOD ENDING JUNE 30,2012**

(₹)

Particulars	For June 30, 2012	For June 30, 2011
Cash flow from operating activities	<b>1,466,779,763</b>	412,478,996
Payment to creditors, employees and others	<b>1,739,112,853</b>	-321,714,944
	<b>-272,333,090</b>	90,764,052
Taxes paid (-) / refund (Net)	<b>-25,759,789</b>	-1,521,251
Cash inflow / (- outflow) from operating activities	<b>-298,092,879</b>	89,242,801
<b>Cash flow from investing activities</b>		
Purchase of fixed Assets	<b>-1,117,191</b>	-150,339
Interest receipt	-	2,199,834
Cash inflow / (- outflow) from Investing activities	<b>-1,117,191</b>	2,049,495
<b>Cash flow from Financing activities</b>		
Loans Received / (-) repaid	<b>304,517,866</b>	-65,152,734
Dividend paid	-	-11,802,448
Interest Paid	<b>-7,156,606</b>	-13,181,318
Cash inflow / (- outflow) from financing activities	<b>297,361,260</b>	-90,136,500
Net cash generated / ( - used) during the year	<b>-1,848,809</b>	1,155,796
Cash and cash equivalents at the beginning	<b>3,503,015</b>	2,347,219
<b>Cash and cash equivalents at the end</b>	<b>1,654,205</b>	3,503,015
<b>Cash and cash equivalents include</b>		
Cash	<b>806,090</b>	3,220,758
Bank	<b>848,115</b>	282,257
<b>Total</b>	<b>1,654,205</b>	3,503,015

Place: Chennai  
Date : 29.08.2012

for **MEDIAONE GLOBAL ENTERTAINMENT LIMITED**

for **K.N.R. Associates**  
FRN 007236S  
Chartered Accountants

**(SURYARAJ KUMAR)**  
Managing Director

**(Dr. MURALI MANOHAR)**  
Director

**CA C.K.N. Ravishankara Prabhu**  
Partner  
M No 204766

**MEDIA ONE GLOBAL ENTERTAINMENT, UK**  
(Wholly Owned Subsidiary of Mediaone Global Entertainment Limited, India)

**Balance Sheet as at 30 June 2012**

PARTICULARS	Note No	Amount In £	
		Figures as at 30 June 2012	Figures as at 30 June 2011
<b>I EQUITY AND LIABILITIES</b>			
(1) Shareholders' Funds			
(a) Share Capital	1	1,000	1,000
(b) Reserves & Surplus	2	782,913	703,415
(c) Money received against share warrants			
		<b>783,913</b>	704,415
(2) Share application money pending allotment		-	-
(3) Non-current Liabilities		-	-
(4) Current Liabilities			
(a) Short-term borrowings		-	-
(b) Trade Payable	3	3,105,831	141,556
(c) Other current liabilities		-	-
(d) Short-term provisions		-	-
		<b>3,105,831</b>	141,556
<b>TOTAL</b>		<b>3,889,744</b>	845,971
<b>II ASSETS</b>			
(1) Non-current Assets			
(a) Fixed Assets			
(i) Tangible assets	4	233,160	262,305
(ii) Intangible assets		-	-
(iii) Capital work-in-progress		-	-
(iv) Intangible assets under development		-	-
(b) Non-current investment		-	-
(c) Long-term loans and advances		-	-
(d) Other non-current assets		-	-
		<b>233,160</b>	262,305
(2) Current Assets			
(a) Inventories	5	1,458,837	-
(b) Trade receivables	6	2,019,593	573,847
(c) Cash and Cash equivalents	7	178,154	9,819
(d) Other current assets		-	-
		<b>3,656,584</b>	583,666
<b>TOTAL</b>		<b>3,889,744</b>	845,971

## MEDIA ONE GLOBAL ENTERTAINMENT, UK

(Wholly Owned Subsidiary of Mediaone Global Entertainment Limited, India)

