



20th
ANNUAL REPORT
2009—2010

JAIN STUDIOS LIMITED



JAIN STUDIOS LIMITED

BOARD OF DIRECTORS

Dr. J. K. Jain	:	Managing Director
Dr. (Mrs.) Ragini Jain	:	Director
Shri Murli Dhar Asthana	:	Director
Shri Vishnu Bhagwan	:	Director
Shri J.C. Jetli	:	Director
Ms. Tanuja Joshi	:	Director

COMPANY SECRETARY

Mr. Satyendu Pattnaik

INTERNATIONAL GATEWAY

Surajpur, Dist. Gautambudh Nagar,
Greater Noida, U.P.

AUDITORS

M/s. Giri & Bansal,
Chartered Accountants
K-37, IInd Floor,
Green Park Main,
Green Park Market
New Delhi -110016

STUDIO

Scindia Villa, Sarojini Nagar,
Ring Road, New Delhi - 110023

REGISTERED OFFICE

Scindia Villa,
Sarojini Nagar,
Ring Road,
New Delhi – 110023

BANKERS

Punjab National Bank
Syndicate Bank
UTI Bank
ICICI Bank
State Bank of India

TWENTIETH ANNUAL REPORT 2009-2010

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JAIN STUDIOS LIMITED

NOTICE

NOTICE is hereby given that the 20th Annual General Meeting of the members of Jain Studios Limited will be held on **Wednesday, 29th Day of September 2010**, at Sharma Farms (Near Batra Farms), Green Meadows, Village Satbari, Mehrauli, New Delhi –110030, at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2010, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M. D. Asthana, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Ms. Tanuja Joshi, who retires by rotation and being eligible, offers herself for re-appointment.
4. To Consider and if Thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. Giri & Bansal, Chartered Accountants, be and are hereby appointed as the Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at remuneration as may be decided by the Board of Directors of the Company.”

By order of the Board of Directors
for **JAIN STUDIOS LTD.**

Place : New Delhi
Date : 11th August 2010

Satyendu Pattnaik
(Company Secretary)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 25th September 2010 to 29th September 2010, both days inclusive.
4. Members who hold shares in dematerialized form are requested to bring their Client ID (Demat A/C No.) and DP ID numbers for easy identification of attendance at the meeting.
5. Members are requested to notify the change in their address, if any.
6. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days upto the date of Annual General Meeting between 11a.m. and 1.00 p.m.



JAIN STUDIOS LIMITED

DETAILS OF DIRECTORS RETIRING BY ROTATION AND SEEKING RE-APPOINTMENT/ APPOINTED DURING THE YEAR

(In pursuance to Clause 49 of the Listing Agreement)

1. Shri M.D. Asthana, Non-Executive and Independent Director

Date of Birth	15.12.1941
Expertise in Specific Functional Area	Shri M.D. Asthana is a retired Civil Servant and held various responsible position with the Government of India.
Directorship in other Companies	NIL
Committee Position	Chairman of remuneration Committee and Member of Shareholders' Grievance Committee of Jain Studios Ltd.

2. Ms. Tanuja Joshi, Non-Executive and Independent Director

Date of Birth	23.09.1963
Expertise in Specific Functional Area	Ms. Tanuja Joshi is the Managing Director of Venue Eye Institute & Research Center, Seikh Sarai, New Delhi. She is also President of Community Ophthalmology Society of India and Secretary of Vision 2020. She was the President of the Eye Bank Association of India, which is an umbrella body for all Eye Bank in India.
Directorship in other Companies	NIL
Committee Position	NIL
Shareholding in the Company	NIL



JAIN STUDIOS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the Twentieth Annual Report of Jain Studios Limited together with Audited Financial Statements and Auditor's Report for the Financial Year ended as on 31st March 2010. The Financial Highlights for the year under review are given below:

	(Rs. In Lakh)	
Financial Results	2009-10	2008-09
Total Income	695.54	1166.30
Profit/ (Loss) before Interest, Depreciation, Exceptional Item and Tax	122.72	(114.16)
Interest	268.92	260.93
Profit / (Loss) after Interest but before Depreciation, Exceptional item and Tax	(146.20)	(375.09)
Depreciation	118.15	106.39
Profit / (Loss) before Exceptional Items and Tax	(264.35)	(481.49)
Exceptional Items	18.00	0.00
Profit / (Loss) before Tax	(246.35)	(481.49)
Provision for Taxation (Including Current Tax, FBT, Deferred Tax & MAT Credit entitlement)	(68.62)	(122.68)
Profit / (Loss) after tax	(177.73)	(358.81)
Balance b/f from previous year	(2478.35)	(2119.54)
Net profit/ (Loss) Carried to Balance sheet	(2656.08)	(2478.35)

Performance

During the year under review, the total income of your Company was Rs.695.54 Lakh as compared to Rs. 1166.30 Lakh in the previous F.Y. 2008-09. The Loss before Tax for the year under review was Rs. 246.35 Lakh as compared to Loss before Tax of Rs. 481.49 Lakh in the previous year. The Net Loss for the year under review was Rs. 177.73 Lakh as compared to Net Loss of Rs. 358.81 Lakh in the previous year.

Dividend

In view of the brought forward losses, your Directors have been unable to recommend any dividend.

Business Operations Overview & Future Outlook.

The principal business activities of the Company are broadly categorized into following areas:

1. JAIN TV (Broadcasting and related activities)



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2. Teleport

3. Productions (Third party Video productions)

Your company has entered into agreements with reputed film and DVD distribution Companies to release and marketing its film. The Company has also set up an online marketing decision for the same. The Company expects to release its first co-production "For Real" in theatres across India this September-October.

Company has successfully entered into first Joint Venture for launch of its 1st Regional channel that is expected to go on air before end of this year. For this purpose the Company has floated an SPV alongwith its JV partners. The company is in the process of negotiating similar Joint Ventures for other Regional Channels.

The Company has also received their video infrastructure business and started booking revenues for the same. The Company has further reduced its operating cost for its TV business.

Fixed Deposits

The Company has not accepted any deposits during the financial year under review.

Directors

In terms of the provisions of Companies Act, 1956 and the Articles of Association of the Company, Shri M.D. Asthana and Ms. Tanuja Joshi, Directors of the Company retires by rotation and being eligible, offers themselves for re-appointment as non-executive Directors. Shri Krishan Lall Khetarpaul resigned from the post of Directorship w.e.f. 21/06/2010.

Status of Preferential Issues

Company had allotted 38,00,000 and 15,00,000 equity shares on 25.08.2005 and on 25.02.2006 respectively to the Indian Promoter Group Companies against the conversion of 53,00,000 share warrants allotted on 26.08.2004. Thereafter, Company got the in-principle approval from BSE for listing of said shares vide their letter dated 26.05.2008. Company is in process of obtaining the in-principle approval from other stock exchanges including NSE for listing of said shares.

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

- i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2010, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2010 on a 'going concern' basis.

Particulars of Energy, Technology and Foreign exchange

- A- Energy conservation – The Company makes continuous efforts to explore new technologies and techniques to make the infrastructure more energy efficient. Moreover, the operations of the Company are not energy intensive.
- B- Technology absorption – Company uses Indian technical manpower to operate Indian and imported infrastructure.
- C- Foreign Exchange earnings and out go:

Earnings in foreign : Rs.26.44 Lakh
exchange (Realisation basis)

Expenditure in foreign : Rs.1.87 Lakh
exchange (Accrual basis)



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Personnel and Particulars of Employees

The industrial relations with the workers and staff of the Company remained cordial throughout the year. There was unity of purpose among all levels of employees, continuously striving for improvement in work practices and productivity. Training and development of employees continue to be an area of prime importance. Pursuant to section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, a statement containing list of employees and drawing remuneration exceeding Rs. 24.00 Lacs per annum or Rs. 2.00 Lac per month is given herein below:

S.No	Name	Designation	Remuneration Received (Rs.)	Qualification	Exp	Age	Date of Commence-ment	Particulars of Last Employment
1.	Dr. J.K. Jain	Chairman and Managing Director	36,00,000/-**	M.B.B.S, MS,F.I.C.S	39 yrs.	64 yrs.	01.10.1999*	Industrialist

Note:

*Dr. J.K. Jain was appointed as Managing Director of the Company for a period of five years w.e.f. 01.10.1999

**Remuneration of Dr. J.K. Jain, Chairman & Managing Director of the Company has been revised @ Rs. 5.00 Lac per month w.e.f. 01.04.2007 with the approval of the members of the Company and of the Central Government.

Nature of appointment of Dr. J.K. Jain, Chairman & Managing Director: Contractual

**Terms of Appointment:

Dr. J.K. Jain was re-appointed as Managing Director of the Company by the Board of Directors at their meeting held on 26th August 2004 for a period of five years w.e.f. 01.10.2004 with the approval of members of the Company and of the Central Government. Further, he has been re-appointed as Chairman & Managing Director of the Company by the Board at their meeting held on 31.08.2009 with the approval of the members of the Company at the remuneration of Rs.5.00 Lac per month for a period of three years w.e.f. 01.10.2009. Approval of the Central Government is pending.

No. of equity shares of Jain Studios Ltd. held by Dr. J.K. Jain as on 31.03.2010 are 2,00,100, which constitutes 1.39% of the paid up share capital of the Company.

Auditors

M/s Giri & Bansal, Chartered Accountants, Statutory Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting, being eligible offer themselves for re-appointment. The Company has received a certificate from them that their re-appointment if made would be within prescribed limits under Section 224(1B) of the Companies Act, 1956.

Auditors' Report

The Notes on Accounts bearing no. 3, 6, 13 & 17 of Schedule "S" referred to in the Auditors' Report para vi (a) to para vi (f) of point no. 2 and item no. (xi) of the Annexure to the Auditors' Report, in italics are self explanatory and therefore do not call for any further explanation u/s 217(3) of the Companies Act' 1956, except item no (ix) (a) of the annexure to the Auditors' Report. The Management believes that it will be possible to settle all the disputes within the next year.

Audit Committee recommendations

The Audit Committee has recommended for clearing all statutory dues, such as, Provident Fund, Employees State Insurance, Service Tax, Bonus, Royalty, Electricity & Water charges, Wealth Tax & Fringe Benefit Tax or any other material statutory dues as early as possible to avoid unnecessary penalties and prosecutions.

Management Discussion and Analysis

A detail chapter on "Management Discussion & Analysis" (MDA) pursuant Clause 49 of the listing Agreement is annexed to the Annual Report and forms integral part of Directors' Report.



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Corporate Governance Report

We strive to attain high standards of corporate governance while interacting with all our stakeholders. The Company has duly complied with revised Clause 49 - Corporate Governance Code as stipulated in the listing agreement with Stock Exchanges. A separate section on Corporate Governance alongwith Certificate from B.S. Goyal & Co., Company Secretaries, confirming level of Compliance is annexed and forms part of the Directors' Report.

