

18TH
ANNUAL REPORT
2009 - 2010

CHANNEL GUIDE INDIA LIMITED

punjabi
TV
(A Channel guide Initiative)

CHANNEL GUIDE INDIA LIMITED

A/ 203, Green Ville, Lokhandwala Complex, Andheri- West, Mumbai- 400 053

18TH ANNUAL REPORT 2009-2010

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CHANNEL GUIDE INDIA LIMITED

A/ 203, Green Ville, Lokhandwala Complex, Andheri- West, Mumbai- 400 053

BOARD OF DIRECTORS

Mr. Rajendra Karnik
Mr. Nitin Bhatkar
Mr. Kunal Ranjan
Mr. Ajay Pawar

REGISTERED OFFICE

A/203, 2nd Floor, Greenville , Lokhandwala Complex,
Andheri (West). Mumbai- 400 053.

AUDITORS

V.A. Ambekar & Associates
Chartered Accountant
G-4, Andheri Laxmi, Guru Hargovindji Road,
J.B.Nagar, Andheri (East), Mumbai- 400059.

REGISTRAR AND SHARE TRANSFER AGENTS

Big Share Services Private Limited
E-2, Ansa Industrial Estate,
Saki Vihar Road, Saki Naka,
Andheri (West). Mumbai- 400 072.

BANKERS

HSBC BANK
Eden Square, Plot No. 3/1, N. S. Road No. 10,
JVPD Scheme, Juhu,
Vile Parle (West), Mumbai 400 049.

CHANNEL GUIDE INDIA LIMITED

FROM MD'S DESK

Dear Shareholders,

A Very Warm Welcome to each one of you to the 18th Annual General Meeting of our Company.

The world of television has undergone a drastic reformation and it has made its presence felt not only in India but also worldwide. The falling rates of television sets and cable television connections have made it possible to reach even the lower section of the society. Such wide popularity of television sets have also acted as a ladder to the growth of various Regional and National Channels and its popularity has reached to such a peak wherein, not only the kids but also the middle and aged people are seen glued to the television sets. The Indian Channels and its talents won recognition at renowned platforms and that also opened a lot of doors for providing employment to the people.

At **CHANNEL GUIDE INDIA LIMITED (CGIL)**, the philosophy of the Company has always been to create a Company that would not only withstand challenges but also grow in such times. The company has always abided by the axiom, **“TO BE PREPARED IS HALF THE VICTORY”**.

At this 18th Annual General Meeting it gives me immense pleasure to share with you some of the key observations on the Company's performance for the year gone and the Road Ahead.

PERFORMANCE REVIEW:

A true navigator is the one who navigates successfully through the toughest of terrains. We at **(CGIL)** have always believed in withstanding the challenges and also to touch new horizons of growth.

Although no road to success is smooth, your Company's strategic planning and execution have never allowed the difficulties to act as a major road block in the Company's journey towards its Goals..

To entertain people, we need to have fresh, engaging and innovative programming. It is imperative that the industry encourages indigenous ideas and develops compelling content. Our focus has been on anticipating the viewer's requirements and providing a meaningful content. Today the consumer is willing to pay more for quality content, easy accessibility and comfort viewing. The way forward is to imbibe technological changes and to create leaders within the Organization, capable of tapping these opportunities.

We, at CGIL have always imbibed the vision of rising in our own benchmarks and becoming one of the best entertainment channel in the industry. With this vision in mind, the Company underwent major management changes that would enable the company to infuse fresh talent and innovative ideas on the Board.

CHANNEL GUIDE INDIA LIMITED

TOUGH TIMES ARE GOOD TIMES

The global economy is gradually emerging from the throes of the meltdown of 2008. While growth rates have picked up, it will still be a while to get back to the pre-crisis path. It has been a tough time for business in almost all sectors and all segments of economy . Although some believe that the entertainment industry is recession proof, this is not fully true. The spiraling overhead expenses and the related production costs have resulted in margins being completely eroded. We at **CHANNEL GUIDE INDIA LIMITED** also faced the impact of such recession, but it was the time when the Company could realize the potential of its management strength and unity that not only enabled the Company to escape out of the tough times but also to formulate new strategies to realize their vision statements.

CORPORATE GOVERNANCE

Sound principles of Corporate Governance are vital in the long term success of any Company and our endeavor is to maintain transparency and secure trust of our investors, employees, customers and public at large. Apart from this, our commitment is to value the talent of each individual, thereby harnessing the strengths of a diverse work force.

APPRECIATION

I would like to end my statement by thanking all the Shareholders, Investors and Customers for their uninstead efforts in inspiring us to define a fresh perspective everyday through the art of programme- making. The future remains promising, thanks to the consistent efforts of our employees in creating new frontiers in entertainment. I would like to thank you, fellow shareholders, for your interest in Channel Guides' progress and the faith you have in the future of the Company. We will continue to make every effort to ensure that Channel Guide remains a valuable investment for you.

The film has just begun, and let the experience grow on you. I leave you with this positive thought.

With Best Wishes.

Rajendra Karnik

Chairman

CHANNEL GUIDE INDIA LIMITED

FORWARD – LOOKING STATEMENT

In this Annual Report , we have disclosed forward –looking information to enable investors to comprehend our prospects and take investment decisions .This report and other statements – written and oral –that we periodically make contain forward looking statements that set out anticipated results based on the Managements 's plans and assumptions.

We have tried , wherever possible, to identify such statements by using words, such as 'anticipate', 'estimate' 'expects' 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward –looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions.

Should known or unknown risks or uncertainties materialize or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should keep this in mind.

CHANNEL GUIDE INDIA LIMITED

DIRECTORS REPORT

To

The Members,

Your Directors are pleased to present the **Eighteenth Annual Report** of your Company together with the Audited Statement of Accounts and the Auditor's report of your Company for the financial year ended 30th June, 2010. The summarized financial results for the year ended 30th June, 2010 are as under:-

1. FINANCIAL RESULTS :

	Year Ended 30 th June, 2010	Year Ended 31 st March, 2009
Income	212226247	19968795
Less:- Expenses	199735533	18996022
Profit before Financial Charges and Depreciation	12490714	972773
Less:- Financial expenses	649582	1218234
Cash profit / (Loss)	11841132	(245461)
Less:- Depreciation / Amortization	11063908	5403907
Prior Period Expenses / Income (net)	2528	38756
Profit/ (Loss) after Depreciation /Amortization	774696	(5688124)
Less :- Provision For Tax	Nil	75212
Net Profit/(Loss) after tax	774696	(5763336)
Balance b/f from Previous Year	(9567465)	(3804129)
Net Profit / (Loss) c/f to Balance Sheet	(8792769)	(9567465)

2. DIVIDEND :

Your Directors feel that it is prudent to plough back the profits for future growth of the Company and do not recommend any Dividend for the year ended on 30th June, 2010.

3. FUTURE PROSPECTS :

Television industry is projected to continue to be the major contributor to the overall industry revenue pie & estimated to grow at a healthy rate. Overall growth in the content & broadcast segment is expected to be powered by rapid growth in number of cable households, digitalization of media & availability of newer platforms & convergence of media.

4. DEPOSITS :

The Company has not accepted any fixed deposits from the public during the year under review.

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5. DIRECTORS :

At the ensuing Annual General Meeting Mr. Kunal Ranjan, Director of the Company, retires by rotation and being eligible offers himself for re-appointment.

Pursuant to the provisions of Section 260 of the Companies Act, 1956 and Article 151 of the Articles of Association of the Company, Mr. Ajay Pawar was appointed as an Additional Director on the Board of the Company on 06th October, 2010; your Directors recommend his appointment at the ensuing Annual General Meeting.

6. DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to the Director's Responsibilities statement, it is hereby confirmed:

- 1) That in the preparation of the Annual Accounts, the accounting standards had been followed along with proper explanation relating to material departures.
- 2) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of the Companies Act, 1956 for preventing and detecting fraud and other irregularities.
- 3) That the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that were reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the company for the year under review.
- 4) That the Directors had prepared the accounts for the financial year extended upto 30th June, 2010 on a 'going concern' basis.

7. PARTICULARS OF EMPLOYEES:

The Company does not have any employee whose particulars are required to be given in pursuant to the provision of Section 217 (2A) Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

8. CORPORATE GOVERNANCE:

It has always been the Company's endeavor to excel through better Corporate Governance practices, a detailed compliance report on Corporate Governance is enclosed after the Directors Report. The Auditor's Certificate certifying the compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement is also provided in the Annual Report

9. AUDITORS AND AUDITORS REPORT:

Due to casual vacancy caused by the Resignation of M/s. Shetty & Somani, Chartered Accountants, Statutory Auditors of the Company, M/s V.A. Ambekar & Associates, Chartered Accountants were

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appointed as the Statutory Auditors of the Company in the Board meeting of the Company held on 5th October, 2010.

M/s V.A. Ambekar & Associates, Chartered Accountants, has expressed their unwillingness to continue as the Auditors of the Company after the conclusion of this Annual General Meeting.