### Profit and Loss Statement for the Year Ended on 30 June 2012

	PARTICULARS	Note No	Amount In £	
			For the year ended 30 June 2012	For the year ended 30 June 2011
I	Revenue from Operations	8	<b>3,391,600</b>	2,565,000
II	Other Income		-	-
III	<b>Total Revenue (I+II)</b>		<b>3,391,600</b>	2,565,000
IV	<b>Expenses</b>			
	(1) Cost of Materials Consumed	9	<b>3,261,154</b>	2,450,000
	(2) Changes in Inventories		-	-
	(3) Employees Benefits Expense		-	-
	(4) Finance Costs		-	-
	(5) Depreciation and Amortization Expenses	4	<b>29,145</b>	29,145
	(6) Other Expenses	10	<b>1,727</b>	3,930
V	<b>Total Expenses</b>		<b>3,292,026</b>	<b>2,483,075</b>
VI	<b>Profit before Exceptional &amp; Extraordinary items and Tax (III-IV)</b>		<b>99,574</b>	81,925
VII	Exceptional items		-	-
VIII	<b>Profit before Extraordinary Items and Tax (V- VI)</b>		<b>99,574</b>	81,925
IX	Extra-ordinary items		-	-
X	<b>Profit before Tax (VII-VIII)</b>		<b>99,574</b>	81,925
XI	<b>Tax Expense</b>			
	(1) Current tax (including arrears)		<b>20,076</b>	4,225
	(2) Deferred tax		-	-
			<b>20,076</b>	4,225
XII	Profit/(Loss) from continuing operations (IX-X)		<b>79,498</b>	77,700
XIII	Profit/(loss) from discontinuing operations		-	-
XIV	Tax expense of discontinuing operations		-	-
XV	<b>Profit/(Loss) from Discontinuing operations</b>		-	-
XVI	<b>Profit/(Loss) for the period (XI+XIV)</b>		<b>79,498</b>	77,700
XVII	<b>Earnings per equity share</b>			
	(1) Basic		<b>79.50</b>	77.70
	(2) Diluted		<b>79.50</b>	77.70





## NOTES TO FINANCIAL STATEMENTS

PARTICULARS	Amount In £			
	Figures as at 30 June 2012	Figures as at 30 June 2011		
<b>AUTHORIZED CAPITAL</b>				
1,000 shares of Euro 1 each	<b>1,000</b>	1,000		
<b>ISSUED CAPITAL</b>				
1,000 shares of Euro 1 each	<b>1,000</b>	1,000		
<b>SUBSCRIBED AND PAID-UP CAPITAL</b>				
1,000 shares of Euro 1 each	<b>1,000</b>	1,000		
<b>TOTAL</b>	<b>1,000</b>	1,000		
<b>RECONCILIATION OF NUMBER OF SHARES</b>				
Opening Number of Shares	<b>1,000</b>	1,000		
Add: Fresh allotment during the year	-	-		
Closing Number of Shares	<b>1,000</b>	1,000		
<b>SHARES HELD BY SHARE HOLDERS</b>	<b>Current Year</b>		<b>Previous Year</b>	
	<b>Number</b>	<b>Percentage</b>	<b>Number</b>	<b>Percentage</b>
Mediaone Global Entertainment Limited, India	<b>1,000</b>	<b>100%</b>	1,000	100%
<b>Note-2: Reserves and Surplus</b>				
<b>SURPLUS (BALANCE IN P&amp;L ACCOUNT)</b>				
Opening Balance	<b>703,415</b>		625,715	
Add: Current Year's Profit	<b>79,498</b>		77,700	
<b>TOTAL</b>	<b>782,913</b>		703,415	
<b>Note-3: Trade Payable</b>				
Sundry Creditors – For Purchases	<b>3,105,831</b>		141,556	
<b>TOTAL</b>	<b>3,105,831</b>		141,556	



<b>Note-4 Statement of Fixed Assets</b>											
<b>Amount In £</b>											
Description	Rate (%)	Gross Block			Depreciation Block			Net Block			
		Opening	Additions/ deletions	Closing	Opening	Additions/ deletions	Closing	Current Year	Previous Year		
Plant & Equipment	10%	291,450	-	291,450	29,145	29,145	58,290	233,160	262,305		
Total		291,450	-	291,450	29,145	29,145	58,290	233,160	262,305		

PARTICULARS	Amount In £	
	Figures as at 30 June 2012	Figures as at 30 June 2011
<b>Note-5: Inventories</b>		
Finished Goods	<b>1,458,837</b>	-
TOTAL	<b>1,458,837</b>	-
<b>Note-6: Trade Receivables</b> SECURED AND CONSIDERED GOOD		
Others	<b>2,019,593</b>	573,847
TOTAL	<b>2,019,593</b>	573,847
<b>Note-7: Cash and Bank Balances</b>		
Balance with banks - In Current Accounts	<b>178,154</b>	9,819
Cash on Hand	-	-
TOTAL	<b>178,154</b>	9,819
<b>Note-8: Revenue from Operations</b>		
Sales less returns	<b>3,391,600</b>	2,565,000
TOTAL	<b>3,391,600</b>	2,565,000
<b>Note-9: Cost of Materials Consumed</b>		
Purchases less returns of Raw materials	<b>3,261,154</b>	2,450,000
(+) Opening Stock of Raw Materials	-	-
(-) Closing Stock of Raw Materials	-	-
TOTAL	<b>3,261,154</b>	2,450,000
<b>Note-10: Other Expenses</b>		
Bank charges	<b>1,727</b>	1,292
Sundries	-	2,638
TOTAL	<b>1,727</b>	3,930

## **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 30 June '12 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 ' 3424 (in lacks) as at 30 June 2012 These financial statements and other financial information have not been audited by other auditors (as it is explained to be not mandatory for a company of similar size) and we have relied on the reports by the Board of the subsidiary. The attached consolidated financial statements include share of ' 180 (in Lacks) representing the Company's share of profits of the subsidiary for the year ended 30.06.2012.
4. 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.
5. 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 2012 ;
  - 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.