Subsidiary

Financial Statements and other document of the subsidiary Company namely Dr. Jain Video On Wheels Ltd. are annexed pursuant to Provisions contained in Section 212 of the Companies Act 1956.

Consolidated Financial Statement

The Consolidated Financial Statements as stipulated by Clause 32 of the Listing Agreement with Stock Exchanges have been prepared by your Company in accordance with requirements of Accounting Standard 21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India. The Audited Consolidated Financial Statements together with Auditors' Report forms part of the Annual Report.

Appreciation

Your Directors greatly appreciate the dedication and commitment of employees at all levels who have contributed towards the effective functioning of the Company. We also wish to convey gratitude to Company's Bankers, Financial Institutions, Government Authorities, Clients, Vendors, and Investors for their support and encouragement and look forward for their continued support in the future.

For and on Behalf of the Board

Place : New Delhi
Date : 11th August 2010

(Dr. J.K. Jain)
Chairman & Managing Director



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MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Structure and Developments

Company Business

The Company's primary business is broadcasting. The Company currently operates a 24-hour News and Current Affairs Channel under the brand name "JAIN Television". Company's revenues are derived from advertisement sale on the channel.

Segment or Product Wise Performance

Broadly the Company has two identifiable business units such as Television and Teleport. A summary of major performance indicators for the year under review is given below:

(Rs. in Lacs)		
Particulars	Television	Teleport
Revenue		
Total sales	421.19	240.00
Expenses	441.94	29.58
Segment Results		
Profit/(Loss) before Tax and Interest	(20.75)	210.42

A detailed financial and physical performance may be viewed from the Balance Sheet and Annexure thereto in the Annual report.

Discussions on Financial Performance with Respect To Operational Performance

During the financial year the total income of the Company was Rs.695.54 Lakh as compared to Rs. 1166.30 Lakh in the previous F.Y. 2008-09. The Loss before Tax for the year under review was Rs. 246.35 Lakh as compared to Loss before Tax of Rs. 481.49 Lakh in the previous year. The Net Loss for the year under review was Rs. 177.73 Lakh as compared to Net Loss of Rs. 358.81 Lakh in the previous year. The interest and depreciation during the year are of Rs. 268.92 Lakh and 118.15 Lakh respectively.

The company has put stringent measures, which assure better collection and quicker action in case of default. The company has also evolved new strategies to develop niche in television business.

Outlook

As already mentioned above, Company has already entered into the business of promotion of regional channels at different state level in India directly and indirectly through SPV with JV partners and also in the process of negotiating similar JV for other regional channels.

It has already in the process of release and marketing of its first co-production film "For Real" and its DVD which hopefully, generate some revenues.

The Company is planning for its growth and hopeful for its enhanced performance in the forthcoming financial years.

Human Resources

During the year 2009-10 your company's Human Resources has undergone large-scale initiatives in the form of total revamping and restructuring.

Category	As on 31.03.2010	As on 31.03.2009
Skilled Employees	37	18
Non-Skilled Employees	12	06
TOTAL	49	24

Internal Control System and Their Adequacy

Broadly the internal controls and systems are broken up into following areas:

- Financial Systems and Reporting
- Management Reporting
- H R Systems and Reporting
- Sales Systems and Reporting
- Capital Asset Systems and Reporting
- Operational Fulfilment Systems and Reporting
- General Administrative Systems and Reporting
- Knowledge Management Systems



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For the size of the business, most of the systems are considered adequate. It is already in the process of implementing automotive systems of internal control in the Organisation.

Company also appointed the Internal Auditor to audit the day to day financial transaction and internal control system in the Organisation.

Risk and Concerns

The Company is operating its business with the highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business. The industrial recession is also causing the bottleneck in the survival and growth of the Company.

The quarterly decision making of most customers affects the revenue in different quarters, which could have the impact on the Company's results of operations.

The overall performance of the Company depends substantially on its senior management and other skilled personnel and may be adversely affected if it loses their services and fails to equipped with equally talented and skilled personnel.

The Company does not experience operational risk relating to CAS, since the "JAIN TV" channel is "Free to Air" (FTA). Infact it will benefit from CAS due to availability of more frequencies for FTA channels.

The quick pace of evolution of technology and distribution channels such as IPTV, Web casting, DTH and HITS are all bringing up new and never before seen risks and opportunities.

Future Plans

In the coming financial year Company plans to stage a recovery through

- (a) Settlement of IDBI Loan
- (b) Enter into Joint Ventures for launch of minimum three regional new channels.
- (c) Evaluate restructuring of its investments.
- (d) Book revenues from its JSL Cinema venture and evaluate new film proposals.
- (e) Hire a new team to revamp its TV channel and distribute the same on various DTH platforms to maximize revenues.

Cautionary Statement

"Management Discussion and Analysis" report contains forward looking statements, which may be identified by the use of the words in that direction or connoting the same. All the statements that address expectations or projections about the future, including but not limited to statements about the Company's strategy for growth, product development, market position, expenditure and financial results are forward looking statements.

The Company's actual results, performance or achievements could thus differ materially from those projected in such forward looking statements. The Company assumes no responsibility to public, to amend, modify or revise any forward looking statements on the basis of subsequent developments, information or events.



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REPORT ON CORPORATE GOVERNANCE

I. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE :

Corporate Governance assumes a great deal of importance in the business life of Jain Studios Limited. The Company's philosophy on corporate governance is based on the belief that timely disclosures, transparent accounting policies, and a strong and independent Board go a long way in preserving shareholders trust while maximizing long-term shareholders value. It has been a constant endeavor on the part of the Company to follow good Corporate Governance by following the principles of transparency, accountability and integrity in functioning, so as to constantly enhance value for all stakeholders and fulfill the social obligation entrusted upon the corporate sector.

of these Five Non-executive Directors, One of them is the Promoter Director and Four Directors are independent. The Company has an Executive Chairman. The Number of the Independent Directors is more than half of the total strength. The Company meets the requirements related to the Composition of the Board of Directors.

(B) Non Executive Director's Compensation and Disclosures

The Non Executive Directors of the Company are paid sitting fees as fixed by the Board of Directors within limits prescribed under the Companies Act, 1956. Besides sitting fee non-executive directors are not paid any remuneration.

II. BOARD OF DIRECTORS

(A) Composition of Board

The Present Board of Directors of our Company comprises Six Directors consisting of One Executive and Five Non-Executive Directors. Out

(C) Other provisions as to Board and Committee

The details of the other directorship of the Board and their attendance at the Board meetings held during the year, i.e. between April 1, 2009 to March 31, 2010 is given in the following table:

Name	Category	Board meeting attended during the year	Attendance at last AGM	No. of Directorship in other companies \$	No. of Committee position held**	
					Chairman	Member
Dr. J. K Jain	Promoter- Executive Director	6	Yes	2	-	-
Dr. (Mrs.) Ragini Jain	Promoter- Non-Executive Director	2	No	2	-	-
Sh. Murli Dhar Asthana	Non- Executive Independent Director	5	No	NIL	-	2
Sh. Vishnu Bhagwan	Non- Executive Independent Director	6	No	1	1	1
Sh. Krishan Lall Khetarpaul*	Non- Executive Independent Director	4	No	1	-	1
Sh. J.C Jetli	Non- Executive Independent Director	6	No	NIL	1	1
Mrs. Tanuja Joshi	Non- Executive Independent Director	2	No	NIL	-	-

*Resigned from the post of Directorship w.e.f. 21.06.2010

**Includes only chairmanship/membership of Audit Committee, Shareholders/Investors Grievance Committee.

\$ Exclusive of the Directorship in Private Limited Companies, Non-Corporate Institutions, foreign Companies and Section 25 Companies.

The Board periodically reviews Compliance reports of all laws applicable to the Company and has put in place procedure to review steps taken by the Company to rectify the instances of non-compliances, if any.

(D) Number of Board Meetings held and dates:

During the financial year 2009-2010 the Board of Directors met six (6) times. The dates of the meetings are 27th May 2009, 29th June 2009, 30th July 2009, 31st August 2009, 28th October 2009 and 30th January 2010.

(E) Information supplied to the Board:

The Board has complete access to all information with the Company. The information is provided to the Board and the agenda papers for the meetings are circulated in advance of each meeting. The information supplied to the Board includes following apart from other routine business matter:

- Business/Operating Plans,
- Quarterly, Half yearly and yearly results of the Company
- Minutes of the Meetings of audit Committees and other Committees of the Board.

The Board periodically reviews compliance of all laws applicable to the Company as well as steps taken by the Company to rectify instances of non-compliances if any.

(F) Code of conduct:

In terms of provisions of clause 49 of the listing agreement and contemporary practices of good corporate governance a code of conduct for all

the Board members and senior management personnel has been approved by the Board of Directors vide their meeting held on 29th July 2006 and the same has been posted on the website of the Company. All the Board members and senior management personnel have affirmed compliance with the code of conduct during the year 2009-10.

III. AUDIT COMMITTEE:

(A) Qualified & Independent Audit Committee:

The Company complies with the provisions of Section 292A of the Companies Act, 1956 as well as requirement under the listing agreement pertaining to Audit Committee. Your Company has an Audit Committee, which was constituted on April 30, 2001. It is functioning as under:

- (i) At present the committee comprises of three Non-Executive Independent Directors viz Shri Vishnu Bhagwan, Sh. J.C Jetli, and Shri M.D. Asthana.
- (ii) All the members of the committee are financially literate.
- (iii) Sh. Vishnu Bhagwan was appointed as Chairman of the Audit Committee w.e.f. 28th October 2005. Sh. Vishnu Bhagwan is an independent Director.
- (iv) Director (Finance), General Manager Finance & Accounts, Statutory Auditors and Internal Auditors and such other officials of the Company are invited to attend the Audit Committee meeting as and when required.
- (v) The Company Secretary of the Company acts as the Secretary of the Committee.
- (vi) The term of reference of the committee have been revised in conformity with the provisions of section 292A of the Companies Act 1956 and the new/revised clause 49 of the listing agreement.

(B) Meetings of Audit Committee

During the year 5 meetings were held i.e. 27th May 2009, 29th June 2009, 30th July 2009, 28th October 2009 and 30th January 2010.



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Number of meetings attended by the members are given below:

Sl. No	Name of Member(s) of Audit Committee	Category	No. of Meetings	
			Held	Attended
1.	Shri Vishnu Bhagwan	Chairman	5	5
2.	Sh. Krishan Lall Khetarpaul*	Member	5	3
3.	Shri J.C Jetli	Member	5	5
4	Shri M.D. Asthana**	Member	5	0

*Cease to be member of the Committee w.e.f. 21.06.2010 due to his resignation from the post of Directorship from the Board of the Company w.e.f. 21/06/2010.

** Appointed as member of the Audit Committee at the Board meeting held on 11th August 2010.

(C) Powers of the Audit Committee

Clause (2AA) of section 217 of the Companies Act, 1956.

The Audit Committee has powers including:

- 1) To investigate any activity within its terms of reference.
- 2) To seek information from any employee
- 3) To obtain outside legal or other professional advice.
- 4) To secure attendance of outsiders with relevant expertise, if it considers necessary.