The Company has received a confirmation from M/s. Navin Nishar & Associates, that their appointment if made would be within the limits prescribed under Section 224 (1B) of the Companies Act, 1956 and that they are not disqualified for such re- appointment within the meaning of Section 226 of the said Act.

The Directors recommend their Appointment as Statutory Auditors of the Company.

The notes on accounts referred to in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

10. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO:

Information in accordance with the provisions of section 217 (1) (e) of the Companies Act,1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,1988 regarding conservation of energy , technology absorption are not applicable to the Company as the Company does not undergo any manufacturing activity.

During the year under review the foreign exchange outgo was Rs. 302833.

11. LISTING:

The Company's shares are listed on The Bombay Stock Exchange Limited.

12. ACKNOWLEDGEMENTS:

The Board places on record their gratitude to the Central Government, State Governments and Company's Bankers for the assistance, co-operation and encouragement they extended to the Company.

For the continuing support unstinting efforts of Investor, Dealers, Business Associates and Employees in ensuring an excellent all around operational performance, your directors also wish to place on records their sincere thanks and appreciation.

Place: Mumbai
Date : 27-09-2010

By Order of Board of Directors
Sd/-
Managing Director

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CORPORATE GOVERNANCE REPORT

(PURSUANT TO CLAUSE 49 OF THE LISTING AGREEMENT)

Corporate Governance refers to a combination of laws, regulations, procedures, implicit rules and voluntary practices that enable Companies to attract financial and human capital, perform efficiently and thereby maximize long-term value for Shareholders, while respecting the aspect of multiple stakeholders. Corporate Governance strengthens investors' trust and ensures a long-term partnership that helps in fulfilling a Company's quest for higher growth and profits. It rests upon four pillars viz., transparency, full disclosure, independent monitoring and being fair to all, especially to minority Shareholders.

In sum, the essence of Corporate Governance is the phrase "Your Company". It is "Your" Company because it belongs to you, the Shareholders. The Directors are your fiduciaries and trustees. Their objective is to push the business forward to maximize "Your" Long-term value.

Your Board of Directors present the Corporate Governance Report for the year 2009-2010 based on the disclosure requirement under Clause 49 of the Listing Agreement with Stock Exchange existing as of 30th June, 2010, pertaining to Channel Guide India Limited.

1. COMPANY PHILOSOPHY ON CORPORATE GOVERNANCE :

The Company's philosophy on Corporate Governance is to practice transparency in its operations and maintain a professional approach, accountability and equity in its dealing with its employees, Shareholders, government, lenders and every individual who comes in contact with the Company. Corporate Governance is an integral part of all the activities and is respected not just in letter, but also importantly, in spirit.

The Company's Corporate Governance policies and practices focus on the following principles:

- To recognize the respective roles and responsibilities of Board and Management.
- To achieve the highest degree of transparency by maintaining a high degree of disclosure levels.
- To ensure and maintain high ethical standards.
- To give the highest importance to investor relations.
- To ensure a sound system of risk management and internal controls.
- To ensure that employees of the Company subscribe to the corporate values and apply them in their conduct.
- To ensure that the decision-making process is fair and transparent.
- To ensure that the Company follows globally recognized Corporate Governance practices.

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2. BOARD OF DIRECTORS :

The Board of directors must take upon themselves to improve the accountability by setting a “tone at the top”, honoring the responsibility that arises from the trust placed in them by the investors. The Board’s responsibilities are active, not passive inclusive of the responsibility of regularly evaluating the strategic direction of the Company, management policies and the effectiveness with which management implements them. The Board’s responsibilities also include overseeing the structure and composition of the Company’s top management and monitoring legal compliance.

➤ Composition of the Board:

The current policy is to have an appropriate mix of executive and independent directors to maintain the independence of the Board, and separate board functions of governance and management.

The Company’s Board consists of four members out of which two are Independent Directors. Except the Managing Director and Whole Time Director all other Directors are eligible to retire by rotation as per Section 256 and another applicable provisions, if any, of the Companies Act, 1956.

Name of Directors	Category	No. of Board Meetings attended	Attendance at last AGM
Rajendra Sharad Karnik	Managing Director	12	Present
Nitin Bhatkar	Whole Time Director	12	Present
Kunal Ranjan (Appointed on 30/ 06/2009)	Director	9	Present
Devendralal Thakur (Resigned on 15/06/2009)	Director	2	N.A.
Ajay Pawar (Appointed on 6/10/2010)	Director	NIL	N.A.

➤ Number of Board Meeting held during the year:

Twelve Board meeting were held during the Financial Year extended upto 30th June, 2010. viz., on 27th April, 2009, 8th June 2009, 1st July, 2009, 24th July, 2009, 29th October, 2009, 28th January, 2010, 25th March, 2010, 1st April, 2010, 19th April, 2010, 6th May, 2010 , 10th June, 2010, and 14th June, 2010.

➤ Board Agenda:

The Board Meetings are scheduled well in time and Board members are given a notice of at least seven days before the meeting date. The Board members are provided with well structured

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and comprehensive agenda papers. All major agenda items are backed by in-depth background information and analysis, wherever possible, to enable the Board to take appropriate and informed decisions.

1. AUDIT COMMITTEE:

➤ Terms of reference:

The Audit Committee is to oversee the Company's financial reporting process and disclosure of its financial information, to recommend the appointment of Statutory Auditors and fixation of their fees, to review and discuss with the Auditors about internal control systems, the scope of Audit including the observations of the Auditors, adequacy of the internal audit system, major accounting policies, practices and entries, compliances with accounting standards and Listing Agreement entered into with the Stock Exchanges and other legal requirements concerning financial statements and related party transactions, if any, to review the Company's Financial and Risk Management Policies and discuss with the Internal Auditors any significant findings for follow-up thereon, to review the Quarterly, Half yearly and Annual Financial Statements before they are submitted to the Board of Directors.

The Committee also meets the operating management personnel and reviews the operations, new initiatives and performance of the business units. Minutes of the Audit Committee Meetings are circulated to the Members of the Board, discussed and taken note of.

➤ Audit Committee has the following powers:

- To investigate any activity within its terms and reference.
- To seek any information from any employee.
- To obtain outside legal and professional advice.
- To secure attendance of outsider with relevant expertise, if necessary.

➤ Number of Audit Committee Meetings held during the year under review:

The Audit Committee Meeting were held five times during the year viz., on 15th June, 2009, 14th July, 2010, 15th October, 2009, 15th January, 2010 and 21st April, 2010

➤ Composition:

In terms of Section 292A of the Companies Act, 1956, the Company has set up an Audit Committee. The Audit Committee consists of following directors;

Sr. No.	Name of the Director	Category	Designation
1	Kunal Ranjan *	Independent	Chairman
2	Rajendra Karnik	Executive	Member
3	Devendralal Thakur (Resigned w.e.f 15/06/2009) **	Independent	Member
4.	Ajay Pawar (Appointed on 06/10/2010) **	Independent	Member

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4. SHAREHOLDER'S/ INVESTORS GRIEVANCE AND SHARE TRANSFER COMMITTEE:

The Shareholder / Investors Grievance and Share Transfer Committee consist of One Non Executive Independent director and two Executive Directors.

➤ Terms of reference:

Shareholders Grievance Committee specifically looks into redressing the investors' and Shareholders' complaints such as transfer of shares, non-receipt of shares, non receipt of declared dividend and to ensure expeditious share transfers. All applications for transfer/ transmission are initially verified and passed by M/s. Bigshare Services Private Limited who are the Registrar and Share Transfer (R&T) Agents of the Company's Shares and thereafter the statement of such transfers etc. is duly considered and approved by the Committee. The Committee had four meetings during the year.

5. REMUNERATION PAID TO DIRECTORS :

Name of the Director	Category	Salary and perquisites	Commission	Total
Rajendra Sharad Karnik	Managing Director	75000 p.m.	N.A.	75,000 p.m.
Nitin Nandkumar Bhatkar	Whole time Director	50,000 p.m.	N.A.	30,000 p.m.

6. GENERAL BODY OF MEETING:

➤ Details of Annual / Extra- Ordinary General Meetings held during the past THREE years:

YEAR	AGM/EGM	DATE	LOCATION	TIME
2009	AGM	17/08/2009	A-203, 2 nd floor, GreenVille, Lokhandwala Complex, Andheri (West), Mumbai-400 053.	4.00 p.m.
2009	EGM	16/03/2009	A-203, 2 nd floor, GreenVille, Lokhandwala Complex, Andheri (West), Mumbai-400 053.	4.30 p.m.
2008	AGM	20/07/2008	A-203, 2 nd floor, GreenVille, Lokhandwala Complex, Andheri (West), Mumbai-400 053.	10.30 a.m.
2007	AGM	20/09/2007	Bokadia Mension, 3 rd Floor, 229, Princess Street, Mumbai - 400 022.	10.30 a.m.

➤ Details of Special resolution(s) passed in Annual / Extra-ordinary General Meeting held during the past THREE years.

YEAR	AGM/EGM	DATE	SPECIAL RESOLUTION PASSED
2009	AGM	17/03/2009	➤ Regularization of Mr .Kunal Ranjan, Additional Director on the Board of the Company.