Place: Chennai  
Date: 29/08/2012

For **K.N.R. Associates**  
FRN 007236S  
Chartered Accountants

**CA C.K.N. RAVISHANKARA PRABHU**  
Partner  
M No 204766

**Mediaone Global Entertainment Limited**  
**CONSOLIDATED BALANCE SHEET AS AT JUNE 30, 2012**

PARTICULARS	Note	(₹)	
		For the year ended June 30, 2012	For the year ended June 30, 2011
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDER'S FUNDS</b>			
Share Capital	2	<b>147,200,000</b>	147,200,000
Reserves and Surplus	3	<b>322,972,208</b>	268,912,985
<b>NON-CURRENT LIABILITIES</b>			
Long-term borrowings	4	<b>2,893,194</b>	7,779,509
Deferred tax liabilities (Net)		<b>9,628,565</b>	6,475,819
Long-term provisions	5	<b>1,141,379</b>	1,141,379
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	6	<b>167,640,255</b>	66,515,787
Trade payables		<b>466,252,791</b>	1,170,848,957
Other current liabilities	7	<b>283,026,571</b>	63,816,539
Short-term provisions	8	<b>7,938,428</b>	6,517,578
<b>TOTAL</b>		<b>1,408,693,391</b>	<b>1,739,208,553</b>
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Fixed assets	9		
Tangible assets		<b>39,751,148</b>	41,826,930
Intangible assets		<b>83,684,539</b>	91,068,163
Long-term loans and advances	10	<b>7,335,680</b>	29,362,786
<b>CURRENT ASSETS</b>			
Inventories	11	<b>161,467,525</b>	8,516,253
Trade receivables	12	<b>746,101,289</b>	1,396,099,750
Cash and cash equivalents	13	<b>17,342,709</b>	4,216,027
Short-term loans and advances	14	<b>35,232,281</b>	5,127,398
Other current assets	15	<b>317,778,220</b>	162,991,246
<b>TOTAL</b>		<b>1,408,693,391</b>	<b>1,739,208,553</b>
Notes forming part of accounts	1		

Place: Chennai

Date: 29/08/2012

for **Mediaone Global Entertainment Limited**

for **K.N.R. Associates**

FRN 007236S

Chartered Accountants

**Suryaraj Kumar**  
Managing Director

**Dr. J. Murali Manohar**  
Director

**CA C.K.N. Ravishankara Prabhu**  
Partner  
M No 204766

**Mediaone Global Entertainment Limited**  
**CONSOLIDATED PROFIT & LOSS STATEMENT FOR THE YEAR ENDED JUNE 30, 2012**

PARTICULARS	Note	(₹)	
		For the year ended June 30, 2012	For the year ended June 30, 2011
Revenue from operations	16	1,419,787,177	1,257,443,141
Other Income	17	66,604,356	24,181,196
<b>TOTAL REVENUE</b>		<b>1,486,391,533</b>	<b>1,281,624,337</b>
Expenses:			
Direct expenses		1,291,530,128	1,007,604,447
Changes in inventories of finished goods / work-in-progress		-24,483,747	135,191,047
Employee benefits expense	18	4,992,454	4,701,636
Finance costs	19	7,294,089	13,714,764
Depreciation and amortization expense	9	14,628,186	12,317,558
Other expenses	20	96,921,042	28,524,926
<b>TOTAL EXPENSES</b>		<b>1,390,882,152</b>	<b>1,202,054,378</b>
Profit before tax		95,509,381	79,569,959
Tax expense:			
(1) Current tax		24,611,050	21,608,638
(2) Deferred tax		3,152,746	3,042,592
<b>Profit (Loss) for the period</b>		<b>67,745,585</b>	<b>54,918,729</b>
Earnings per equity share:			
(1) Basic		4.60	3.73
(2) Diluted		4.60	3.73
Notes forming part of accounts	1		