§ Changes, if any, in accounting policies and practices and reasons for the same.

§ Major accounting entries involving estimates based on the exercise of judgment by management

§ Significant adjustments made in the financial statements arising out of audit findings.

§ Compliance with listing and other legal requirements relating to financial statements

(D) Role of Audit Committee:

- o Oversight of the company's financial reporting process and disclosure of its financial information to ensure that financial statement is correct, sufficient and credible.
- o Recommendation to the Board of Directors, the appointment, re-appointment and if required, the replacement or removal of the statutory Auditor and fixation of audit fees.
- o Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- o Reviewing with the management, the annual financial statements before submissions to board for approval, with particular reference to
 - § Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of

§ Disclosure of related party transactions

§ Qualifications in draft audit report.

- o Reviewing with management, the quarterly financial statements before submission to the Board for approval.

- o Reviewing with management, performance of statutory and internal auditors, adequacy of internal control systems.

- o Reviewing the adequacy of internal audit function, if any including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of the internal audit.

- o Discussion with internal auditors any significant findings and follow up thereon.



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- o Discussion with the statutory auditors before the audit commences, of the scope and nature of audit and as well as have post audit discussion to ascertain any area of concern.
- o To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(E) Review of information by the Audit Committee

The audit Committee review the reports of the Internal Auditors, meets Statutory and Internal Auditors as and when required & discuss their findings, observations, suggestions, internal control system, scope of audit and other related matters.

IV. SUBSIDIARY COMPANIES

- i. The Company have one material non-listed subsidiary Company namely Dr. Jain Video on Wheels Limited. Sh. Vishnu Bhagwan, Independent Director of Jain Studios Ltd. has been acting as Director of Dr. Jain Video on Wheels Limited w.e.f. 03.11.2006
- ii. The Audit Committee reviews the financial statements of unlisted subsidiary Company.
- iii. The Company is taking effective steps to place the minutes of subsidiary Company in the Meeting of the company in compliance with revised Clause 49.

V. DISCLOSURES

(A) Related Party Transaction

- i. Statements containing transactions with related party has been submitted periodically before the Audit Committee.
- ii. There are no materially significant related party transactions with the Company's promoters, Directors, the management, the relatives, which may have potential conflict with the interest of the Company at large. Suitable disclosures as required by Accounting Standard (AS - 18) on transaction with related parties have been shown in note no. 10 of schedule S in notes on accounts

of the Annual Accounts for the year.

- iii. There is no penalty, strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority, on any matter related to Capital Market during last three years, however 53,00,000 equity shares issued to promoters on preferential basis are In the process of listing at Stock Exchanges.

(B) Disclosure of Accounting Treatment

During the year, there has been no change in the accounting treatment of Accounting Standard applicable to the Company.

(C) Risk Management

In terms of provision of Clause 49 & contemporary practices of good corporate governance, Company has developed the policies and procedures to assess the risk associated with the Company and minimization thereof and periodically informed the Board of Directors for their review to ensure that the executive management, controls the risk in accordance with the defined policies and procedures adopted by the Company.

(D) Director's Remuneration

i. Executive Director

- (a) Dr. J.K. Jain is working as Chairman & Managing Director of the Company.
- (b) The remuneration of Dr. J.K. Jain, Chairman & Managing Director was increased to Rs. 5.00 Lakh p.m. for a period w.e.f. 01.04.2007 to 30.09.2009, which was duly approved by the members of the Company at their 17th AGM held on 29.09.2007 and by the Central Govt. vide their letter dated 26.11.2007. Further, Dr. J.K. Jain was re-appointed as Chairman & Managing Director of the Company w.e.f. 01.10.2009 with the remuneration of Rs. 5.00 Lakh p.m. duly approved by the members of the Company at 19th AGM held on 30.09.2009. Application has been filed with the Ministry of Corporate Affairs, Government of India for their approval and is pending with them.
- (c) The Following is the remuneration paid to Dr.



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J.K. Jain, Chairman & Managing Director in the Financial Year 2009-2010:

Salary & other Allowances : Rs. 36.00 Lakh

Total : Rs. 36.00 Lakh

No commission was paid to Dr. J.K. Jain during the year.

Notice period /severance fee: NIL

The Company does not have any stock option scheme.

(d) Dr. J.K. Jain is holding 2,00,100 equity shares of the Company.

Remuneration Committee (Non-Mandatory)

At present the Remuneration Committee of the Company constitutes the following members who are Non-Executive and Independent Directors of the Company:

1. Sh. Murli Dhar Asthana, Chairman
2. Sh. J.C. Jetli, Member
3. Sh. Vishnu Bhagwan, Member

During the year the Remuneration Committee Meeting of the Company was held on 30th July 2009.

ii. Non-Executive Directors

- a. The Non-Executive Directors are entitled to sitting fee only for attending Board/Committee meetings. A sitting Fee of Rs. 2500/- has been increased to Rs.4,000/- per meeting w.e.f. 01.02.2010, which has been paid for attending Board/Committee meeting.
- b. During the year under review, the Company has not paid any remuneration to any Non-Executive Directors.
- c. There has been no pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company during the year.
- d. The Company has paid sitting fee aggregating Rs. 1,61,000/- to all the Non Executive Directors

which is within the limits as prescribed under the Companies Act 1956. No other payments were made to such directors.

Number of Shares held by Non-Executive Director

Non - Executive Directors do not have any shareholding in the Company.

(F) Management

Management Discussion and Analysis

Management Discussion and Analysis has been provided separately as a part of this annual report.

(G) Shareholders

i. Shri M.D. Asthana and Ms. Tanuja Joshi are retiring from the Board by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment as non-executive Directors. Shri Krishan Lal Khetarpaul has resigned from the post of Directorship w.e.f. 21/06/2010.

ii. Shareholders'/ Investors' Grievance Committee:

The Board of Directors of the Company has constituted a Shareholders'/ Investors' Grievance Committee on 30th April 2001. The Shareholders'/ Investors' Grievance Committee presently comprises of three (3) Independent, Non-Executive Directors viz. Shri M.D. Asthana, Sh. J.C Jetli and Sh. Vishnu Bhagwan. The terms of reference stipulated by the Board to the Shareholders'/ Investors' Grievance Committee is as contained under Clause 49 of the standard Listing Agreement. Shri. J.C Jetli is the Chairman of the Committee.

In compliance with the SEBI guidelines the Company has appointed M/s. Beetal Financial & Computer Services Pvt. Limited as RTA (Registered Transfer Agent) w.e.f. 1st October 2005 in place of M/s. MAS Services Pvt. Limited to look after the share transfer, transmission, transposition, issuance of duplicate share certificate, share



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dematerialization / rematerialization etc. independently under the supervision and control of the Shareholders'/ Investors' Grievance Committee.

Mr. Satyendu Pattnaik who has been appointed as Company Secretary w.e.f. 2nd January 2007 is also appointed as Compliance Officer in terms of Clause 47 of the Listing Agreement.

During the 12 months period from 1st April 2009 to 31st March 2010 a Shareholders'/ Investors' Grievance Committee was held on 30th January 2010.

The Company received 1 (one) complaint from investor during the financial year 2009-2010, which were promptly and satisfactorily resolved.

The Company constitute a sub-committee of its Executives for approval of generally, the share transfer, transmission, issuance of duplicate share certificate, share dematerialization/ rematerialization etc. The Sub-Committee meets twice a month. The duly transferred share certificates were sent to the shareholders within a period of 30 days and there is no pending transfer of shares.

VI. CEO/CFO Certification

The Managing Director & Director (Finance) have certified to the Board of Directors of the Company that:

- (a) They have reviewed financial statement and cash flow statement for the year ended 31st March 2010 and to the best of their knowledge and belief:
- (i) these statements do not contain any material untrue statement or omit any material fact or contain that might be misleading.
 - (ii) These statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards applicable laws and regulations.
- (b) There are, to best of their knowledge and belief,

no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company code of conduct.

- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal control, if any of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) They have indicated to the Auditors and Audit Committee wherever applicable:
- (i) significant changes in internal control over financial reporting during the year.
 - (ii) significant changes in accounting policies during the year if any and that same has been disclosed in the notes to financial statements, and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.

VII. REPORT ON CORPORATE GOVERNANCE

The quarterly compliance report has been submitted to the stock exchanges where the companies' equity shares are listed in the requisite format and duly signed by the compliance officer.

VIII. COMPLIANCE

The other information for the benefit of the shareholders is as under:

(i) General Body Meetings:

Details of Location, Date and Time of Annual General Meetings held during last three years are given below:

The shareholders through postal ballot passed no



JAIN STUDIOS LIMITED

Particulars	Time	Dated on which held	Venue
19 th A.G.M	11.00A.M	30 th September 2009	Sharma Farms, Green Meadows Village Satbari, Mehrauli, New Delhi- 110 030
18 th AGM	11.00 A.M.	29 th September 2008	Sharma Farms, Green Meadows, Village Satbari, Mehrauli, New Delhi- 110 030
17 th AGM	11.30 A.M.	29 th September 2007	Sharma Farms, Green Meadows, Village Satbari, Mehrauli, New Delhi – 110 030

The Company has passed the following special resolutions in the previous 3 AGMs.

Sl. No.	Subject matter of Resolution	Date of AGM
1.	Re-appointment of Dr. J.K. Jain as Chairman & Managing Director of the Company	30 th September 2009
2.	Revision of Remuneration of Dr. J.K. Jain, Chairman & Managing Director	29 th September 2007

ordinary or special resolution during the F.Y.2009-2010. At the ensuing Annual General Meeting there is no special Resolution proposed to be passed through the postal ballot.

(ii) Means of Communications

- Quarterly results are published in prominent newspapers.
- Company issued press releases from time to time.
- Information of the Company are available on website of the Company: www.jainstudiosltd.com

A detailed Management Discussion and Analysis as per requirement of Clause 49 of the Listing

agreement is forming part of Annual report.

(iii) General shareholder information

Annual General Meeting

Day & Date:

Wednesday, 29th September, 2010

Time :

11.00 a.m.

Venue :

Sharma Farms (Opp. Batra Farms), Green Meadows, Village Satbari, Mehrauli, New Delhi 110030.

Financial Calendar (Tentative):	
• Unaudited results for the quarter ended June 2010	: End July-1 st fortnight of Aug. 2010
• Next Annual General Meeting	: September 2010
• Unaudited results for the quarter/half year ended Sept. 2010	: End October-1 st fortnight of Nov. 2010
• Unaudited results for the quarter ended December 2010	: End January-1 st fortnight of Feb.2011
• Unaudited results for the quarter ended March 2011/ or	: End April-1 st fortnight of May 2011
• Audited Results for the Year ending March 2011	: End May 2011



JAIN STUDIOS LIMITED

Dates of Book Closure:

From 25th day of September 2010 to 29th day of September 2010 (both days inclusive) for the purpose of Annual General Meeting.