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YEAR	AGM/EGM	DATE	SPECIAL RESOLUTION PASSED
			<ul style="list-style-type: none"> ➤ Appointment of Mr. Rajendra Sharad Karnik as the Managing Director on the Board of the Company. ➤ Appointment of Mr. Nitin Bhatkar as the Whole Time Director on the Board of the Company. ➤ Change in the object Clause of the Company.
2009	EGM	16/03/2009	<ul style="list-style-type: none"> ➤ Increased in Authorized from Rs.3.5 Crores to Rs.7 Crores ➤ Issue Share Warrants on Preferential basis.
2006	AGM	29/09/2006	<ul style="list-style-type: none"> ➤ Authority to borrow in excess of paid up Capital & free reserve of the company from Rs.25 Crores to Rs. 50 Crores.

➤ **Postal Ballot:**

During the year under review, the members approved FIVE resolutions through POSTAL BALLOT, the result of which was declared by the Chairman of the Company on the 14th Day of June, 2010.

Mr. Jigarkumar Gandhi, Practicing Company Secretary was duly appointed as a scrutinizers to conduct the Postal Ballot process.

The Resolutions passed and approved through Postal ballot are specified as under:

1. Change of object clause passed through Special Resolution.
2. Change of auditor passed through an Ordinary Resolution
3. Increase in the Authorized Share Capital of the Company form Rs. 7 Crores to Rs. 11 Crores and Alteration of MOA with respect to same passed through an Ordinary Resolution.
4. Alteration of Articles of Association of the Company passed through a Special Resolution.
5. Issue of further shares by way of Qualified institutional placement passed through Special Resolution

Sr.No	Particulars	Resolution 1		Resolution 2		Resolution 3		Resolution 4		Resolution 5	
		No.of Postal Ballot	No.of shares	No.of Postal Ballot	No.of shares	No.of Postal Ballot	No.of shares	No.of Postal Ballot	No.of shares	No.of Postal Ballot	No.of shares
1	Postal Ballot Forms Received	78	815688	78	815688	78	815688	78	815688	78	815688
2	Less: Invalid Postal Ballot Form	14	10210	15	10240	15	10240	15	10240	15	10240

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Sr.No	Particulars	Resolution 1		Resolution 2		Resolution 3		Resolution 4		Resolution 5	
		No.of Postal Ballot	No.of shares	No.of Postal Ballot	No.of shares	No.of Postal Ballot	No.of shares	No.of Postal Ballot	No.of shares	No.of Postal Ballot	No.of shares
3	Net Invalid Postal Ballot form which:	64	805478	63	805448	63	805448	63	805448	63	805448
A	Postal Ballot form with assent for the Resolution	56	803978	56	804198	54	797948	53	795998	54	796198
	% of Assent		99.81		99.84		99.07		98.83		98.85
B	Postal Ballot form with Dissent for the Resolution	8	1500	7	1250	9	7500	10	9450	9	9250
	% of Dissent		0.19		0.16		0.93		1.17		1.15

7. CODE OF CONDUCT:

- The Company's code of Conduct, as adopted by the Board of Directors, is applicable to all the Directors, Senior Management and Employees of the Company.
- The Code is derived from three essential and basic principles, which form the ingredient of a growing company viz. Good Corporate Governance, Good Corporate Citizenship and Good Ethics.

8. INSIDER TRADING:

With SEBI imposing the responsibility of "Prohibition of Insider Trading" on the Organization, the Board has designed a Code of Conduct strictly in accordance with the Model Code of Conduct prescribed by SEBI. The Code, besides other relevant matters, prohibits as insider from dealing in the shares of the company, while in possession of the unpublished price sensitive information in relation to the Company.

9. DISCLOSURE:

- Disclosure on materially significant related party transactions.
During the year, there were no transactions of material nature of the Company with the Promoters, Directors, Management, their relatives, or subsidiaries of the Company etc. that had potential conflict with the interest of the Company at large.
- Details of non-compliance with regard to capital market :
There were no instances of non-compliances by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authority on any matter related to the capital markets.
- Details of Whistle Blower Policy:
Though the Company does not have a Whistle Blowing Policy in place, the Company encourages the employees to freely their views on various issues faced by them and the

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HR head follow up the same for necessary resolution of it. The employees have accesses to the Audit Committee.

➤ **Clause 49 of the Listing Agreement:**

All the Mandatory items of the clause 49 have been complied with and covered in this report.

10. **MEANS OF COMMUNICATION:**

The Company publishes its quarterly, half yearly financial results in national and regional newspapers.

11. **GENERAL SHAREHOLDER INFORMATION:**

➤ **Annual General Meeting:**

Date : 16th November, 2010

Venue : Registered Office situated at A/203, 2nd Floor, Greenville, Lokhandwala Complex, Andheri (West). Mumbai- 400 053.

➤ **Book closure :**

Register of Member & share Transfer Book will remain closed from the 12th Day of November, 2010 to the 15th Day of November, 2010 (both days inclusive).

➤ **Financial Calendar :**

Financial Reporting for the year under review	Month of Reporting (Tentative)
Unaudited Financial Result for the Quarter ending 30th June, 2010.	28 th July, 2010
Unaudited Financial Result for the Quarter ending 30th September, 2010.	10 th November, 2010
Unaudited Financial Result for the Quarter ending 31st December, 2010.	10 th February, 2010
Unaudited Financial Result for the Quarter ending 31st March, 2011.	10 th May, 2011

- **Listing on Stock Exchanges** : Bombay Stock Exchange Limited,
P.J.Towers, Dalal Street, Mumbai- 400 001.

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➤ **Stock code:**

SCRIP CODE : 531337
ISIN : INE974C01022

➤ **Market Information :**

Monthly wise high and low price of the Company's shares at Bombay Stock Exchange Limited (BSE) during the year 2009-2010.

Month	Bombay Stock Exchange Limited	
	High(Rs.)	Low(Rs.)
April, 2009	19.13	14.00
May, 2009	20.60	13.00
June, 2009	34.45	19.00
July, 2009	33.50	28.50
Aug, 2009	69.75	32.65
Sept, 2009	96.00	64.25
Oct, 2009	96.00	82.10
Nov, 2009	123.50	77.15
Dec, 2009	73.30	26.65
Jan, 2010	25.35	17.15
Feb, 2010	18.50	11.75
Mar, 2010	16.50	11.55
Apr, 2010	19.00	11.80
May, 2010	16.75	11.35
June, 2010	18.90	14.60

➤ **Distribution of the Shareholding as on 30th June, 2010:**

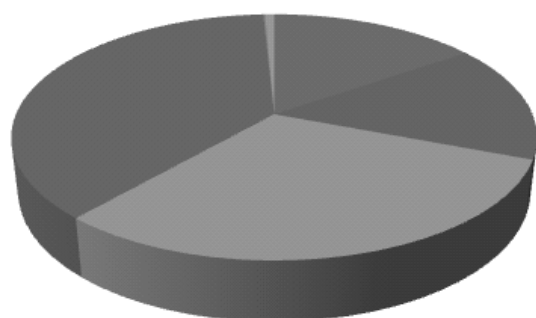
Shareholding of Nominal value of Rs.	No of shareholders	% of Holding
Up to 5000	3155	82.92
5001-10000	289	7.60
10001-20000	147	3.86
20001-30000	69	1.81
30001-40000	28	0.74
40001-50000	17	0.45
50001-100000	46	1.21
100001 & Above	54	1.42
TOTAL	3805	100

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► Shareholding Pattern as on 30th June, 2010 :

Category	No. of Shares Held	% of Shareholdings
(A) Promoter & Promoter Group		
(1) Indian		
(a) Individuals /HUF	13,93,187	15.32
Sub Total (A)(1)	13,93,187	15.32
(2) Foreign		
Sub Total (A) (2)	00	00
Total shareholding of Prom. & Prom. Grp.(A)=(A) (1) + (A) (2)	13,93,187	15.32
(B) Public Shareholding		
(1) Institutions		
Sub Total (B)(1)	00	00
(2) Non-Institutions		
(a) Bodies Corporate	14,09,622	15.50
Individuals		
(b) (i) Individual holding nominal share capital < Rs1Lacs	27,86,493	30.64
(ii) Individual holding nominal share capital > Rs1Lacs	34,31,808	37.74
(c) Any other (specify)	72,556	0.80
Clearing Members	12,385	0.14
Non-Resident Indians	60,171	0.66
Total Public Shareholding (B)(2)	77,00,479	84.68
Total Public shareholding (B)=(B)(1)=(B)(2)	77,00,479	84.68
TOTAL (A+B)	90,93,666	100.00
(C) Shares held by Custodians and against which Depository Receipts have been issued	00	00
TOTAL (A+B+C)	90,93,666	100.00

% of Shareholding



- Promoter- Individual Shareholding
- Individuals- Bodies Corporate
- Individual holding below Rs. 1 Lac
- Individual holding above Rs. 1 Lac
- Clearing members
- Non-Resident Indians

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➤ **Registrars:**

Bigshare Services Private Limited,
E -2/3, ANSA industrial Estate,
Sakivihar Road,
Saki Naka, Andheri (East).
Mumbai - 400 072.
E- Mail : ashok@biashareonline.com

Bigshare Services Private Limited., are acting as Registrar & Transfer Agents (RTA) for handling the shares related matters both in physical as well as dematerialized mode. All works relating to Equity Shares are being done by them. The Shareholders are therefore, advised to send all their correspondence to the RTA.