Place: Chennai  
Date: 29/08/2012

for **Mediaone Global Entertainment Limited**

for **K.N.R. Associates**  
FRN 007236S  
Chartered Accountants

**Suryaraj Kumar**  
Managing Director

**Dr. J. Murali Manohar**  
Director

**CA C.K.N. Ravishankara Prabhu**  
Partner  
M No 204766

## Significant Accounting Policies and Notes forming part of Accounts for the year ended June 30, 2012

Note: 1

### Corporate Information

The Primary business of MEDIAONE GLOBAL ENTERTAINMENT LIMITED (MOGEL) is in the business of production, distribution and exhibition of films. MOGEL is focused to grow in Film Exhibition (theaters) through an asset based ownership model. MOGEL is a BSE listed company with market capitalization of ₹ 1237 million. MOGEL shall develop their primary vertical of asset based exhibition and combining them with existing and new activities to build up a major integrated media and entertainment company which will be based on three central columns, namely,

1. Exhibition
2. Content provider and
3. Content distributors.

MOGEL is headquartered in Chennai and it has a wholly owned subsidiary, MEDIA ONE GLOBAL ENTERTAINMENT UK which has produced films for international release.

### A) Significant Accounting Policies

- 1: Disclosure of Accounting Policies:** The financial statements have been prepared to comply in all material respects with the Mandatory Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of Companies Act, 1956. These financial statements have been prepared under the historical cost convention on the accrual basis. The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Although these estimates are based on the management's best knowledge of current events and actions the company may undertake in future, actual results ultimately differ from estimates.
- 2: Valuation of Inventories:** Inventory of rights is valued at cost.
- 3: Cash flow Statement:** Cash flow statement prepared under the direct method forms part of the financial statements.
- 4: Contingencies and events occurring after the Balance Sheet date:** NIL
- 5: Net Profit or Loss for the period, prior period items and changes in accounting policies:**

- (a) Net profit for the period: All items of income and expenses in the period are included in the determination of net profit for the period, unless specifically mentioned elsewhere in the financial statements or is required by an Accounting Standard.
- (B) Prior period items – Nil.
- (C) Changes in accounting policies: There are no significant changes in accounting policies of the company from that of the previous period other than the consequential change of non integral business becoming integral to that of the holding company.
- 6. Depreciation Accounting:** Fixed assets are depreciated under Written Down Value Method (WDV) in the manner prescribed under Schedule XIV to the Companies Act, 1956. However, film rights, being intangibles, are amortized on straight line method over 10 years. For the assets acquired during the year, the depreciation has been charged on pro-rata basis. Individual Assets costing less than ₹ 5,000 are written off in the period of acquisition.
- 7. Accounting for Construction Contracts:** The above Standard is not applicable to the Company, as it is not engaged in the business of construction.
- 8. Accounting for Research and Development:** This standard has been withdrawn with effect from 1<sup>st</sup> April 2003 consequent to the introduction of Accounting Standard AS-26 on Accounting for Intangible Assets.
- 9. Revenue Recognition:**
1. Revenue from theatrical exhibition is accounted on sale of tickets.
  2. Revenue from distribution is recognised based on the agreements entered into. Minimum guarantee is charged off in the year in which agreement is entered into irrespective of the spillover of period over which revenue accrues to the enterprise.
  3. Revenue from rights are recognised in the period in which agreements are entered into.
  4. Revenue from production is recognised based on the nature of agreements – While Minimum Guarantee is recognised on release, For Advance based agreements revenue is recognised over the period in which it accrues to the enterprise.
- 10. Accounting for Fixed Assets:** Fixed assets are capitalised at acquisition cost, which comprises of freight, installation cost, duties, taxes, and other directly attributable cost of bringing the assets to its working condition for the intended use.





**11. Accounting for effects in foreign exchange rates:**

- a) Conversion - All monetary items denominated in foreign currency are reflected at the rates prevailing on the Balance sheet date.
- b) Initial Recognition - Income and Expenditure items involving foreign exchange are translated at the exchange rate prevailing on the dates of transaction.
- c) Exchange Differences - Exchange differences, if any, arising on account of fluctuations in foreign exchange have been duly reflected in the Profit & Loss Account.
- d) Subsidiary: During the year the operations of subsidiary has become integral to the business of holding company and accordingly the monetary items are stated at closing rates and revenue items are converted at average rates. The fluctuation reserve recognised earlier is carried forward at historic cost as per the Standard.

**12. Accounting for Government Grants:** The Company has not received any grants.

**13. Accounting for Investments:** All Long term Investments are carried at cost.

**14. Accounting for Amalgamation:** This standard is not applicable for the current reporting period

**15. Accounting for Retirement benefits:**

- a) Gratuity: The company has gratuity payable of ' 1,141,379/- as on the balance sheet date which was recognised earlier. The liability of the present employees as per actuarial valuation is less than the aforesaid amount. However, no reversal is made as the details of claim / settlement of resigned employees is not available.
- b) No other short term or long term benefit has accrued to the employees.