Dividend Payment date:

The Board of Directors have not recommended any dividend on equity shares for the financial year 2009-10.

Name of the Stock Exchanges on which the equity shares of the Company are listed:

Delhi, Mumbai, NSE, Ahmedabad, Chennai, Vadodara and Calcutta.

Stock Code:

National Stock Exchange : JAINSTUDIO

The Stock Exchange, Mumbai : 532033

Listing Fee:

Listing fee has been paid to Stock Exchanges upto the financial year 2009-2010

ISIN : INE486B01011.

Market Price Data:

Monthly high and low of the equity shares of the Company in The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd (NSE) for the F.Y. 2009-10 are stated herein below:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April 2009	9.87	7.23	9.95	7.25
May 2009	12.83	8.20	12.90	8.30
June 2009	15.69	11.03	15.65	11.20
July 2009	12.30	9.10	12.00	9.00
August 2009	12.24	9.75	12.00	9.90
September 2009	12.65	9.85	12.65	10.20
October 2009	12.80	8.65	13	8.50
November 2009	15.67	7.61	15.50	8.05
December 2009	12.15	10.00	12.20	10.20
January 2010	12.58	9.86	12.50	10.05
February 2010	11.45	9.66	11.30	9.85
March 2010	11.30	9.80	12.00	9.70

Jain Studios Ltd (JSL) Share Performance v/s S & P CNX NIFTY (1st April 2009 to 31st March 2010)

Month	JSL (NSE) Share Price (Closing)	S&P CNX NIFTY (Closing)	S&P CNX NIFTY (Closing) Relative to 100	JSL (NSE) Share Price (Closing) relative to 100
April 09	8.95	3473.95	100	100
May 09	12.25	4448.95	128.07	136.87
June 09	11.40	4291.10	123.52	127.37
July 09	11.65	4636.45	133.46	130.17
Aug. 09	11.80	4662.10	134.20	131.84
Sept. 09	12.25	5083.95	146.34	136.87
Oct. 09	8.80	4711.70	135.63	98.32
Nov. 09	11.40	5032.70	144.87	127.37
Dec. 09	10.95	5201.05	149.72	122.35
Jan 10	10.95	4882.05	140.53	122.35
Feb 10	10.50	4922.30	141.69	117.32
March 10	10.40	5249.10	151.10	116.20

Distribution of shareholding as on 31.03.2010:

Shareholding of nominal value	Share holders		Share Amount	
	Rs.	Number % to Total	Rs.	% to Total
Upto – 5000	6945	86.77	10,01,562	6.9621
5001-10000	556	6.95	4,70,780	3.2725
10001-20000	259	3.24	4,03,736	2.8065
20001-30000	71	0.89	1,78,482	1.2407
30001-40000	33	0.41	1,16,774	0.8117
40001-50000	33	0.41	1,57,977	1.0981
50001-100000	50	0.62	3,73,346	2.5952
100001 & above	57	0.71	1,16,83,325	81.2133
Total	8,004	100.00	1,43,85,982*	100.00

*Includes 53,00,000 equity shares of Rs. 10/- each allotted during the F.Y. 2005-06 on conversion of 53,00,000 warrants which are in process of listing.



JAIN STUDIOS LIMITED

Shareholding Pattern as on 31st March 2010:

Shareholders Category	Number of Shares	Percentage
(A) Promoter and Promoter Group		
(1) Indian Promoters:		
- Individual/HUF	202959	1.41
- Bodies Corporate	7692857	53.48
(2) Foreign Promoters:		
	Nil	Nil
Total Shareholding (A)	7895816	54.89
(B) Public Shareholding		
(1) Institutions:		
Mutual Funds/UTI	1900	0.01
(2) Non-Institutions:		
Bodies Corporate	1405612	9.77
Individuals	3053563	21.23
Clearing Members	4051	0.03
Non Resident Indians	25040	0.17
Overseas Corporate Body	2000000	13.90
Sub Total	6488266	45.10
Total Shareholding (B)	6490166	45.11
Total (A+B)	1,43,85,982*	100.00

*Includes 53,00,000 equity shares of Rs. 10/- each allotted during the F.Y. 2005-06 on conversion of 53,00,000 warrants which are in process of listing.

Registrar & Share Transfer Agents:

M/s. Beetal Computer & Financial Services Pvt. Ltd.

Beetal House, 3rd Floor, 99, Madangir,
BH - Local Shopping Centre,
Near Dada Harsukhdas Mandir,
New Delhi – 110 062,

System of Share Transfer/ dematerialisation/ rematerialisation etc.:

The aforementioned RTA has its own infrastructure commensurate with the work undertaken and is manned by skilled and trained staff.

Dematerialisation of shares and liquidity:

Company's shares are in Compulsory Demat category. Over 31.94 % of the shares have been dematerialized. The Equity Shares are listed on major Stock Exchanges in India.

Status of preferential Issues:

53,00,000 equity shares allotted during the F.Y. 2005-06 to the Indian Promoter Group Companies against the conversion of 53,00,000 share warrants allotted on 26.08.2004 are in the process of listing at various stock exchanges as the Company got the in-principle approval from BSE for listing of said shares vide their letter dated 26.05.2008.

Outstanding GDRs/ADRs, and Convertible Bonds, Conversion date and likely impact on equity:

Not Applicable.

Plant Locations:

Studio of the company is situated at Scindia Villa, Sarojini Nagar, Ring Road, New Delhi. International Gateway project is situated at Surajpur, Dist. Gautambudh Nagar, Greater Noida, UP.

Address for correspondence:

Company

Company Secretary
Jain Studios Limited
Jain Studio Campus, Scindia Villa, Sarojini Nagar,
Ring Road, New Delhi – 110 023
Tele : 011- 32441001, Fax : 011-26874046
E-mail: jsl@jaintv.co.in
Web-site: www.jainstudiosltd.com

Registrar

M/s. Beetal Computer & Financial Services Pvt. Ltd
Beetal House, 3rd Floor, 99, Madangir,
BH - Local Shopping Centre, Near Dada
Harsukhdas Mandir, New Delhi – 110 062

Declaration:

This is to confirm that all the Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct for Directors and Senior Management adopted by the Board.

Place : New Delhi
Date : 11th August 2010

(Dr. J.K. Jain)
Chairman & Managing Director

Dr.



JAIN STUDIOS LIMITED

CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF JAIN STUDIOS LIMITED

We have examined the compliance of conditions of Corporate Governance by Jain Studios Limited for the year ended March 31, 2010 as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchanges in India.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

As informed we state that, in respect of investor grievances received during the year ended 31st March 2010, no investor grievances is unattended/pending for a period exceeding one month against the Company as per the records maintained by the Company which are presented to Shareholders/Investors grievance committee.

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

**For B.S. Goyal & Co.
Company Secretaries**

**(B.S. Goyal)
Proprietor
C.P. No.: 2915**

Place: New Delhi
Date: 11th August 2010

AUDITORS' REPORT

To the Members of JAIN STUDIOS LIMITED

We have audited the attached Balance Sheet of JAIN STUDIOS LIMITED as at 31st March 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 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2004 (as amended) (The Order) issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (The Act), and on the basis of such examination of books and records of the company as we considered proper and the information and explanations given to us during the course of our audit, we annex a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred in Paragraph 1 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 *read with our comments in para 2 (vi) below.*
 - 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, *read with our comments in para 2(i) above.*

- iii) The Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion, the Balance Sheet, Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the mandatory Accounting Standards (AS) referred to in sub-section (3C) of section 211 of the companies Act, 1956 *except as stated in para (vi)(a) below regarding accounting of income [AS 9-Revenue Recognition]*
- v) As per the information and explanations given to us, none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) *Attention is invited to:*
 - a) *In respect of non-provision against shortfall in recovery (amount-unascertainable) against overdue and other debts amounting to Rs 181,354.47 thousand; accounting of uplinking license fees amounting to Rs 24,000 thousands as per terms of agreement which is pending necessary approvals and our inability to comment on realisability/ recoverability thereof.*
 - b) *In respect of non confirmation/reconciliation and non availability of documents in support and audit trail of balances of debtors, loans and advances, sundry creditors and other current liabilities (including statutory dues), banks and secured loans and income and expenditure accounted for during the year and contingent liabilities considered as ascertained by the management, consequential impact where of presently cannot be ascertained and our inability to comment on correctness and completeness.*
 - c) *In respect of transfer of Provident Fund amount payable of Rs. 2286.78 thousands (net) to 'Social Security Fund A/c', and regarding write back of sundry balances/excess provision written back amounting to Rs.2217.33 thousands based on*



JAIN STUDIOS LIMITED

management perception and our inability to comment thereon. Further in respect of non-payment of certain statutory dues and non filing of certain statutory returns/forms w.r.t. Employees state Insurance, Provident Fund, Tax deducted at source, Service tax, custom duty, Fringe Benefit tax and other and accounting of penalty, interest, etc.(amount unascertainable) and our inability to comment thereon.

- d) In respect of recognition and carry over of deferred tax assets (net) to the extent as stated in said note, based on management perception (note no. 13 of schedule S) and MAT credit entitlement of amounting to Rs. 2645.30 thousands recognized and carried over based on management perception (note no. 17 of schedule S) and our inability to comment thereon.
- e) In respect of management perception about recoverable amount of the fixed assets (including the assets held for disposal) (Impairment of assets: AS-28) and of investments (Accounting for Investments: AS-13) of the company being more than carrying amount; and our inability to comment thereon.
- f) In respect of non provision of the liability for

Custom Duty saved as per EPCG Scheme, which becomes payable on account of shortfall of exports over the years; and our inability to comment thereon.

We further report that the profit for the year, balance in profit & loss account and respective assets and liabilities are without considering the impact of items referred to in paragraphs 2(vi) (a) to (e) above or otherwise, the effect of which could not be determined.

Subject to the foregoing, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with Notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2010;
- ii) In the case of the Profit & Loss Account, of the Profit for the year ended on that date; and
- iii) In the case of Cash Flow Statement, of the Cash Flows for the year ended on that date.

For GIRI & BANSAL
Chartered Accountants

(N. P. BANSAL)
Partner
Membership No.: - 80319

New Delhi
Date: 27th May, 2010

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our Report of even date of JAIN STUDIOS LIMITED for the year ended 31st March 2010.)