However, for the convenience of Shareholders, documents relating to shares received by the Company are forwarded to the RTA for necessary action thereon

➤ **Share Transfer System:**

Securities lodged for transfer at the Registrar's office are normally processed within 30 days from the date of lodgment, if the documents are proper in all respect. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15/21 days. Any queries in respect of share transfer and transmission are dealt with by the Shareholder's Grievances Committee.

➤ **Dematerialization & Liquidity:**

TYPES OF HOLDING	PERCENTAGE TO SHARE CAPITAL
PHYSICAL	3734616
NSDL	2208161
CDSL	3150889
TOTAL	9093666

In Terms of notification issued by SEBI, trading in the Equity Shares of the Company is permitted only Dematerialized form w. e. f 5th July, 2002.

➤ **Address for Correspondence:**

Shareholding Related Queries
Bigshare Services Private Limited,
E -2/3, ANSA industrial Estate,
Sakivihar Road, Saki Naka,
Andheri (East). Mumbai - 400 072.

➤ **General Correspondence:**

Mr. Nitin N. Bhatkar
Channel Guide India Limited
A-203, 2nd floor, Green Ville,
Lokhandwala complex,
Andheri (West), Mumbai-400 053.

CHANNEL GUIDE INDIA LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

SUMMARY OF BUSINESS:

We are broadcasting and entertainment company focused on the lucrative non-resident / people of Indian origin / South Asian population (collectively the “diaspora”) living in USA and Canada.

CGIL has been in business of broadcasting and media since 2005.

Since April 2009, the Company has launched “Punjabi TV “- the world’s only Punjabi language general entertainment channel (“GEC”) – in USA. The channel currently has over 16,000 subscribers and is part of the Punjabi subscription package along with Zee Punjabi, Jus Punjabi, and MH1, on Dish Network / EchoStar. CGIL is also in advanced discussions with AT& T, Verizon and NuLion to launch the channel on their distribution systems . Canada launch is scheduled for mid-June and it is a part of ATN Platform ; first on Bell , followed by Shaw Cable. Advanced stage discussions are ongoing with Rogers. The company expects to cross the 50,000 – subscriber mark in USA and Canada, and generate \$ 150,000 per month revenue , by the end of FY 2010-11.

INDUSTRY OUTLOOK:

The media industry is among the highest growth rate industry and international audience for media products form back home have gathered considerable momentum in past and the trend is continuing.

Back in India also the story is the same where many new channels with niche contents are in offerings to cater the ever increasing demand of the viewer in the terms of content and choice.

The South Asian “diaspora” is spread across the length and breadth of the world and is of relevance in most countries both financially and culturally. In the UK and the US, South Asians form one of the most respected and professionally accomplished communities. In other parts of the world like Africa and Hong Kong, they are among the wealthiest sections of society.

South Asians have a strong sense of attachment with their roots and origins. This manifests itself through art, music, theatre and dance. Asians in the UK are very traditional and have maintained strong ethnic values because of their religious and cultural heritage. They also have a very strong community and sense of familial togetherness. Movies, songs, festivals and fairs are an integral part of entertainment and social gathering in day to day life.

Channel Guide has always endeavored to network Indians worldwide and bind them by the values of culture. Hand in hand, Channel Guide has provided them with the best entertainment.

CHANNEL GUIDE INDIA LIMITED

OUR STRENGTH :

- ❖ Entrepreneur led, professionally managed and experienced management team
- ❖ The World's only Punjabi language general entertainment channel ("GEC") in US & Canada.
- ❖ Cost conscious approach towards business.

WEAKNESSES:

- ◆ Operates in a capital intensive industry
- ◆ Fast Changing Technology
- ◆ Limited Outreach

OUR STRATEGY:

- * Inspire Creativity
- * Continue to run our business as best in class, with viewer satisfaction as the ultimate goal.
- * Enhance our leadership position in the genres we compete.
- * Continuous innovation to stay ahead of the curve and seize growth opportunities.
- * Invest in the business in a focused, disciplined way and achieve superior financial performance
- * To use the strong cash flows of our business to improve returns to shareholders.
- * Reaffirm our commitment to highest level of integrity and professionalism throughout our business.

INTERNAL CONTROLS:

The company has well defined organizational structure and pre-determined authority levels and system of internal control for maximum utilization of its resources and safeguarding the same from misuse. The company has a budgetary control system for film production and an Internal audit system supplements the same.

The Company's Audit Committee and Board of Directors consist of qualified and experienced professionals; meet regularly to review the operations and adequacies of internal controls.

RISKS MANAGEMENT:

The Company believes that it has robust and "fit for purpose" risk management processes in place. The process of continuous evolution of risk identification includes taking stock of the risk landscape.

CHANNEL GUIDE INDIA LIMITED

Risks are categorized as :

- Strategic
- Operational
- Financial and
- Compliance related risks

HUMAN RESOURCES:

The growth and sustained leadership of the company is largely a function of the competence and quality of its human resource. The company has always aimed to create a workplace where every person can achieve his optimum potential. The company has a performance-rewarding culture throughout, enabling it to create leaders out of its own employees. The company has also undertaken various training and development initiatives to hone the skills and expertise of its people.

CAUTIONARY STATEMENT:

Statement in the Management Discussion and Analysis, describing the Company's objectives, projections and estimates may be forward –looking statements within the meaning of applicable securities laws and regulations. Actual results may vary from those expressed or implied, depending upon economic conditions, Government policies and other incidental / related factors.

CHANNEL GUIDE INDIA LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

TO
THE MEMBERS OF
CHANNEL GUIDE INDIA LIMITED

WE HAVE EXAMINED THE COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE by Channel Guide India Limited for the year extended upto 30th June, 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of the procedures and implementations thereof adopted by the Company for ensuring the compliance with the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion of the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

As required by the Guidance Note issued by the Institute of Chartered Accountants of India we have to state that based on the report given by the Registrar of the Company to the Grievance Committee as on 30th June, 2010, there were no Investor Grievance Matters against the Company remaining unattended/ pending for more than 30 days.

We further state 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.

For V.A.AMBEKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

V.A. AMBEKAR
Proprietor
Membership No. 040838

Place: Mumbai
Dated: 27-09-2010

CHANNEL GUIDE INDIA LIMITED

MANAGING DIRECTORS CERTIFICATION

I, Mr. Rajendra Sharad Karnik, Managing Director of the Company hereby certify that:

- a. I have reviewed the financial statements and Cash flow statement for the year ended 30th June, 2010 and to the best of my knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contains statements that might be misleading;
 - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b. To the best of my knowledge and belief, no transactions entered into by the Company during the year ended 30th June, 2010 are fraudulent, illegal or violative of the Company's code of conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financing reporting and I have evaluated the effectiveness of internal control system of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which I am aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies;
- d.
 - i) There has not been any significant change in internal control over financial reporting during the year under reference;
 - ii) There has not been any significant change in Accounting policies during the year; and
 - iii) Instances of significant fraud, if any of which we have become aware, and involvement therein, if any, of the management or an employee having a significant role in Companies internal control system over financial reporting shall be disclosed.

For Channel Guide India Limited

Place: Mumbai
Date : 27-09-2010

Sd/-
Managing Director

CHANNEL GUIDE INDIA LIMITED

AUDITOR'S REPORT

To
The Members of
CHANNEL GUIDE INDIA LIMITED,

We have audited the attached Balance Sheet of **CHANNEL GUIDE INDIA LIMITED** as at 30 June, 2010, the Profit & Loss Account and also 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.