**16. Borrowing Cost:** Finance charges in respect of production of film is capitalised as part of inventory cost till the time it is ready for release. Interest so capitalized during the period is ' 2.82 crores

**17. Segment Reporting:** This standard is not applicable to the company as there are no identifiable segments.

**18. Related party Disclosure:**

- a) Enterprises in which key Management personnel or their relatives have significant influence
  - I. Ocher Studios (P) Limited
  - II. Sultan Productions (P) Limited
  - III. Metronet Multimedia (P) Limited
  - IV. Metro Films (P) Limited
  - V. Asian Vision Limited

VI. Majestic Multimedia Limited

VII. Ceeiv Entertainment Limited

VIII. S4U Limited

IX. South For You Limited

b) Subsidiary Companies

➤ Mediaone Global limited U.K

c) Key Management Personnel

I. SURYARAJ KUMAR – Managing Director

II. Dr. J. MURALI MANOHAR – Director

Transactions with related parties

Particulars	Transaction amount	Nature of transaction
Key Management Personnel		
Suryaraj Kumar	₹ 100,000/-	Repayment of loan
	₹1,800,000/-	Managing Director remuneration
Enterprise involving KMP		
Metronet Multimedia P Ltd	₹ 180,000,000/-	Purchase of film rights
Metro Films P Ltd	₹ 320,000,000/-	Sale of film rights
Majestic Multimedia Limited	₹ 76,500,000/-	Sale of film rights

**19. Leases:** The Company has not acquired any asset under lease.

**20. Earnings Per Share:**

Particulars	For June 30, 2012	For June 30, 2011
Basic	Equivalent number of shares	Equivalent number of shares
Opening number of shares	<b>14,720,000</b>	14,720,000
Closing number of shares	<b>14,720,000</b>	14,720,000
Weighted avrg. no.of shares	<b>14,720,000</b>	14,720,000
Profit after taxes	<b>₹ 67,745,786</b>	₹ 54,918,729
Dilutive shares	-	-
Basic EPS	<b>₹ 4.60</b>	₹ 3.73
Diluted EPS	<b>₹ 4.60</b>	₹ 3.73

**21: Consolidated Financial Statements:** Consolidated financial statements are prepared.

**22: Accounting for taxes on income:** (Amount in ₹)

- a) **Current Tax:** Provision for Income Tax is determined in accordance with the provisions of Income Tax Act, 1961 and UK tax laws (for subsidiary). Provision for the year ₹24,611,050/- (PY ₹21,608,638/-).
- b) **Deferred Tax Provision:** Deferred Tax is recognised on timing differences being the difference between the taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only if there is a reasonable certainty of their realization.

				(₹)
Particulars	Nature	Opening	Arising/Reversing	Closing
Fixed Assets and Depreciation	DTL	6,475,819	3,152,746	9,628,565
<b>TOTAL</b>		<b>6,475,819</b>	<b>3,152,746</b>	<b>9,628,565</b>

**23. Accounting for Investments in Associates:** There are no investments in associates during the year.

**24. Discontinuing Operations:** The Company has not discontinued any operations during the year.

**25. Interim Financial Reporting:** For the above accounting year, this Standard is not applicable.

**26. Intangible Assets:** Intangible in form of software acquired and License of film rights acquired are stated at acquisition cost and depreciated at 40% (WDV) and 10% (SLM) respectively.

**27. Financial reporting of interests in joint ventures:** The Company has not entered into any joint venture agreement during the year.

**28. Impairment of Assets:** There was no impairment of assets during the year.

**29. Provisions, Contingent Liabilities and Contingent Assets:** A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

**Contingent Liabilities & Contingent Assets:** As on Balance sheet date there are no contingent liabilities.

**B) Others:**

1. Remuneration to directors: ₹ 1,800,000/- (₹ 1,800,000/-). Computation of net profits in accordance with Section 349 of the Companies Act, 1956 is given below

Particulars	(₹)	
	For June 30, 2012	For June 30, 2011
Profit before tax as per profit and loss account	<b>95,509,382</b>	79,569,959
<b>Add :</b>		
Managerial Remuneration	<b>1,800,000</b>	1,800,000
Depreciation as per books	<b>14,628,186</b>	12,317,558
	<b>111,937,568</b>	93,687,517
<b>Less :</b> Depreciation as per section 350 of the companies Act, 1956	<b>14,628,186</b>	12,317,558
Net profit as per section 350 of the companies Act, 1956	<b>97,309,382</b>	<b>75,538,696</b>
<b>Maximum the remuneration allowable to director :</b>		
Ceiling limit :	<b>4,865,469</b>	3,776,934
Actual Amount paid :	<b>1,800,000</b>	1,800,000

2. Capital commitments: Capital Commitment not provided for is ₹ Nil (₹ 82,518,625/-).

3. Amount due to MSME Undertaking as on 30<sup>th</sup> JUNE 2012 is ₹ Nil (₹ Nil).

4. a) Amount earned in Foreign Currency during the year is ₹ Nil (₹ 270,000,000/-).

b) Amount spent in Foreign Currency during the year is ₹ 95,953,166/- (₹ 116,870,078).