- (i) (a) Fixed assets records showing full particulars including quantitative details and situation of fixed assets *are under process of updation/ completion.*
- (b) According to the information and explanations given to us, the company has a phased programme of verification of its fixed assets, *however physical verification of fixed assets carried out during the year is not as per the programme and also discrepancy, if any, on such verification has not been determined, hence cannot be commented upon by us. In our opinion, the frequency of verification needs to be further strengthened to be made the same reasonable with regard to the size of the Company.*
- (c) As per the records and information and explanations given to us, fixed assets disposed off during the year were not substantial.
- (ii) The company has no inventory other than WIP (feature film), hence provisions of clause 4(ii) (a) and (b) of the order are not applicable and records of inventory are updated.
- (iii) As per the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4 (iii) (b) to (d), (f) & (g) of the Order are not applicable.
- (iv) According to the information and explanations given to us, having regard to the explanations that some of the items purchased/ contracts for services availed/ provided are of special nature and suitable alternative sources do not exist for obtaining comparable quotations *(read with our comment in para 2(vi) above and note no. 13(b) of Schedule S), internal control system needs to be further strengthened to be made the same commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets, expenditures and for the sale of services.*
- (v) Based on the audit procedures performed and according to the information and explanations given to us, there are no contracts or arrangements referred to in section 301 of the Act that need to be entered into register required to be maintained under that section, accordingly provisions of clause 4 (v)(b) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder and directives issued by Reserve Bank of India or any other relevant provisions of the Act. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.
- (vii) In our opinion, the Company has an internal audit system, *which need to be further strengthened to be made the same commensurate with the size of the Company and nature of its business.*
- (viii) We are informed that the Central Government has not prescribed maintenance of Cost Records under section 209 (1)(d) of the Act.
- (ix) (a) According to the records and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee' State Insurance, Service Tax, Custom Duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable (Sales Tax and Excise Duty are not applicable to the company) and there are undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2010 are Employees' State Insurance (Rs.848.69 thousands), Tax Deduction at Source (Rs. 4,191.13 thousands), Fringe Benefit Tax (Rs. 340.94 thousands) and Bonus (Rs. 1415.01 thousands). *It is to be read together with comments in Para no 2(vi) (b) & (c) above and note no. 6 of Schedule S.*

- (b) According to the records and information & explanations given to us, there are no dues in respect of sales Tax, income tax, custom duty, wealth tax, service tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute. *However this is to be read with note no 6 of schedule S and our comments in para no 2(vi) (c) above.*
- (x) Accumulated losses of the Company at the end of the financial year do not exceed 50% of its net worth. It has incurred cash loss of Rs. 12,820.19 thousands in the current financial year , though there was a cash loss of Rs 41,988.68 thousands in the immediate preceding financial year . *However, it is to be read together with comments in audit report in Para 2(vi) above in respect of unquantified qualifications, effect of which could not be determined.*
- (xi) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the company has not deposited the dues to Financial Institutions. *The company has delayed (after restructuring on 26.07.2008) in repayment of principal amount of Rs.210,000.00 thousands and subsequent approval of SASF vide its letter dated 8th December 2009, wherein the SASF has relaxed payment of interest by way of capitalization of the interest with certain terms and conditions and therefore , the principal amount payable as on 31.03.2010 is Rs. 228,746.93thousands (after fresh approval) and maximum amount of interest of Rs.18,362.78 thousands for a maximum period of 114 days to SASF which since has been settled for one time settlement and fresh proposal for revised settlement of repayment terms has been forwarded to SASF (refer Note no. 3 of Schedule S).*
- Further, the company has not paid interest on the loan taken from Syndicate Bank against pledge of fixed deposits, and the cumulated interest payable amounts to Rs. 409.89 thousands (P.Y. Rs. 334.89 thousands).
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi/ mutual benefit fund/society, therefore, provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) In our opinion, on the basis of information and explanations given to us, the short terms loans were applied for the purposes for which the loans were obtained during the year.
- (xvi) On the basis of information and explanations given to us and on an overall examination of the financial statements of the company, no funds raised during the year on short term basis have been used for long term investment.
- (xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties / companies covered in the Register maintained under section 301 of the Act, and we are of the opinion that the price at which shares have been issued is not prejudicial to the interest of the company.
- (xviii) The company has not issued any debentures during the year.
- (xix) The company has not raised any money through a public issue during the year.
- (xx) Based on audit procedure performed and on the basis of information and explanations provided by the management and to the best of our Knowledge and belief *read with comments in audit report in Para 2(vi) above*, no material fraud on or by the company has been noticed or reported during the course of our audit nor we have been informed of any such case by the management.

For GIRI & BANSAL
Chartered Accountants

(N. P. BANSAL)
Partner
Membership No.: - 80319

New Delhi
Date: 27th May 2010



JAIN STUDIOS LIMITED

BALANCE SHEET AS AT 31ST MARCH 2010

(Rs. in '000)

	SCHEDULE	As on 31.03.2010	As on 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	143,859.82	143,859.82
Reserves & Surplus	B	390,530.97	390,624.97
Loan Funds			
Secured Loans	C	249,987.00	225,979.25
TOTAL		784,377.79	760,464.04
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	D	295,418.43	293,285.40
Less: Depreciation		117,736.50	105,827.37
Net Block		177,681.93	187,458.03
Assets held for Disposal		15,385.32	15,385.32
Investments	E	63,600.00	63,600.00
Deferred Tax Assets (Net)		60,693.14	53,831.50
Current Assets, Loans and Advances			
Inventory	F	13,569.56	11,293.17
Sundry Debtors	G	208,534.69	192,310.45
Cash & Bank Balances	H	28,865.12	25,268.97
Loans & Advances	I	29,901.56	43,826.65
		280,870.93	272,699.24
Less: Current Liabilities and Provisions			
Current liabilities	J	77,550.61	78,485.80
Provisions		1,911.54	1,859.18
		79,462.15	80,344.98
Net Current Assets		201,408.78	192,354.25
Profit & Loss Account		265,608.62	247,834.93
TOTAL		784,377.79	760,464.04

Notes on Accounts

S

As per our report of even date
for **Giri & Bansal**
Chartered Accountants

For and on behalf of the Board of Directors

(N P Bansal)
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.) Ragini Jain
Director

Vishnu Bhagwan
Director

Place : New Delhi
Date: 27th May,2010

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary



JAIN STUDIOS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

(Rs. in '000)

	SCHEDULE	for the year ended 31-03-2010	for the year ended 31-03-2009
INCOME			
Income from Operations	K	66,119.23	109,073.75
Other Income	L	3,435.09	7,555.83
Increase/(decrease) in Stock	M	2,276.39	2,586.29
		71,830.71	119,215.87
EXPENDITURE			
Production Expenses	N	19,518.23	87,696.64
Personnel Expenses	O	17,306.90	13,503.30
Administrative & Other Expenses	P	21,683.79	27,993.59
Selling & Distribution Expenses	Q	1,049.78	1,438.72
Interest & Other Financial Charges	R	26,892.20	26,093.44
Depreciation/Amortisation		11,909.14	10,732.68
Less :Transfer from Revaluation Reserve		94.00	94.00
		98,266.04	167,364.37
Profit/(Loss) before exceptional items		(26,435.33)	(48,148.50)
Exceptional Items (Note no 3 of Schedule T)		1,800.00	-
Profit/(Loss) before tax		(24,635.33)	(48,148.50)
Less: Provision For Taxation			
- Current Tax		-	-
- Fringe Benefit Tax		-	727.90
- Deferred tax (Note no.12 of Schedule S)		(6,861.64)	(12,995.70)
- MAT Credit Entitlement		-	-
Profit/(Loss) after tax		(17,773.69)	(35,880.70)
Add : Balance Brought Forward		(247,834.93)	(211,954.23)
Profit/(loss) Available For Appropriation		(265,608.62)	(247,834.93)
Balance Carried to Balance Sheet		(265,608.62)	(247,834.93)
Earning per share (Note no 11 of Schedule T)			
Cash		(0.89)	(2.66)
Basic		(1.24)	(2.49)
Diluted		(1.24)	(2.49)

Notes on Accounts

S

As per our report of even date
for **Giri & Bansal**
Chartered Accountants

For and on behalf of the Board of Directors

(N P Bansal)
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.) Ragini Jain
Director

Vishnu Bhagwan
Director

Place : New Delhi
Date: 27th May, 2010

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary



JAIN STUDIOS LIMITED

SCHEDULE TO THE BALANCE SHEET

(Rs. in '000)

	JSL 31-03-2010	As on 31-03-2009
SCHEDULE - A		
Share Capital		
Authorised		
3,05,00,000 Equity Shares of Rs. 10/- each	305,000.00	305,000.00
	<u>305,000.00</u>	<u>305,000.00</u>
Issued, Subscribed and Paid-up		
14,385,982 Equity Shares of Rs 10/- each fully paid up	143,859.82	143,859.82
	<u>143,859.82</u>	<u>143,859.82</u>
Note		
a) 4,73,283 Equity shares of Rs10/- each issued to Unit Trust of India India ,at a price of Rs 211.29 per share on preferential basis , pursuant to conversion of Optionally Convertible Cumulative Preference Shares (OCCPs).		
b) 1,11,599 Equity shares of Rs. 10/- each issued on conversion of cumulative dividend @ 15.5% due on the outstanding OCCPs (refer note a above) upto the date of allotment of aforesaid equity shares without payment being received in cash		
SCHEDULE - B		
Reserves and Surplus		
Capital Reserve		
As per Last Balance Sheet	18,000.00	18,000.00
Additions during the year	-	-
(Refer Note 4(ii) of Schedule S)	<u>18,000.00</u>	<u>18,000.00</u>
Revaluation Reserve		
As per last Balance Sheet	32,762.16	32,856.16
Less : Transferred to Profit & Loss Account	94.00	94.00
	<u>32,668.16</u>	<u>32,762.16</u>
Share Premium Account		
As per Last Balance Sheet	339,862.81	339,862.81
Additions during the year	-	-
	<u>339,862.81</u>	<u>339,862.81</u>
	<u>390,530.97</u>	<u>390,624.97</u>
SCHEDULE - C		
Secured Loans		
Long Term		
Loan from SASF (Stressed Assets Stabilisation Fund) (Refer Note 3 of Schedule S) (Secured by hypothecation of movable properties, book debts and mortgage of immovable properties of the company both present & future ranking pari passu with the charges /mortgage created/to be created on the said assets in favour of the Company's bankers for securing the borrowing for working capital requirements and personal guarantee of Dr. J K Jain, (Managing Director)and corporate guarantee(s) of and pledge of 22,10,300 equity shares held by certain promoters.)	228,746.93	209,996.93
Interest Accrued and due	18,362.78	12,991.23
Working Capital loan	<u>247,109.71</u>	<u>222,988.17</u>
Short Term		
Vehicle Loan from ICICI Bank (Loan secured by hypothecation of vehicles)	467.40	656.21
	<u>467.40</u>	<u>656.21</u>
Demand Loan from Syndicate Bank (loan secured against pledge of FDRs)	2,000.00	2,000.00
Interest Accrued and due	409.89	334.88
	<u>2,409.89</u>	<u>2,334.88</u>
	<u>249,987.00</u>	<u>225,979.25</u>

JAIN STUDIOS LIMITED SCHEDULE TO THE BALANCE SHEET

(Rs. in '000)