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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report that:

- (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (ii) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- (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 Cash 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 to the extent applicable *other than Accounting Standard 15 regarding employee benefits which has been modified, Accounting Standard 21 regarding presentation of consolidated financial statements and which have not been fully adhered to;*

CHANNEL GUIDE INDIA LIMITED

- (v) In our opinion, and on the basis of the records of the company made available to us and further information and explanation given to us, none of the directors is disqualified as on 30 June, 2010, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the cess payable by the company under section 441A of the Companies Act, 1956 has not been determined by the company in absence of notification of Rules to be made by the Central Government in this behalf for implementation thereof;
- (vii) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read together with the Significant Accounting Policies and Notes thereon and *subject to note no. 2 given in the Notes to Accounts regarding the quality of sundry debtors and the non-expensing of a sum of Rs. 41,91,715 and note no.7 regarding application of VAT on sales*, 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:
- (i) In the case of the Balance Sheet, of the state of affairs of the company as at 30 June,2010;
- (ii) In the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (iii) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For V.A.AMBEKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

V.A. AMBEKAR
Proprietor
Membership No. 040838

Place: Mumbai
Dated: 27-09-2010

CHANNEL GUIDE INDIA LIMITED

ANNEXURE REFERRED TO IN OUR AUDIT REPORT OF EVEN DATE ON THE ACCOUNTS OF CHANNEL GUIDE INDIA LIMITED FOR THE YEAR ENDED 30 JUNE, 2010

On the basis of such checks as we considered appropriate and in terms of the information and explanations given to us, we state that:-

- (i) (a) The company has *not* maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, all the assets have *not* been physically verified by the management during the year while some assets have been so verified. Material discrepancies which were noticed on verification have been properly dealt with in the books of accounts. However, no documents or reports in the matter were made available for our verification.
- (ii) As explained to us, the company holds no inventories. As such, the provisions of clause 4 (ii) (a), (b) and (c) of the Companies (Auditor's Report) Order, 2003, as amended, are not applicable.
- (iii) (a) An amount of Rs.46,97,365 is shown as unsecured loans granted by company to its subsidiary company viz. Channel Guide (UK) Ltd. as on 30 June 2010. There are no stipulations as regard to payment of interest and principal since as explained to us by the company these are the expenses incurred on behalf of its subsidiary floated for conducting business in UK and hence is not prima facie prejudicial to the interest of the company. The financial statements viz. Balance Sheet and Profit and Loss Account of the said subsidiary company for the period under audit were not produced before us. Also the said amount has not been confirmed by the said subsidiary company.
- (b) An amount of Rs.45,39,903 is shown as unsecured loans granted by the company to its sister concern viz. Radiance Network Private Ltd.. There are no stipulations with respect to interest and repayments of these loans as these are in the nature of current accounts and are not prima facie prejudicial to the interest of the company.
- (c) The company has taken unsecured loans from the companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. The balance repayable as on 30 June 2010 to these parties is Rs. 2,06,43,000 and there are no stipulations with respect to interest and repayments of these loans as these are in the nature of current accounts and are not prima facie prejudicial to the interest of the company.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of fixed assets and with regard to the sale of services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.

CHANNEL GUIDE INDIA LIMITED

- (v) (a) According to the information and explanations given to us, we are unable to form an opinion that the particulars of contracts or arrangements referred to in section 301 of the Companies Act, 1956 for the year ended 30th June 2010 that need to be entered into the register maintained under that section have been so entered as the said register has not been made available to us for our inspection.
- (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements required to be entered in the register maintained under section 301 of the Companies Act, 1956 and exceeding the value of rupees five lacs in respect of any party during the financial 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 information and explanations given to us, the company has not accepted any deposits during the year other than in the form of a current account from its director and an associate company. No order, in this behalf, has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal.
- (vii) In our opinion, the company does *not* have an internal audit system commensurate with the size and nature of its business and no internal audit as such has been conducted.
- (viii) In our opinion, maintenance of cost records under section 209 (1) (d) of the Companies Act, 1956 has not been prescribed by the Central Government for the services rendered by the company and hence the provisions of clause 4 (viii) of the Companies (Auditor's Report) Order, 2003, as amended, are not applicable.
- (ix) (a) The company is generally *not* regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, there are no overdue arrears of statutory dues for a period of more than six months from the date they became payable as at the last date of the financial year covered by our audit except the following undisputed dues:

Nature of Dues	Amount (Rs.)
Profession Tax	26800
Income Tax Deducted at Source	687330
FBT	2990
Service Tax	374212

CHANNEL GUIDE INDIA LIMITED

- (b) According to the information and explanations given to us, there are no dues of Sales tax, Income tax, Customs duty, Wealth tax, Service tax, Excise duty, and cess, which have not been deposited on account of any dispute as at 30 June, 2010 and pending for a period of more than six months from the date they became payable.
- (x) In our opinion, the accumulated losses of the company are less than fifty percent of its net worth. The company has not incurred cash losses during the financial year covered by our audit but had incurred cash losses in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company *has defaulted* in repayment of dues to a bank. However, we are unable to ascertain the period and extent of default due to absence of relevant data with the company.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion the company is not a chit fund or a nidhi mutual benefit fund/society. As such the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 as amended are not applicable.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments. As such the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 as amended are not applicable.
- (xv) According to the information and explanations given to us the company has not given any guarantees for loans taken by others from banks or financial institutions.
- (xvi) In our opinion and according to the information and explanations given to us, the company has not raised any term loans during the financial year covered by our audit.
- (xvii) According to the information and explanations given to us and based 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) According to the information and explanations given to us, the company has issued 30,93,666 shares of Rs.5 each at a premium of Rs.5 per share by conversion of warrants into shares during the period under audit. The said warrants were issued earlier by company on preferential basis. In our opinion, the price at which the shares have been issued is not prejudicial to the interest of the company;
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the company has not issued any debentures.

CHANNEL GUIDE INDIA LIMITED

- (xx) In our opinion the company has not raised monies by public issues during the year covered by our audit.
- (xxi) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For V.A.AMBEKAR & ASSOCIATES
CHARTERED ACCOUNTANTS

V.A. AMBEKAR
Proprietor
Membership No. 040838

Place: Mumbai
Dated: 27-09-2010

CHANNEL GUIDE INDIA LIMITED

BALANCE SHEET AS AT 30TH JUNE 2010

PARTICULARS	SCHEDULE	AS AT 30.06.2010 Rupees	AS AT 31.03.2009 Rupees
SOURCES OF FUNDS			
SHARE HOLDERS' FUNDS			
Share Capital	1	45,468,330	30,000,000
Reserve & Surplus		15,468,330	
Share Warrants Application Money		21,268,340	11,905,000
Secured Loans	2	2,651,155	4,456,011
Unsecured loans	3	15,503,097	24,527,470
		100,359,252	70,888,481
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	4	63,199,305	42,560,538
Less : Depreciation		24,178,637	18,997,729
NET BLOCK		39,020,668	23,562,809
Capital Work In Progress		-	3,807,766
INVESTMENTS			
	5	20,000	20,000
DEFERRED TAX ASSET			
		1,007,113	1,007,113
CURRENT ASSETS, LOANS AND ADVANCES			
Current Assets			
Sundry Debtors	6	171,156,749	32,713,529
Cash & Bank Balances		2,418,838	5,059,164
LOANS AND ADVANCES			
	7	19,469,100	16,253,075
		193,044,687	54,025,768
CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	8	141,426,937	20,955,123
Provisions	9	99,048	147,317
		141,525,985	21,102,440
NET CURRENT ASSETS			
		51,518,702	32,923,328
MISCELLANEOUS EXPENDITURE & LOSSES (To the extent not written off or adjusted)			
Profit & Loss Account		8,792,769	9,567,465
		100,359,252	67,080,715

Significant Accounting Policies & Notes To Accounts

13

Schedules 1 to 13 annexed hereto form an integral part of the Accounts

As per our report of even date
For V.A.Ambekar & Associates
CHARTERED ACCOUNTANTS

For CHANNEL GUIDE INDIA LIMITED

Vivek A. Ambekar
Proprietor
Membership No. 040838
PLACE : MUMBAI
DATE : 27.09.2010

Rajendra S. Karnik
Managing Director

Nitin N. Bhatkar
Director

PLACE : MUMBAI
DATE : 27-09-2010

CHANNEL GUIDE INDIA LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 2010

PARTICULARS	SCHEDULE	AS AT 30.06.2010 Rupees	AS AT 31.03.2009 Rupees
INCOME			
Sales, Services and Subscription		17,979,918	15,756,834
Sales		187,828,500	-
Studio Hire Charges		-	75,000
Other Income	10	6,417,829	4,136,961
		212,226,247	19,968,795
EXPENDITURE			
Administrative Expenses	11	10,532,440	15,174,289
Selling & Distribution Expenses	12	18,022,593	3,400,933
Purchase		171,180,500	-
Financial Charges		649,582	1,218,234
Loss of sale/Discard/Disposal of Fixed Assets		-	420,800
		200,385,115	20,214,256
Profit/(Loss) before Prior Period Adjustments		11,841,132	(245,461)
Depreciation/Amortisation		11,063,908	5,403,907
Prior Period Adjustments		2,528	38,756
Net Profit before Tax		774,696	(5,688,124)
Current Tax		-	-
Fringe Benefit Tax		-	75,212
Excess Provision for A.Y. 07-08 Reversed		-	-
Net Profit after Tax		774,696	(5,763,336)
		774,696	(5,763,336)
Balance as per Last Balance Sheet		(9,567,465)	(3,804,129)
		-	-
Balance carried to Balance Sheet		(8,792,769)	(9,567,465)
		(8,792,769)	(9,567,465)
Earning per share (Basic)		0.09	(0.96)
Earning per share (Diluted)		0.09	(0.96)
Number of Equity shares (Basic)		9,093,666	60,00,000
Number of Equity shares (Diluted)		9,093,666	60,00,000

Significant Accounting Policies & Notes To Accounts

13

Schedules 1 to 13 annexed hereto form an integral part of the Accounts

As per our report of even date
For **V.A.Ambekar & Associates**
CHARTERED ACCOUNTANTS