5. Payment to Auditors: (Excluding Service Tax)

Particulars	(₹)	
	For June 30, 2012	For June 30, 2011
Statutory Audit	<b>600,000</b>	515,000
Tax Audit	<b>150,000</b>	135,000
<b>Total</b>	<b>750,000</b>	<b>650,000</b>

6. The Previous period figures have been restated / reclassified, wherever necessary to make them comparable to those of the current year.
7. Third party balance are subject to confirmation.

**NOTE 2 SHARE CAPITAL**

PARTICULARS	As On June 30, 2012		As On June 30, 2011	
	Number	₹	Number	₹
<b>AUTHORISED</b>				
Equity Shares of ' 10 each ISSUED	<b>32,000,000</b>	<b>320,000,000</b>	32,000,000	320,000,000
Equity Shares of ' 10 each SUBSCRIBED & PAID UP	<b>14,720,000</b>	<b>147,200,000</b>	14,720,000	147,200,000
Equity Shares of ' 10 each TOTAL	<b>14,720,000</b>	<b>147,200,000</b>	14,720,000	147,200,000

**MOVEMENT OF SHARES**

PARTICULARS	Equity Shares		Preference Shares	
	Number	₹	Number	₹
Shares outstanding at the beginning of the year	14,720,000	147,200,000	-	-
Shares Issued during the year	-	-	-	-
Shares bought back during the year				
Shares outstanding at the end of the year	14,720,000	147,200,000	-	-

**SHAREHOLDING DETAILS**

Name of Shareholder	As On June 30, 2012		As On June 30, 2011	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sripathee Investments Private Limited	<b>7,715,170</b>	<b>52.41</b>	7,715,170	52.41
BMFI Limited	<b>1,500,000</b>	<b>10.19</b>	1,500,000	10.19
General Ventures Limited	<b>1,100,000</b>	<b>7.47</b>	1,100,000	7.47
Rollmar	<b>1,400,000</b>	<b>9.51</b>	1,400,000	9.51
Murali Manohar J	<b>848,821</b>	<b>5.77</b>	843,261	5.73



PARTICULARS	₹	₹
	As On June 30, 2012	As On June 30, 2011
<b>NOTE 3 RESERVES AND SURPLUS</b>		
SECURITIES PREMIUM ACCOUNT		
Opening Balance	59,500,000	59,500,000
Closing Balance	59,500,000	59,500,000
FOREIGN CURRENCY TRANSLATION RESERVE		
Opening Balance	-5,300,136	-6,890,811
(+) Current Year Transfer	-	1,590,675
Closing Balance	-5,300,136	-5,300,136
GENERAL RESERVE		
Opening Balance	214,713,121	173,526,385
(+) Current Year Transfer	54,059,223	41,186,736
Closing Balance	268,772,344	214,713,121
(+) Net Profit/(Net Loss) For the current year	67,745,585	54,918,729
(-) Proposed Dividends	13,686,362	13,731,993
(-) Transfer to Reserves	54,059,223	41,186,736
Closing Balance	-	-
<b>TOTAL</b>	<b>322,972,209</b>	<b>268,912,985</b>
<b>NOTE 4 LONG-TERM BORROWINGS</b>		
SECURED		
TERM LOANS		
- banks	2,893,194	7,779,509
Secured by own theatres and plant and other furniture and fixtures therein. Repayable in 60 months from date of sanction with 6 months holiday period)		
<b>TOTAL</b>	<b>2,893,194</b>	<b>7,779,509</b>