PARTICULARS	GROSS BOOK VALUE		DEPRECIATION		NET BOOK VALUE	
	As on 01/04/2009	As on 31.03.2010	During the year	Sales/ (Adjustment)	As on 31.03.2010	As on 31.03.2009
Land -Leasehold	52,129.19	52,129.19	585.72	-	5,713.68	46,415.51
-Freehold	29,679.63	29,679.63	-	-	-	29,679.63
	81,808.82	81,808.82	585.72	-	5,713.68	76,680.86
Building	31,485.24	31,485.24	483.38	-	7,749.66	23,735.58
Plant & Machinery	145,418.90	148,259.58	8,007.16	-	75,007.74	73,251.84
Furniture & Fixtures	3,137.04	3,192.64	198.77	-	1,801.64	1,391.00
Office Equipments	17,001.24	17,237.99	1,320.62	-	14,894.11	2,353.88
Vehicles	5,553.91	5,553.91	527.62	-	4,699.42	854.49
Intangible Assets						
Programme Software Library	7,880.25	7,880.25	785.86	-	7,880.25	785.86
Total	293,285.40	295,418.43	11,909.13	-	117,736.50	187,466.03
Previous Year	292,769.44	293,285.40	10,732.68	-	105,627.37	187,466.03

Note: The leasehold land is being amortised over the life of the lease.

for Giri & Bansal
Chartered Accountants

(N P Bansal) Partner	Dr. J K Jain Managing Director	Dr. (Mrs.) Ragini Jain Director
Sunil K Malhotra Director (Finance)	Vishnu Bhagwan Director	Satyendu Patnaik Company Secretary

Place : New Delhi
Date: 27th May,2010



JAIN STUDIOS LIMITED

SCHEDULE TO THE BALANCE SHEET

(Rs. in '000)

	JSL 31-03-2010	As on 31-03-2009
SCHEDULE - E		
Investments (At Cost)		
Long Term-other than trade		
Unquoted-Fully Paid Up		
In Body Corporates		
40,00,000 Equity Shares of Rs. 10/- each of Noida Software Technology Park Ltd	40,000.00	40,000.00
In Subsidiary		
29,00,000 Equity Shares of Rs. 10/- each of Dr Jain Video on Wheels Ltd (w.e.f. 01.04.2005)	23,600.00	23,600.00
	<u>63,600.00</u>	<u>63,600.00</u>
SCHEDULE - F		
Inventory		
(valued at net realisable value or cost whichever is lower)		
Work in Progress/ Finished Goods (Feature film)	13,569.56	11,293.17
	<u>13,569.56</u>	<u>11,293.17</u>
SCHEDULE - G		
Sundry Debtors		
(Unconfirmed, Unsecured)		
- exceeding six months considered good	181,354.47	173,434.73
considered doubtful	-	-
- others considered good	27,180.22	18,875.72
considered doubtful	-	-
	<u>208,534.69</u>	<u>192,310.45</u>
Less : Provision for doubtful debts	-	-
	<u>208,534.69</u>	<u>192,310.45</u>
SCHEDULE - H		
Cash and Bank Balances		
Cash in hand	135.92	91.93
Balances with scheduled banks		
in Current account	1,003.20	261.41
in Fixed Deposits	27,726.00	24,915.63
[Fixed deposit amounting to Rs. 22,313.00 thousands are pledged as margin money against the BGs issued towards custom duties saved under EPCG licences and Rs.2,370.00 thousands towards loan taken from Syndicate Bank.]		
	<u>28,865.12</u>	<u>25,268.97</u>
SCHEDULE - I		
Loans and Advances		
(Unconfirmed, Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	2,061.90	18,917.73
Deposit with Government Authorities & others		
- with Government Authorities	3,298.25	1,556.62
- with others towards use of various rented premises	16,265.00	16,081.50
Interest receivable	587.77	710.77
Prepaid Expenses	31.61	90.80
MAT Credit Entitlement	2,645.30	2,645.30
TDS Recoverable	5,011.73	3,823.93
	<u>29,901.56</u>	<u>43,826.65</u>
SCHEDULE - J		
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors - due to small scale undertakings*		
- others	41,561.13	40,416.16
Advance from Customers	979.12	4,058.36
Other liabilities	35,010.36	33,910.35
Book Overdraft	-	100.93
	<u>77,550.61</u>	<u>78,485.80</u>
Provisions		
Provision for Tax	-	-
Fringe Benefit Tax (Net)	340.94	767.02
For retirement benefits	1,570.60	1,092.16
	<u>1,911.54</u>	<u>1,859.18</u>
	<u>79,462.15</u>	<u>80,344.98</u>



JAIN STUDIOS LIMITED

SCHEDULE TO PROFIT AND LOSS ACCOUNT

(Rs. in '000)

	(JSL) year ended 31-03-20010	for the year ended 31-03-2009
SCHEDULE - K		
Income from Operations		
Advertisement / Slot Sale	16,070.13	4,513.77
Income from Alliance	4,442.43	-
Production & Other Incomes	601.75	86,876.39
Uplinking Income	24,000.00	15,600.00
Mobile Health Services (Govt.)	8,514.00	-
Workshops on Health Education (Govt.)	8,652.66	-
Registration & Audition fees	-	640.00
Enrollment Fees	3,825.00	890.00
News Feed Income	-	553.59
One time Fees	13.26	-
	66,119.23	109,073.75
SCHEDULE - L		
Other Income		
Interest Income on FDR's (Gross)	1,988.04	2,336.40
[Tax deducted at source Rs.500.84 thousands, (previous year Rs. 500.84)]		
Foreign Exchange Fluctuation (Gain)	936.08	20.92
Sundry Balances/Excess provisions written back including liabilities no longer required Rs.1800.00 thousand (PY Rs. 7691.44.21 thousand)	417.33	5,089.51
Miscellaneous Income	93.64	129.00
	3,435.09	7,555.83
SCHEDULE - M		
Increase(decrease) in Stock		
Closing Stock		
- Work in progress	13,569.56	11,293.17
Opening Stock		
- Work in progress	11,293.17	8,706.88
	2,276.39	2,586.29
SCHEDULE - N		
Production Expenses		
Production Expenses		
- Production & Shooting Expenses	18,836.29	48,288.25
- News Gathering Expenses	-	37,574.12
- Operational expenses		
- Taxi hire Charges	379.03	675.86
- Other Expenses	202.91	961.29
Uplinking Charges	-	-
Telecasting Charges	100.00	197.12
	19,518.23	87,696.64
SCHEDULE - O		
Personnel Expenses		
Salary, Wages and Allowances	16,378.73	12,640.89
Contribution to Provident Fund	196.54	185.08
Staff Welfare Expenses	731.83	677.33
	17,306.90	13,503.30
SCHEDULE - P		
Administrative & Other Expenses		
Electricity & Water Charges	2,065.45	3,051.43
Conveyance Expenses	1,491.57	1,175.13
Travelling Expenses	961.30	2,034.59
Legal & Professional Charges	2,829.00	6,269.98
Consultancy Charges	5,643.35	6,232.27
Repair & Maintenance		
- Plant & Machinery	321.60	338.92
- Building	182.49	-
- Others	421.37	1,473.58
Printing & Stationery	369.55	427.75
Telephone, Postage & Courier Charges	886.54	1,189.28
Bad debts Written off	117.79	-
Rent	1,393.62	206.98
Rates & Taxes	8.81	37.03
Insurance Charges	309.75	166.60
Security Charges	759.08	688.65
Directors sitting fees	128.50	142.00
Prior period expenses	370.28	247.75
Foreign Exchange Loss	7.43	1,339.45
Other Expenses	3,416.31	2,972.20
	21,683.79	27,993.59
SCHEDULE - Q		
Selling & Distribution Expenses		
Advertisement & Publicity	273.53	470.36
Business Promotion & Others	732.99	812.31
Commission	43.26	156.05
	1,049.78	1,438.72
SCHEDULE - R		
Interest and other Finance Charges		
Interest on		
- Fixed Loans (Note no 3 of Schedule T)	26,626.09	25,257.02
- Others	10.00	657.84
Financial Charges	256.11	178.58
	26,892.20	26,093.44

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE – S

Notes on Account

1. Significant Accounting Policies

a) Accounting Convention

- i) The financial statements have been prepared under the historical cost convention (except for certain fixed assets, which have been revalued) in accordance with the generally accepted accounting principles, read with what is stated herein below, as adopted consistently by the company.
- ii) The company generally follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis.

b) Revenue Recognition

- i) Advertisements income is recognised when the related advertisement or commercial appears before the public i.e. on telecast.
- ii) Time Slot and the other related income is recognised on availment of the respective time slot.
- iii) Revenue in respect of Internet Services is recognised for both limited and unlimited number of usage hours proportionately within the period prescribed under the respective scheme.
- iv) For other services such as Uplinking and video production, revenue is recognised when the service is rendered.

c) Fixed Assets

Fixed Assets are stated at cost, adjusted by revaluation in case of certain land and buildings.

d) Depreciation / Amortisation

- i) Depreciation on Fixed Assets (including revalued assets) is provided on straight-line method at the rates and in the manner

specified in schedule XIV to the Companies Act, 1956. The value of leasehold land is amortised over the period of the lease. Intangible Assets: Specialized Programme Software (Library) is amortised over the estimated useful life of the asset i.e. 10 years.

- ii) Where the recoverable amount of fixed assets is lower than its carrying amount, a provision is made for the impairment loss. Post impairment, depreciation is provided on revised carrying value of the asset over its remaining useful life.

e) Treatment of Expenditure during Pre-operative period

Expenditure during pre-operative period is allocated to the respective assets on completion of such erection / installation. Direct expenses as well as identifiable indirect expense, incurred on project during the period of erection / installation are capitalised along with the respective assets.

f) Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalised as a part of the cost of such asset upto the date when such asset is ready for its intended use. Other borrowing costs are charged to Profit and Loss Account.

g) Investments

Long Term Investments are stated at cost. When there is a decline in the value of any investment, which is not considered temporary, then the same is provided for by reducing the value of the investment and charging the same to the Profit & Loss Account.

h) Inventories

Inventories (Compact Disc/ Cassettes/feature films) are valued at lower of the cost and net realisable value.

i) Foreign Currency Transaction

Foreign currency transactions are recorded at the rate of exchange in force at the date of transactions. Foreign currency monetary assets and liabilities are converted at the exchange rates prevailing at the year end. The increase/decrease of liabilities arising in respect of fixed assets acquired from country outside India is adjusted to the cost of fixed assets and in respect of others is charged to revenue account.

j) Retirement Benefits

Provisions for gratuity and leave encashment liability are provided on accrual basis as determined on actuarial valuation.

k) Provision for Tax

Provision is made for current income tax, estimated to arise on the results for the year, in accordance with the Income Tax Act, 1961.

Deferred tax Assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantially enacted on the balance sheet date. The deferred tax assets is recognised and carried forward only to the extent that there is a reasonable/virtual certainty that sufficient taxable profit will be available against which such deferred tax assets can be realised.

l) Provision, Contingent Liability and Contingent Assets

Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past event and is probable that there will be an outflow of resources.

Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes on Accounts

2 (i) Freehold land and certain buildings were revalued on 31.03.1998 by approved valuers on

the basis of assessment about the Fair Market Value of the similar assets. As a result book value of such assets was increased by Rs 39,779 thousands, which was transferred to Revaluation Reserve. Gross Block as at 31.03.2010 includes cumulative surplus of Rs. 33,800 thousands (31.03.2009: Rs. 33,800 thousands) arising on revaluation of assets.

ii) Depreciation for the year includes Rs. 94 thousands (Previous Year: Rs.94 thousands) being depreciation on increased amount of assets due to revaluation and an equivalent amount has been transferred from revaluation reserve to profit and loss account.

3. (i) One time settlement proposal of the company was agreed by SASF vide its letter dated June 26, 2007 which envisage payment of Rs.211,796.93 thousands towards full and final settlement of dues to SASF as per details given below. Accordingly, effect of one time settlement was incorporated in the accounts.

- a) Rs.1,800 thousands to be paid on issue of letter of approval (Paid during the F.Y. 2007-08).
- b) Rs.10,000 thousands to be paid within one month from date of approval (Paid during the F.Y. 2007-08)
- c) Balance Rs.200,000 thousands to be paid within six month after the payment of Rs.10,000 thousands on interest free basis.
- d) Interest @ 12% p.a. on the outstanding amount for a further period of six month from the due date of amount as per (c) above.

The above one time settlement was subject to fulfillment of certain other condition of settlement as contained in the above referred letter. In the event of non compliance of any condition including any delay/default in payment of settlement amount by the company, SASF had the right to reverse the waiver of dues and restore the original liability as per the terms of the loan agreement entered into by the company.

However, the company could not comply with condition 'c' above and did not pay the balance amount (out of settled amount) Rs. 200,000 thousands on the due date i.e. on or before 26.01.2008. Further, on the proposal of the company the SASF vide its letter dated 6th November 2008, has again extended some relaxation as below:



JAIN STUDIOS LIMITED

- a) As a special case the repayment period has been extended upto 25th July 2009.
- b) Rs. 10,000 thousands interest has been capitalized and Rs. 210,000 thousands to be paid towards settlement of loan.
- c) Interest @ 12 % p.a. on the outstanding amount from 26th July 2008 to be accrued and paid on monthly rests.

Further, on proposal of the company vide letter dated June 08, 2009; and subsequent approval of SASF vide its letter dated 8th December 2009, wherein the SASF has relaxed payment of interest by way of capitalization of the interest with the conditions as below:

- a) As a special case the repayment period has again been extended upto 25th July, 2010.
- b) The accumulated interest till September 2009 shall be capitalized subject to upfront payment of Rs. 4,700 thousands. A sum of Rs. 18,750 thousands has been capitalized out of accumulated interest and Rs. 4,700 thousands has been paid as on date.
- c) Interest @ 12% p.a. w.e.f. October 1, 2009 on the outstanding amount to be accrued and paid on monthly rests. 1st installment of interest shall be payable on November1, 2009.

The company has paid Rs. 4,700 thousands towards interest since date. Rs. 18,362.78 thousands and Rs. 2,28,746.93 thousands are payable towards interest and principal/settlement respectively.

- ii) The company had entered into an agreement with ASGFL on 30th March, 2007. The agreement provided that the company (JSL) shall issue and allot Equity Shares amounting to Rs. 200,000 thousands (including premium) as per SEBI guidelines to ASGFL. However, these shares were not issued till the end of current financial year due to pending approval from stock exchanges.
- 4. (i) The company has obtained in-principle approval from Bombay Stock Exchange (BSE) vide their letter dated 26.05.2008, in relation to listing of 53,00,000 Equity Shares allotted during the F.Y. 2005-06 shares. The company is in the process

of complying with the conditions of the said approval letter dated 26.05.2008. In-principle approval from National Stock Exchange (NSE) and other stock exchanges with regard to the listing of the said shares is awaited.

- ii) 50,00,000 warrants for a face value of Rs. 10 each at a price of Rs. 36 each (including premium) allotted by the company as per SEBI application regulations for which the company received an amount of Rs. 18,000 thousand , however the subscribers to the said warrants had to deposit the rest of the demand within stipulated period , failure of deposit of the rest of the demand by the subscribers, warrants were forfeited and cancelled and the money received was transferred to Capital Reserve Account in the F.Y. 2006-07.

5. Auditors' Remuneration

	<u>2009 – 2010</u>	<u>2008– 2009</u>
	(Rs. in thousands)(Rs. in thousands)	

a) Audit Fee (including service tax)	303.33	308.66
b) Other Services	125.46	127.80

- 6. There are certain disputes with regards to the amount payable to some statutory Authorities relating to Provident Fund, ESI, Bonus, TDS, Service Tax. Management is of the opinion that it will be possible to settle all the disputes within the next year.

- 7. The value of current assets and loans and advances in the ordinary course of business, to the best of management knowledge and belief, will not be less than the stated value.

- 8. The company has not received any reply/intimation from suppliers regarding their status under 'Micro, small & Medium Enterprises Development Act'2006 and hence disclosures, if any relating to amount unpaid as at year end together with interest paid/payable as required under the said Act have not been given.

- 9. Segment Reporting:
 - a) Primary Segment Reporting (by business segment): - In line with Accounting Standard (AS) 17 on



JAIN STUDIOS LIMITED

Segment Reporting, the Company has identified business segment as given below taking into account the organisational structure as well as differential nature, risk and return.

Teleport:

Uplinking, Video Clipping & News Feeding Charges through Digital Satellite News Gathering equipment.

Television :

Marketing, Production & Broadcasting of TV Programme and Advertisement.

Others:

Feature film production & distribution
Information about business segments :

		Rs in thousands			
	Particulars	Television	Teleport	Other	Total
A	REVENUE:				
1	Sales (External)	42,119.23 (93,473.75)	24,000.00 (15,600.00)	NIL (NIL)	66,119.23 (1,09,073.75)
	Total Sales	42,119.23 (93,473.75)	24,000.00 (15,600.00)	NIL (NIL)	66,119.23 (1,09,073.75)
B	RESULTS:				
1	Segment Results (PBIT)	-2,075.29 (-15,096.56)	21,042.55 (11,427.18)	NIL (NIL)	18,967.26 (-3,669.38)
2	Interest Expense				26,892.20 (26,093.44)
3	Interest Income				1,988.04 (2,336.40)
4	Unallocable expenditure net of unallocable income				18,698.43 (20,723.08)
5	Profit / (-) Loss Before Tax				-24,635.33 (-48,148.50)
	Provision for Current Tax				NIL (NIL)
	Provision for Fringe Benefit tax				NIL
	Provision for Deferred Tax				(727.90)
					-6,861.64
	MAT Credit Entitlement				(-12,995.70)
	Profit / (-) Loss After Tax				NIL (NIL) -17,773.69 (-35,880.70)
C	OTHER INFORMATION				
1	Segment Assets	164,591.56 (169,553.72)	238,398.50 (233,408.41)	13,569.56 (11,293.17)	416,559.62 (414,225.30)
2	Unallocated Assets				120,978.59 (124,887.34)
3	Deferred Tax Assets (net)				60,693.14 (53,934.10)
4	Total Assets				598,231.35 (593,076.74)
5	Segment Liabilities	60,652.48 (60,762.15)	NIL (NIL)	8,104.66 (8,601.86)	68,757.14 (69,364.01)
	Unallocated Liabilities				260,693.83 (236,962.04)
	Total Liabilities				329,450.96 (306,326.05)
6	Capital Expenditure	2,133.03 (515.96)	NIL (NIL)	NIL (NIL)	2,133.03 (515.96)
7	Depreciation	8,857.69 (6,465.86)	2,957.45 (4,172.82)	NIL (NIL)	11,815.14 (10,638.68)

Note: - (i) Figures for previous year are given in brackets.
(ii) Teleport assets include Assets of Rs. 15,385.32 thousands of ISP division.



JAIN STUDIOS LIMITED

- b) Secondary Segment Reporting (by Geographical Segment) . Since the Company's activities/ operations are mainly within India, hence there is no separate geographical segment.
- c) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

10. Related Party disclosures:
a. Parties where control exists:

Subsidiary:

- Dr. Jain Video on wheels Ltd (w.e.f. 01.04.2005)
- b. Other Related Parties where transactions have been taken place during the year:

Key Management Personnel & their Relatives:

- Dr J K Jain (Managing Director) – Key Management Personnel
Dr. (Mrs.) Ragini Jain (Director, Wife of Dr. J.K.Jain)
Mr. Ankur Jain (Son of Dr. J.K.Jain)
- c. Enterprises over which Key Management Personnel and their relatives have significant influence:
Dr Jain Clinic Pvt. Ltd.
Dr. Jain Laboratories Pvt. Ltd.
Ankur Services and Growth Fund Ltd.
Dalmia Foundation for Medical Research
The Development Group
Jain Internet Ltd.
Noida Software Technology Park Ltd.
- d) For Transactions with the related parties:

Rs. in thousands				
Nature of Transactions	Subsidiary	Key Managerial Persons and their relatives	Enterprises Where KMP and their relatives' Significant Influence	Total
Rendering of Services	15,907.35 (NIL)	NIL (NIL)	NIL (NIL)	15,907.35 (NIL)
Uplinking (Earthstation) Income	NIL (NIL)	NIL (NIL)	24,000.00 (15,600.00)	24,000.00 (15,600.00)
Receiving of Services	NIL (47,625.25)	NIL (NIL)	NIL (NIL)	NIL (47,625.25)
Payment of Salary	NIL (NIL)	3,714.00 (2,514.00)	NIL (NIL)	3,714.00 (2,514.00)
Payment on behalf of/(Received from)			NIL (NIL)	NIL (NIL)
Advances given	NIL (5,764.89)	NIL (NIL)	NIL (NIL)	NIL (5,764.89)
Advances recovered/ received	NIL (NIL)	NIL (NIL)	10,634.06 (10,462.16)	10,634.06 (10,462.16)
Balance outstanding as at year end: -				
- Loans & Advances	NIL (NIL)	NIL (NIL)	NIL (10,634.06)	NIL (10,634.06)
- Security Deposit	NIL (NIL)	NIL (NIL)	15,950.00 (15,950.00)	15,950.00 (15,950.00)
-Accounts receivable	NIL (NIL)	NIL (NIL)	122,198.77 (115,600.00)	122,198.77 (115,600.00)
- Accounts Payable	16,867.95 (17,698.69)	91.10 (138.18)	NIL (NIL)	16,759.05 (17,836.87)

Note:

- i) No provision exists for doubtful debts as on 31.03.2010. (ii) Company has given interest free security deposit for rented premises. (iii) 22,10,300 Equity Shares of Jain Studios Ltd held by Promoters are pledged for loan taken from Financial Institutions by the company (refer Schedule C). (iv) Details of remuneration to Key Management Personnel are given in Note No.17. (v) Figures for previous year are given in brackets. (vi) Refer Note No. 3(ii) herein above.