For CHANNEL GUIDE INDIA LIMITED

Vivek A. Ambekar
Proprietor
Membership No. 040838
PLACE : MUMBAI
DATE : 27.09.2010

Rajendra S. Karnik
Managing Director

Nitin N. Bhatkar
Director

PLACE : MUMBAI
DATE : 27-09-2010

CHANNEL GUIDE INDIA LIMITED

SCHEDULES FORMING PART OF BALANCE SHEET AS ON 30TH JUNE 2010

	AS AT 30/06/2010 RUPEES	AS AT 31/03/2009 RUPEES
SCHEDULE 1 : SHARE CAPITAL		
AUTHORISED:		
1,40,00,000 (70,00,000) Equity shares of Rs. 5/- each	70,000,000	70,000,000
ISSUED, SUBSCRIBED & PAID UP:		
90,93,666 (60,00,000) Equity shares of Rs. 5/- each	45,468,330	30,000,000
Fully paid	45,468,330	30,000,000
Reverse & Surplus		
Premium received on Conversion of Warrents to Equity Capital @ 5/-Premium	15,468,330	-
	15,468,330	-
SCHEDULE 2 : SECURED LOANS		
Canara Bank - Term Loan (Hypothecation of Plant & Machinery, Equipments & Other systems)	2,651,412	4,455,431
Canara Bank - Cash Credit (Hypothecation of Book Debts & Stock, Further collaterally secured by mortgage of Cooper bldg. & personal guarantee of two erstwhile Directors)	(257)	580
	2,651,155	4,456,011
SCHEDULE 3 : UNSECURED LOANS		
From Associates	(5,139,903)	1,690,470
From Directors	20,643,000	22,837,000
	15,503,097	24,527,470

CHANNEL GUIDE INDIA LIMITED

(In Rupees)

SCHEDULE 4 : FIXED ASSETS

Particulars	GROSS BLOCK			DEPRECIATION				NET BLOCK	
	Cost As On 01.04.2008	Additions During the Year	Deduction During the Year	Cost As on 31.03.2009	Upto 1.4.08	For The Year	Deductions During the Year	As On 31.03.2009	As On 31.03.2008
1) INTANGIBLE ASSETS	5,883,000	16,567,820	-	22,450,820	4,792,974	3,851,329	-	13,806,517	1,090,026
FILM RIGHTS	5,883,000	-	-	5,883,000	4,792,974	1,090,026	-	5,883,000	1,090,026
TV SERIALS		16,567,820		16,567,820	-	2,761,303		13,806,517	
3,451,629									
9,100,436									
2) TANGIBLE ASSETS									
PLANT & MACHINERY	22,416,240	429,475	2,735,997	20,109,718	11,232,580	1,552,578	2,431,732	9,756,292	11,183,661
COMPUTER	2,576,582	-	2,576,582	-	2,306,677	-	2,306,677	-	269,905
TELEPHONE	115,615	-	115,615	-	100,339	-	100,339	-	15,276
PLAYOUT EQUIPMENTS	5,462,000	-	-	5,462,000	2,430,356	421,702	-	2,852,058	3,031,644
PLAYOUT & STUDIO EQUIPMENTS	3,525,279	-	-	3,525,279	1,555,590	273,984	-	1,829,574	1,969,689
TELEVISION	43,800	-	43,800	-	24,716	-	24,716	-	19,084
EDITING SYSTEMS	1,224,548	-	-	1,224,548	754,193	65,427	-	819,620	470,356
TAPE LESS SERVER	4,300,000	-	-	4,300,000	1,913,316	331,988	-	2,245,304	2,386,684
SATELLITE SERVER	365,745	-	-	365,745	158,387	28,843	-	187,230	207,358
ENCRYPTION SYSTEM	4,802,671	-	-	4,802,671	1,989,006	391,381	-	2,380,387	2,813,665
AIR CONDITIONER	-	49,475	-	49,475	-	4,014	-	4,014	-
FCP MACHINE	-	380,000	-	380,000	-	35,239	-	35,239	-
FURNITURE & FIXTURES	1,094,670		1,094,670		978,136		978,136		116,534
TOTAL	29,393,910	16,997,295	3,830,667	42,560,538	17,003,690	5,403,907	3,409,868	18,997,729	12,390,221
PREVIOUS YEAR	37,610,250	450,000	8,666,340	29,393,910	17,834,630	3,266,992	4,097,933	12,390,221	19,775,620

CHANNEL GUIDE INDIA LIMITED

(In Rupees)

SCHEDULE 4 : FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK			
	Cost As On 01.04.2008 01.04.2009	Additions During the Year	Deduction During the Year	Cost As on 31.03.2009 31.03.2010	Upto 1.4.08 1.4.09	For The Year	Deductions During the Year	As On 31.03.2009 31.03.2010	As On 31.03.2009 31.03.2010	As On 31.03.2008 31.03.2009	As On 31.03.2009 31.03.2010	
	1) INTANGIBLE ASSETS	16,567,820	26,388,167	-	42,955,987	2,761,303	9,698,019	-	12,459,322	30,496,665	13,806,517	-
FILM RIGHTS	-	860,343	-	860,343	-	284,569	-	284,569	575,774	-	-	
T V SERIALS	16,567,820	24,527,824	-	41,095,644	2,761,303	9,100,436	-	11,861,739	29,233,905	13,806,517	-	
Channel Launch Show	-	1,000,000	-	1,000,000	-	313,014	-	313,014	686,986	-	-	
2) TANGIBLE ASSETS												
PLANT & MACHINERY	20,109,718	133,600	-	20,243,318	10,353,426	1,365,889	-	11,719,315	8,524,003	9,756,292	-	
COMPUTER	-	133,600	-	133,600	-	8,789	-	8,789	124,811	-	-	
TELEPHONE	-	-	-	-	-	-	-	-	-	-	-	
PLAYOUT EQUIPMENTS	5,462,000	-	-	5,462,000	2,852,058	363,043	-	3,215,101	2,246,899	2,609,942	-	
PLAYOUT & STUDIO EQUIPMENTS	3,525,279	-	-	3,525,279	1,829,574	235,873	-	2,065,447	1,459,832	1,695,705	-	
TELEVISION	-	-	-	-	-	-	-	-	-	-	-	
EDITING SYSTEMS	1,224,548	-	-	1,224,548	819,620	56,325	-	875,945	348,603	404,928	-	
TAPE LESS SERVER	4,300,000	-	-	4,300,000	2,245,304	285,808	-	2,531,112	1,768,888	2,054,696	-	
SATELLITE SERVER	365,745	-	-	365,745	187,230	24,831	-	212,061	153,684	178,515	-	
ENCRYPTION SYSTEM	4,802,671	-	-	4,802,671	2,380,387	336,940	-	2,717,327	2,085,344	2,422,284	-	
AIR CONDITIONER	49,475	-	-	49,475	4,014	6,324	-	10,338	39,137	45,461	-	
FCP MACHINE-Taken Back By Mapple	380,000	-	-	380,000	35,239	47,956	-	83,195	296,805	344,761	-	
FURNITURE & FIXTURES	-	-	-	-	-	-	-	-	-	-	-	
TOTAL	36,677,538	26,521,767	-	63,199,305	13,114,729	11,063,908	-	24,178,637	39,020,668	23,562,809	-	
PREVIOUS YEAR	37,610,250	450,000	8,666,340	29,393,910	17,834,630	3,266,992	4,097,933	17,003,689	12,390,221	19,775,620	-	

CHANNEL GUIDE INDIA LIMITED

	For the year Ended 30/06/2010 RUPEES	For the year Ended 31/03/2009 RUPEES
SCHEDULE 5 : INVESTMENTS (FULLY PAID, AT COST) UNQUOTED		
2000 Equity Shares Of Rs.10/- each of Mandvi Co-op. Bank Ltd.	20,000	20,000
TOTAL	20,000	20,000
SCHEDULE 6 : CURRENT ASSETS SUNDRY DEBTORS		
Unsecured and Considered Good	96,708,982	29,479,359
Outstanding for more than Six Months	74,447,768	3,234,170
Others	171,156,749	32,713,529
Cash & Bank Balances		
Cash on Hand	3,371,928	553,744
Balance with Scheduled Banks on - Current Account	(953,090)	4,505,420
	2,418,838	5,059,164
SCHEDULE 7 : LOANS & ADVANCES		
Advances recoverable in Cash or in Kind	10,052,032	14,677,927
Advance Tax & Tax Deducted at Source	2,721,976	573,116
Deposits	3,714,296	342,530
TDS A.Y- 2009-10	9,297	9,297
VAT	32,089	-
Service Tax Credit	2,939,408	650,205
	19,469,100	16,253,075
SCHEDULE 8 : CURRENT LIABILITIES		
Sundry Creditors		
For Expenses	138,328,616	17,845,476
Statutory Liabilities		
Profession Tax	32,145	27,055
TDS	832,385	1,230,136
Service Tax	2,233,791	1,852,456
	141,426,937	20,955,123
SCHEDULE 9 : PROVISIONS		
Provision for FBT (A:Y 08-09)	7,778	7,778
Provision for FBT (A:Y 09-10)	(4,788)	75,212
Provision for Gratuity	96,058	64,327
	99,048	147,317