PARTICULARS	₹	₹
	As On June 30, 2012	As On June 30, 2011
<b>NOTE 5 LONG-TERM PROVISIONS PROVISION FOR EMPLOYEE BENEFIT</b>		
Gratuity (unfunded)	1,141,379	1,141,379
<b>TOTAL</b>	<b>1,141,379</b>	<b>1,141,379</b>
<b>NOTE 6 SHORT-TERM BORROWINGS</b>		
<b>SECURED</b>		
<b>LOANS REPAYABLE ON DEMAND</b>		
- banks (Loan from LVB is Secured by own theatres and plant and other furniture and fixtures therein. Loan from EXIM Bank is secured by property in name of associate and corporate guarantee of co-promoter of the project)	25,855,533	33,176,592
- Others	4,946,723	-
<b>TOTAL A</b>	<b>25,855,533</b>	<b>38,123,315</b>
<b>UNSECURED</b>		
Loans repayable on demand		
- Others	41,742,500	191,472
Loans and advances from related parties	1,601,000	1,701,000
Other loans and advances (specify nature)		
Advances from customers	98,441,222	26,500,000
<b>TOTAL B</b>	<b>141,784,722</b>	<b>28,392,472</b>
<b>GRAND TOTAL (A+B)</b>	<b>167,640,255</b>	<b>66,515,787</b>
<b>NOTE 7 OTHER CURRENT LIABILITIES</b>		
Current maturities of long-term debt	213,255,084	4,975,371
Unpaid dividends	11,807,280	-
Provision for tax (including tax on distributed dividend)	46,188,206	47,033,888
Proposed dividend	11,776,000	11,807,280
<b>TOTAL</b>	<b>283,026,570</b>	<b>63,816,539</b>
<b>NOTE 8 SHORT-TERM PROVISIONS</b>		
<b>PROVISION FOR EMPLOYEE BENEFIT</b>		
Salary & Reimbursements	694,888	-
Others	7,243,540	6,517,578
<b>TOTAL</b>	<b>7,938,428</b>	<b>6,517,578</b>

Medigone Global Entertainment Limited

**NOTE 9 FIXED ASSETS**

FIXED ASSETS	GROSS BLOCK			ACCUMULATED DEPRECIATION					NETBLOCK	
	Balance as at 1 July 2011	Additions/ (Disposals)	Revaluations (Impairments)	Balance as at 30th June 2012	Balance as at 1 July 2011	Depreciation charge for the year	Adjustment due to revaluations	Balance as at 30th June 2012	Balance as at 30th June 2011	Balance as at 30th June 2012
	₹	₹	₹	₹	₹	₹	₹	₹	₹	₹
<b>TANGIBLE ASSETS</b>										
Buildings	39,915,889	-	-	39,915,889	4,408,031	1,775,393	-	6,183,424	35,507,858	33,732,465
Plant and Equipment (13.91%)	769,500	-	-	769,500	197,836	79,518	-	277,354	571,664	492,146
Plant and Equipment (20%)	1,317,518	-	-	1,317,518	513,120	160,880	-	674,000	804,398	643,518
Furniture and Fixtures	6,096,369	159,613	-	6,255,982	2,884,393	588,889	-	3,473,282	3,211,976	2,782,700
Vehicles	1,135,736	-	-	1,135,736	697,070	113,571	-	810,841	438,666	325,095
Office equipment	1,439,050	56,500	-	1,495,550	440,854	141,225	-	582,079	998,196	913,471
Computer	930,767	751,078	-	1,681,845	636,595	183,497	-	820,092	294,172	861,753
<b>TOTAL (A)</b>	<b>51,604,829</b>	<b>967,191</b>	<b>-</b>	<b>52,572,020</b>	<b>9,777,899</b>	<b>3,042,973</b>	<b>-</b>	<b>12,820,872</b>	<b>41,826,930</b>	<b>39,751,148</b>
<b>B INTANGIBLE ASSETS</b>										
Computer software	70,000	150,000	-	220,000	49,246	18,658	-	67,904	20,754	152,096
Copyrights, and patents and other intellectual property rights, services and operating rights	111,163,787	-	-4,501,766	115,665,553	20,116,379	11,566,555	450,176	32,133,111	91,047,408	83,532,443
<b>TOTAL (B)</b>	<b>111,233,787</b>	<b>150,000</b>	<b>4,501,766</b>	<b>115,885,553</b>	<b>20,165,625</b>	<b>11,585,213</b>	<b>450,176</b>	<b>32,201,015</b>	<b>91,068,162</b>	<b>83,684,539</b>
<b>TOTAL (A+B)</b>	<b>162,838,616</b>	<b>1,117,191</b>	<b>4,501,766</b>	<b>168,457,573</b>	<b>29,943,524</b>	<b>14,628,186</b>	<b>450,176</b>	<b>45,021,887</b>	<b>132,895,092</b>	<b>123,435,687</b>
PREVIOUS YEAR	141,524,489	21,314,127	-	162,838,616	15,509,586	14,433,938	-	29,943,524	126,014,903	132,895,092

\* - The Re-valuation represent differences on account of re-instating the assets based on integral operation of subsidiary. Till 30.06.2011, the operations were non integral.