CHANNEL GUIDE INDIA LIMITED

SCHEDULES FORMING PART OF PROFIT & LOSS ACCOUNT FOR YEAR ENDED 30 TH JUNE 2010

	For the year Ended 30/06/2010 RUPEES	For the year Ended 31/03/2009 RUPEES
SCHEDULE 10 : OTHER INCOME		
Commission	189,000	4,000,000
Dividend	-	4,000
Foreign Exchange Adjustments	(210,000)	79,189
Miscellaneous Income	119,160	-
Sundry Creditors W/back	6,319,669	53,772
	6,417,829	4,136,961
SCHEDULE 11: ADMINISTRATIVE EXPENSES		
Audit Fees	200,000	175,000
Bank Charges	69,220	17,347
Commission Charges	27,560	509,682
Conveyance Expenses	164,584	55,904
Directors Remuneration	450,000	330,000
Electricity Expenses	723,783	876,139
Gratuity	31,731	64,327
Internet Expenses	202,911	67,462
Legal & Professional fees	896,020	230,151
Listing Fees & Filing Fees	420,379	151,101
Miscellaneous Expenditure	15,000	9,910
Music License Fee	-	595,000
NOCC Charges	-	233,333
Office Expenses	250,325	231,471
Office Rent	1,746,520	779,560
Postage & Courier	193,581	109,688
Printing & Stationery	231,277	210,714
Professional Charges	1,405,956	6,343,580
Repair & Maintenance	640,426	331,410
Insurance	36,399	-
Salaries & Wages	2,018,788	2,224,969
Security Charges	139,465	501,863
Staff Welfare Expenses	72,314	57,107
Subscription / Registration Charges	47,415	5,000
Sundry Debtors Written Off	-	-
Telephone Expenses	108,952	252,294
Travelling Expenses	397,084	595,277
Preliminary Expenses W/ Off	42,750	-
Web Designing Charges	-	75,000
WPC Charges	-	141,000
	10,532,440	15,174,289

CHANNEL GUIDE INDIA LIMITED

	For the year Ended 30/06/2010 RUPEES	For the year Ended 31/03/2009 RUPEES
SCHEDULE 12: SELLING & DISTRIBUTION EXPENSES		
Business Promotion Expenses	51,720	24,336
Channel Launch Expenses	1,243,939	1,906,559
Marketing & Distribution Expenses	4,154,905	1,166,666
Fiber-PTP Fiber Connect Charges	6,412,500	-
Uplinking, Payout & Space Segement Charges	5,985,915	-
Public Relation Activity	173,614	303,372
	18,022,593	3,400,933

CHANNEL GUIDE INDIA LIMITED

SCHEDULE: 13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF THE BALANCE SHEET AS AT 30 JUNE 2010 & PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 2010

SIGNIFICANT ACCOUNTING POLICIES

A) Basis of Preparation of Financial Statements

- a) The financial statements have been prepared under the historical cost convention in accordance with accounting principles generally accepted in India and are in line with the provisions of the Companies Act, 1956 as well as the applicable Accounting Standards and guidelines issued by the Institute of Chartered Accountants of India from time to time.
- b) Method of accounting employed by the firm is on accrual basis both as to expenditure and income by following the concept of materiality.
- c) The financial statements have been prepared for the period of 15 months i.e. from 1-4-2009 to 30-6-2010.

B) Fixed Assets

- a) **Intangible Assets:** Intangible assets comprise of cost of television serials produced and film rights purchased.
- b) **Tangible Fixed Assets:** Fixed assets are stated at historical cost less accumulated depreciation. Cost means cost of acquisition inclusive of expenses.
- c) **Capital Work in Progress:** These represent under production TV serials and other assets of like nature.

C) Depreciation and Amortisation

- a) **Intangible Assets:** Amortisation has been made at 25 % on written down value of the assets, being television serials, acquired/created in the current period. For opening intangible assets, being film rights, the same has been written off at 100% of the opening written down value as the useful life of the assets are over.
- b) **Tangible Fixed Assets:** Depreciation is provided on written down value method as per Schedule XIV of the Companies Act, 1956. For all assets acquired during the period, depreciation has been provided on pro-rata basis other than on those assets whose actual cost did not exceed rupees five thousand on which depreciation has been provided at the rate of hundred percent. No depreciation has been provided on assets sold or discarded during the period.

D) Revenue Recognition

Revenue from production and sale of rights (films, programme, TV serials, etc.) and advertisement revenue is recognised on accrual basis.

CHANNEL GUIDE INDIA LIMITED

E) Investments

Long Term unquoted investments are valued at cost.

F) Foreign Exchange Transactions

Foreign exchange transactions are recorded at the rate of exchange prevailing on the date of the transactions. Gains or losses due to difference in rate of exchange at the time of payments are recognised. Provisions for gains/losses for year-end monetary assets or liabilities in foreign exchange have not been recognised at the rates prevailing as at the balance sheet date.

G) Employee Benefits

Liability in respect of employee benefits as required under AS-15 is provided and charged to the profit and loss account as under:

- (i) Gratuity: Liability in respect of gratuity to employees has been provided on estimated basis with the assumption that all employees retire at the end of the period and not actuarially determined in accordance with AS - 15 issued by the Institute of Chartered Accountants of India. This, however, has no material affect on the results of the period.
- (ii) Leave Encashment : Liability in respect of leave to the credit of the employees and not availed or encashed by them upto 30 June 2010 has not been provided due to the absence of any policy on leave matters and is not determined in accordance with AS - 15 issued by the Institute of Chartered Accountants of India. This, however, has no material affect on the results of the period.

H) Taxation

- (i) No provision for taxation has been made for current period . The company has brought forward business losses and unabsorbed depreciation.
- (ii) Provision for deferred tax liability or asset as per AS22 has not been made for the period under audit.

I) Impairment of Assets

None of the assets have been revalued during the period under audit.

J) Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.

K) General Accounting Policies

General Accounting Policies not specifically referred to are consistent with generally accepted accounting practices.

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NOTES TO ACCOUNTS

1. Previous year figures of the Balance Sheet have been regrouped and reclassified wherever necessary for the purposes of comparison. The amounts have been rounded off to the nearest rupee.
2. In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realised in the ordinary course of business. Provisions for depreciation and all known liabilities are adequate and not in excess of the amount reasonably necessary. However, in the opinion of the auditors, the current assets in the form of sundry debtors are non-moving and should have been classified as doubtful. Further, in the opinion of the auditors, an amount of Rs. 41, 91,715 represented as Advances Recoverable in Cash or in Kind should have been treated as expenses of the accounting period and not carried forward to be adjusted against incomes of the future periods. To that extent the loss has been understated and the current assets have been overstated.
3. Confirmations for balances of creditors, debtors, and unsecured loans and advances by respective parties have not been obtained.
4. Contingent Liabilities not provided for:

For A.Y. 2002-2003 penalty proceedings u/s. 271(1)(c) of Income-tax Act, 1961 is initiated in assessment order passed u/s. 143(3) dated 19.2.2005. However, the same was stayed as the company was in appeal before the Commissioner of Income Tax (Appeals) against the order. The CIT (Appeals) by his order dated 08.11.2005 has upheld the order of Assessing Officer. The company is in appeal before the ITAT against the order of CIT (Appeals) and the matter is pending till date and is yet to be heard.

No liabilities have been provided for interest and penalties that may be payable for violation of the laws applicable for irregular and non-payment of TDS and for delays in meeting statutory provisions of other taxation laws applicable to the company.
5. The company has not received any intimation, as on 30 June 2010, from its suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to amounts unpaid as at the year end together with interest paid/ payable as required under the said Act have not been given.
6. Auditors' fees are inclusive of service tax.
7. In the opinion of the company, no VAT is applicable on the sales made by the company during the period under audit. However the company does not possess any circulars or documents in support of the same. As a result, no such documents have been produced before the auditors.

CHANNEL GUIDE INDIA LIMITED

8. The Company is not in possession of certificates issued by foreign company for “withholding tax” amounting to Rs.21, 48,860 deducted by it from payments made to the company. The entries pertaining to same have been passed on the basis of the monthly payment reports issued by the said foreign company.
9. During the period under audit, the company has written off sundry creditors amounting to Rs. 63,19,669. The resolution was passed in the board meeting for writing off an approximate amount of Rs.50 lacs.
10. Payments made towards Directors’ Remuneration
- | | <u>2009-2010 (15 months)</u> | <u>2008-2009</u> |
|--------------|------------------------------|------------------|
| | Rs. | Rs. |
| Remuneration | 4,50,000 | 3,30,000 |
11. The computation of net profit for the purpose of calculation of directors’ remuneration u/s 349 of the Companies Act, 1956 has not been made in view that no commission is payable or has been paid to the directors of the company for the period.
12. As the company has no manufacturing activity there is no information to be provided for licenced, installed and other quantitative details.
13. Expenditure on employees in receipt of remuneration of not less than Rs. 24,00,000 per annum or at the rate of not less than Rs. 2,00,000 per month
- | | <u>2009-2010</u> | <u>2008-2009</u> |
|--|------------------|------------------|
| | NIL | NIL |
14. No provision is made for current tax. No provision for deferred tax liability or asset as per AS-22 has been made.
15. The related parties as required under AS-18 are :

S. No.	Party	Relationship
1.	Radiance Network (P) Limited	Associate Company
2.	Channel Guide (UK) Limited	Subsidiary Company
3.	Rajendra S. Karnik	Key Management Personnel
4.	Nitin Bhatkar	Key Management Personnel

16. Transactions during the reporting period with related parties are as under :

S. No.	Party	Nature of Transaction	Amount (Rupees)	Outstanding as on 30/06/2010 (Rupees)
1.	Radiance Network (P) Ltd.	Unsecured Loans given		45,39,903
2.	Channel Guide (UK) Limited	Loans & Advances given		46,97,365
3.	Rajendra S. Karnik	Unsecured Loans taken		2,06,43,000
4.	Nitin Bhatkar	Remuneration	4,50,000	

CHANNEL GUIDE INDIA LIMITED

17. Earnings Per Share:

Basic: Rs. 0.09

Diluted: Rs. 0.09

In calculating the diluted earning per share, the company has not considered the issue of share warrants on preferential basis which were not allotted.

18. The financial statements of the subsidiary were not consolidated with the parent company as required by AS 21 which deals with consolidated financial statements due to absence of audited financial statements of the subsidiary.

19. Expenditure incurred in Foreign Currency	<u>2009-2010</u>	<u>2008-2009</u>
Channel Launch Expenses	30,88,233	19,06,559

(Expenditure incurred on behalf of subsidiary in foreign exchange has been treated as loans to the subsidiary and hence not shown here)

20. The company has not filed any service tax returns with the appropriate authorities for the period ended June 30, 2010.

21. The company has invested in the 2,000 unquoted equity shares of Rs. 10 each of Mandvi Co-op Bank Ltd. However, the company does not have the physical share certificates representing the shares.

22. The Company has not prepared segmented financial statements.

23. Additional information required under Part-IV of Schedule VI of the Companies Act, 1956 is given as Annexure - I.

Signatures to Schedules 1 to 13

As per our report of even date
For V.A.Ambekar & Associates
CHARTERED ACCOUNTANTS

For CHANNEL GUIDE INDIA LIMITED

Vivek A. Ambekar
Proprietor
Membership No. 040838

Rajendra S. Karnik
Managing Director

Nitin N. Bhatkar
Director

PLACE : MUMBAI
DATE : 27.09.2010

PLACE : MUMBAI
DATE : 27.09.2010

CHANNEL GUIDE INDIA LIMITED

Annexure - I

INFORMATION PURSUANT TO THE PROVISIONS OF PART - IV OF SCHEDULE - VI OF THE COMPANIES ACT, 1956.

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration No. 67841	State Code: 11 (Maharashtra)
Balance Sheet date: 30 th June, 2010	
II. Capital raised during the period (Amount Rs. in Thousands)	
Public Issue	Rights Issue
NIL	NIL
Bonus Issue	Private Placement
NIL	15468
	(Money Received on issue of 30,93,666 Equity Shares on Conversion of Convertible Equity Warrants)
III. Position of Mobilisation and deployment of Funds (Rs. in Thousands)	
Total Liabilities	Total Assets
100359	100359
<u>Sources of Funds</u>	
Paid up capital	Reserves & Surplus
45468	15468
Secured Loans	Unsecured Loans
2651	15503
Share Warrant Application Money	
21268	
<u>Application funds</u>	
Net Fixed Assets	Investments
39021	20
Net Current Assets	Accumulated Losses
51519	8793

CHANNEL GUIDE INDIA LIMITED

Deferred Tax Asset
1007

IV. Performance of company (Rs. in Thousands)

Turnover	Total Expenditure
212226	211452
Profit/Loss before Tax	Profit/Loss after Tax
775	775
Earning per share in Rs.	Dividend Rate %
Basic & Diluted: (-) Rs. 0.09	NIL

V. Generic Names of Three Principal Products/Services of company

Item Code No. (ITC Code)	NOT APPLICABLE
Product Description :	MEDIA & ENTERTAINMENT
Item Code No. (ITC Code)	NOT APPLICABLE
Product Description :	NOT APPLICABLE
Item Code No. (ITC Code)	NOT APPLICABLE
Product Description :	NOT APPLICABLE

As per our report of even date
For V.A.Ambekar & Associates
CHARTERED ACCOUNTANTS

For CHANNEL GUIDE INDIA LIMITED

Vivek A. Ambekar
Proprietor
Membership No. 040838

Rajendra S. Karnik
Managing Director

Nitin N. Bhatkar
Director

PLACE : MUMBAI
DATE : 27.09.2010

PLACE : MUMBAI
DATE : 27.09.2010

CHANNEL GUIDE INDIA LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE 2010

Particulars	2009-2010		2008-2009	
	Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.
A. Cash flow from Operating Activities :				
Net Profit before taxation and extraordinary items	774,696		(5,688,124)	
Adjustments for :	-			
Depreciation/Amortisation	11,063,908		5,403,907	
Dividend Income	-		(4,000)	
Provisions for Gratuity	31,731		64,327	
Loss on Sale/Discard/Disposal	-		420,800	
Profit on sale of Plant & Machinery	-		-	
Write-offs	(6,319,669)		53,760	
Excess Tax provision reversed	-		-	
Interest expenses	649,582		1,218,234	
Operating Profit before working capital changes	6,200,248		1,468,904	
Decrease/(Increase) in Sundry Debtors	(138,443,220)		(9,833,454)	
Decrease/(Increase) in Loan & Advances	(3,216,025)		(11,869,959)	
(Decrease)/Increase in Sundry Creditors	126,791,483		15,334,541	
(Decrease)/Increase in Provisions	(80,000)			
Cash generated from operations	(8,747,514)		(4,899,968)	
Income Tax Paid			-	
Cash flow before extraordinary item	(8,747,514)		(4,899,968)	
Incurred Extraordinary item	-		-	
Net Cash flow from Operating Activities		(8,747,514)		(4,899,968)
B. Cash flow from Investing activities :				
Purchase of Fixed Assets	(22,714,001)		(16,997,295)	
Warrents Conversion to Equity Capital			-	
Increase in Work-in-Progress	-		(3,807,766)	
Dividend received	-		4,000	
Net Cash used in Investing activities		(22,714,001)		(20,801,061)
C. Cash flow from financing activities:				
Proceeds of Share Warrant application	40,300,000		11,905,000	
Repayment of long term borrowings	(1,804,856)		(4,469,794)	
Proceeds from long term borrowing	(9,024,373)		24,527,470	
Interest paid	(649,582)		(1,218,234)	
Dividend paid	-		-	
Net Cash used in financing activities		28,821,189		30,744,442
D. Net increase in cash and cash equivalents		(2,640,326)		5,043,413
Cash and cash equivalents at beginning of period		5,059,164		15,751
Cash and cash equivalents at end of period		2,418,838		5,059,164

As per our report of even date
For V.A.Ambekar & Associates
CHARTERED ACCOUNTANTS

For CHANNEL GUIDE INDIA LIMITED

Vivek A. Ambekar
Proprietor
Membership No. 040838
PLACE : MUMBAI
DATE : 27.09.2010

Rajendra S. Karnik
Managing Director

PLACE : MUMBAI
DATE : 27.09.2010

Nitin N. Bhatkar
Director

CHANNEL GUIDE INDIA LIMITED

A/ 203, Green Ville, Lokhandwala Complex, Andheri- West, Mumbai- 400 053

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the **ANNUAL GENERAL MEETING** of the Company to be held at the Registered Office of the Company situated at A/ 203, Green Ville, Lokhandwala Complex, Andheri- West, Mumbai- 400 053 at 4.30 p.m. on Tuesday, 16th day of November, 2010.

NAME(S) OF THE SHAREHOLDER(S) (in block capital): _____

NAME OF THE PROXY (in block capitals): _____

FOLIO NO. / CLIENT ID NO. : _____

DP. ID NO.: _____

SIGNATURE(S) IF SHAREHOLDER : _____

IF PROXY: _____

NOTE: No duplicate Attendance Slip will be issued at the Meeting Hall. You are requested to bring your copy of the Notice of AGM to the Meeting. Photo copies of the Attendance slips will not be accepted.

PROXY FORM

I/We _____ of (Place) _____

being a member/ members of **Channel Guide India Limited** under Folio No./Client ID No. _____ hereby appoint Mr./Ms. _____

of (Place) _____ failing him/her Mr./Ms. _____

of (Place) _____ as my/our Proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Tuesday, 16th day of November, 2010 or at any adjournment(s) thereof.

Signed this _____

day of _____, 2010.

Affix
Revenue
Stamp and
sign across

SUVARNA PRINTS : 9821336098

If undelivered, please return to :

CHANNEL GUIDE INDIA LIMITED

A-203, 2nd Floor, Greenvile, Lokhandwala Complex,
Andheri (W), Mumbai - 400 053.