PARTICULARS	₹	₹
	As On June 30, 2012	As On June 30, 2011
<b>NOTE 10 LONG-TERM LOANS AND ADVANCES</b>		
SECURITY DEPOSITS	7,335,680	29,362,786
Unsecured, considered good		
TOTAL	7,335,680	29,362,786
<b>NOTE 11 INVENTORIES</b>		
Work-in-progress (valued at cost)	-	8,516,253
Finished goods (Valued at cost)	161,467,525	-
TOTAL	161,467,525	8,516,253
<b>NOTE 12 TRADE RECEIVABLES</b>		
A. Trade receivables outstanding for a period less than six months from the date they are due for payment		
Unsecured, considered good	477,608,210	688,820,649
TOTAL ( A)	477,608,210	688,820,649
B. Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, considered good	268,493,079	707,279,101
TOTAL ( B)	268,493,079	707,279,101
<b>GAND TOTAL (A+B)</b>	<b>746,101,289</b>	<b>1,396,099,750</b>
<b>NOTE 13 CASH AND CASH EQUIVALENTS</b>		
Balances with banks	16,536,619	995,269
Cash on hand	806,090	3,220,758
TOTAL	17,342,709	4,216,027
<b>NOTE 14 SHORT-TERM LOANS AND ADVANCES</b>		
Others (specify nature) Unsecured, considered good	35,232,281	5,127,398
TOTAL	35,232,281	5,127,398



PARTICULARS	₹	₹
	As On June 30, 2012	As On June 30, 2011
<b>NOTE 15 OTHER CURRENT ASSETS</b>		
Project advance to overseas subsidiary - Kochadaiyaan	<b>317,778,220</b>	160,000,000
Others – TDS and STCA	-	2,991,246
<b>TOTAL</b>	<b>317,778,220</b>	<b>162,991,246</b>
<b>NOTE 16 REVENUE FROM OPERATIONS</b>		
Sale of services	<b>1,419,787,177</b>	1,257,443,141
<b>TOTAL</b>	<b>1,419,787,177</b>	<b>1,257,443,141</b>
<b>NOTE 17 OTHER INCOME</b>		
Interest Income	-	2,199,834
Other non-operating income (net)	<b>66,604,356</b>	21,981,362
<b>TOTAL</b>	<b>66,604,356</b>	<b>24,181,196</b>
<b>NOTE 18 EMPLOYEE BENEFITS EXPENSE</b>		
(a) Salaries and incentives	<b>4,919,388</b>	4,644,940
(b) Staff welfare expenses	<b>73,066</b>	56,696
<b>TOTAL</b>	<b>4,992,454</b>	<b>4,701,636</b>
<b>NOTE 19 FINANCE COSTS</b>		
Interest expense	<b>7,294,089</b>	13,714,764
<b>TOTAL</b>	<b>7,294,089</b>	<b>13,714,764</b>
<b>NOTE 20 OTHER EXPENSES</b>		
Power and fuel	<b>963,834</b>	842,788
Rent	<b>59,166,280</b>	19,029,033
Insurance	<b>37,843</b>	16,699
Rates and taxes, excluding, taxes on income	<b>18,690,598</b>	771,700
Audit fee	<b>842,700</b>	565,000
Miscellaneous expense	<b>16,835,416</b>	7,004,224
Repairs & Maintenance – Others	<b>384,371</b>	295,482
<b>TOTAL</b>	<b>96,921,042</b>	<b>28,524,926</b>



**Mediaone Global Entertainment Limited**

**CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDING JUNE 30, 2012**

	June 30, 2012	June 30, 2011
		(₹)
Cash flow from operating activities		
Amount realised from debtors	1,589,112,347	617,297,496
Payment to creditors, employees and others	-1,844,734,413	-347,376,781
	-255,622,066	269,920,715
Taxes paid (-) / refund (Net)	-27,357,839	-1,828,972
Cash inflow / (- outflow) from operating activities	-282,979,905	268,091,743
Cash flow from investing activities		
Purchase of fixed assets	-1,117,191	-178,592,218
Interest receipts	-	2,199,834
Cash inflow / (- outflow) from Investing activities	-1,117,191	-176,392,384
Cash flow from Financing activities		
Loans received / ( - ) repaid	304,517,867	-65,152,734
Dividend paid	-	-11,802,448
Interest paid	-7,294,089	-13,181,318
Cash inflow / (- outflow) from financing activities	297,223,778	-90,136,500
Net cash generated / ( - used) during the year	13,126,682	1,562,859
Cash and cash equivalents at the beginning	4,216,027	2,653,168
Cash and cash equivalents at the end	17,342,709	4,216,027
Cash and cash equivalents include		
Cash	806,090	3,220,758
Bank	16,536,619	995,269
<b>Total</b>	<b>17,342,709</b>	<b>4,216,027</b>

Place: Chennai

Date: 29/08/2012

for **Mediaone Global Entertainment Limited**

for **K.N.R. Associates**

FRN 007236S

Chartered Accountants

**Suryaraj Kumar**  
Managing Director

**Dr. J. Murali Manohar**  
Director

**CA C.K.N. Ravishankara Prabhu**  
Partner  
M No 204766