JAIN STUDIOS LIMITED

11. Earning Per Share ["EPS"] computed in accordance with Accounting Standard 20:

	<u>Rs in thousands</u> <u>2009 – 2010</u>	<u>Rs in thousands</u> <u>2008– 2009</u>
a) Profit /(Loss) attributable to equity shareholders: Profit /(Loss) after tax (Rs. in thousands)	(17,773.69)	(35,880.70)
b) Weighted average number of equity shares outstanding (face value of Rs 10/- each):		
i) Basic		
Number of Equity Shares at the beginning	1,43,85,982	1,43,85,982
Equity shares issued	-	-
Weighted Average Number of Equity Shares	1,43,85,982	1,43,85,982
ii) Diluted		
Number of Equity Shares at the beginning	1,43,85,982	1,43,85,982
Number of Equity Shares at the end of the year	1,43,85,982	1,43,85,982
c) i) Basic earnings per share (in Rs)	(1.24)	(2.49)
ii) Diluted earnings per share (in Rs.)	(1.24)	(2.49)

12. a) The major components of deferred tax assets and liabilities are as given below:

	<u>Rs in thousands</u> <u>As at 31.03.2010</u>	<u>Rs in thousands</u> <u>As at 31.03.2009</u>
Deferred Tax Assets		
- Unabsorbed depreciation*	26,676.04	3,347.44
- Expenses allowable on payment basis/ as per section 40a	29,241.63	31,877.76
- Business Loss*	28,291.07	43,458.14
	84,208.74	78,683.34
Deferred tax Liabilities		
- Depreciation	23,515.60	24,851.84
Net Deferred tax (assets)/liabilities (net)	(60,693.14)	(53,831.50)

* Deferred tax has been recognized based on the Income tax returns.

- b) The net deferred tax assets recognized in compliance with AS 22 "Accounting for Taxes on Income" upto 31.03.2009 has been updated for items giving rise to timing difference upto 31.03.2010. In view of the cost reduction measures and addition of new business and based on future projection, the Board believes that there is a virtual certainty that the future taxable income would be sufficient against which such carried forward deferred tax asset can be realized.
13. Advances recoverable in cash or in kind or value to be received include interest free Advances given to following bodies Corporates and Others (in terms of clause 32 of listing agreement):



JAIN STUDIOS LIMITED

- a) **Subsidiary : NIL**
b) **Directors Interested: NIL**

14. In pursuance of the provisions of AS-4, "Contingencies and Events Occurring After the Balance Sheet Date" read with section 217 (d) of the Companies Act, 1956, Fixed deposits amounting to Rs 22,313 thousands kept as 100% margin money towards BGs with Syndicate Bank in compliance of the provisions under which export licenses obtained (EPCG Scheme). In view of the non compliance of the requirement to fulfill the export obligation under EPCG scheme, the Fixed Deposits as stated have been revoked.

15. Additional information required to be given pursuant to part II of Schedule VI to the Companies Act, 1956 are as follows:

- a) The company is in the business of Television, Network and Teleport, which is not subject to licence for capacity. Hence licensed capacity is not given. Further the nature of business of the company is such that the installed capacity is not quantifiable.

	<u>2009 – 2010</u> (Rs.'000)	<u>2008– 2009</u> (Rs.'000)
b) C.I.F. value of Imports:	Nil	Nil
c) Expenditure in Foreign Currency (Accrual Basis): Foreign Travelling	186.56	838.46
d) Earnings in Foreign Currency: (Realisation Basis) Advertisement Income/Reimbursement	2,644.14	20,655.54

16. Contingent Liabilities:
(to the extent as ascertained by the Management)

	<u>2009 – 2010</u> (Rs.'000)	<u>2008– 2009</u> (Rs.'000)
--	--	---------------------------------------

A) Claims against the Company not acknowledged as debts 112,495.02 112,495.02

B) Others:

i) Customs Duty saved which may arise if obligation for exports is not fulfilled against import of certain machinery under EPCG Scheme 55,523.89 55,523.89

(EPCG licence (obligation fulfilled) of custom duty saved of Rs.3,623.94 thousands where company has applied for discharge)
{(BG of Rs. 21,813 thousands given (P.Y. Rs. 22,313 thousands))}

ii) Outstanding Bank Guarantees 133.33* 133.33*
* represented by 100% Margin money in the form of fixed deposits furnished to the bank

C) Registered Office is situated at premises which is available to the company at free of cost.

17. Remuneration to the Managing Director	<u>2009 – 2010</u> (Rs. in thousands)	<u>2008– 2009</u> (Rs. in thousands)
Salary & Other Allowances	3,600.00	2,400.00

Excludes provision for gratuity & Leave Encashment, where the actuarial valuation is done on overall company basis.



JAIN STUDIOS LIMITED

18. MAT credit entitlement has been recognized in view of addition of new business and based on future projections; the board believes that future taxable income would be sufficient so as the tax credit for such carried forward MAT credit entitlement can be setoff as per provision of section 115JAA of the Income Tax Act, 1961.
19. Figures for the previous year have been re-grouped/ re-arranged/ recast wherever considered necessary, to confirm current year's classification.
20. Schedules A to S form an integral part of the accounts and have been duly authenticated.

As per our report of even date
For GIRI & BANSAL
Chartered Accountants

For and on behalf of the Board of Directors
Jain Studios Ltd

N. P. BANSAL
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.)Ragini Jain
Director

Vishnu Bhagwan
Director

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary

Place: New Delhi
Date: 27th May, 2010



JAIN STUDIOS LIMITED

Cash Flow Statement for the year ended 31.03.2010 JAIN STUDIOS LIMITED

Particulars	2009-10	2008-09
A Cash Flow from Operating activities		
Net profit/(loss) before tax and exceptional items	(26,435.33)	(48,148.50)
Adjustments for:		
Bad debts written off	117.79	-
Provision for doubtful debts	-	-
Miscellaneous expenses written off	-	-
Sundry balances written off/back	(417.33)	(5,089.51)
Depreciation	11,815.14	10,638.68
Interest expenses	26,892.20	26,093.44
Profit/(loss) on sale/discard of fixed assets	-	-
Interest income	(1,988.04)	(2,336.40)
Provision for doubtful debts written back	-	-
Profit/(loss) before Exceptional items	9,984.43	(18,822.29)
Exceptional items	1,800.00	-
Operating Profit/(loss) before working capital changes	11,784.43	(18,822.29)
Adjustments for:		
Trade & other receivables	(2,539.95)	19,237.44
Inventory	(2,276.39)	(2,586.29)
Trade & other payables	(39.42)	9,424.18
Cash generated from operations	6,928.67	7,253.04
Direct taxes (paid)/Refund	(426.08)	(1,673.55)
Net cash flow from operating activities	6,502.59	5,579.49
B Cash Flow from Investing activities		
Interest received	2,111.04	1,765.05
Purchase of fixed assets	(2,133.03)	(515.96)
Investment in Subsidiary Company	-	-
Sale of fixed assets	-	-
Net cash flow from investing activities	(21.99)	1,249.09
C Cash Flow from Financing activities		
Interest paid (Refer note no 3 (i))	(2,695.64)	(7,286.04)
Repayment of Long Term Loan	-	-
Short Term Loan Taken (Refer note no 3 (i))	(188.81)	(54.69)
Equity Share money received	-	-
Warrant money received	-	-
Net cash flow from financing activities	(2,884.45)	(7,340.73)
Net Decrease in cash & cash equivalents(A+B+C)	3,596.15	(512.15)
Opening balance of cash & cash equivalents	25,268.97	25,781.13
Closing balance of cash & cash equivalents	28,865.12	25,268.97

Note: Figures for the previous year have been re-group/re-arranged where ever considered necessary, to confirm current year's classification.

As per our report of even date
for Giri & Bansal
Chartered Accountants

For and on behalf of Board of Directors

N. P. BANSAL
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.)Ragini Jain
Director

Vishnu Bhagwan
Director

Place: New Delhi
Date: 27th May, 2010

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary



JAIN STUDIOS LIMITED

Additional Information Required under Part - IV of Schedule VI to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration details:	
CIN/Registration no.	L92199DL1991PLC042611
Balance Sheet date	31st March 2010
2 Capital raised during the year:	(Rs. in Thousands)
Public issue	Nil
Right issue	Nil
Bonus issue	Nil
3 Position of mobilisation and deployment of funds:	
Total Liabilities	784,377.79
Total Assets	784,377.79
Source of Funds	
Paid-up capital	143,859.82
Reserves & Surplus	390,530.97
Secured Loans	249,987.00
Unsecured loan	-
Application of funds	
Net Fixed Assets	193,067.25
Investments	63,600.00
Net Current Assets	201,408.78
Miscellaneous Expenses	-
Accumulated Losses	265,608.62
Deferred Tax Assets (Net)	60,693.14
4 Performance of Company:	
Total Income	73,630.71
Total Expenditure	98,266.04
Profit/(loss) before tax	(24,635.33)
Profit/(loss) after tax	(17,773.69)
Earnings per share (Rs.)	(1.24)
Dividend rate	NIL
5 Generic Names of principal products, services of the company:	
Item Code no.	N.A.
Product description	Marketing, Production and Broadcasting of TV programmes Internet Service Provider & Uplinking

As per our report of even date attached
for **Giri & Bansal**
Chartered Accountants

For and on behalf of the Board of Directors

N. P. BANSAL
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.)Ragini Jain
Director

Vishnu Bhagwan
Director

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary

Place: New Delhi
Date: 27th May, 2010



JAIN STUDIOS LIMITED

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT 1956 RELATING TO SUBSIDIARY COMPANY

Particulars	DR. JAIN VIDEO ON WHEELS LIMITED
1. The relevant financial year of the Subsidiary Company ended on	31.03.2010
2. No. of Shares in the Subsidiary company held by Jain Studios Ltd.	29,00,000 Equity Shares of Rs.10/- Each.
3. Extent of holding of the Jain Studios Ltd. at the end of the financial period	52.727%
4. The net aggregate amount of subsidiary Company profit/(loss) so far it concerns the members of holding Company	
(a) Not dealt in holding Company's Account.	(Rs. in, 000)
I. For the financial year ended as on 31 st March 2010.	Nil
ii. For the previous financial years of the Subsidiary Company since it become holding Company Subsidiary.	Nil
(b) Dealt in holding Company's Account.	
I. For the financial year ended as on 31 st March 2010.	1412.10
ii. For the previous financial years of the Subsidiary Company since it become holding Company Subsidiary.	

**As per our report of even date
For Giri & Bansal
Chartered Accountants**

For and on behalf of the Board of Directors

N. P. BANSAL
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.)Ragini Jain
Director

Vishnu Bhagwan
Director

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary

Place: New Delhi
Date: 27th May, 2010



DR. JAIN VIDEO ON WHEELS LTD.

DIRECTORS' REPORT

To the Members,

Your Directors have great pleasure in presenting the 20th Annual Report of **Dr. Jain Video on Wheels Limited** together with the Audited Financial Statements and Auditors' report for the Financial Year ended 31st March 2010.

(Rs. In Lacs)

Financial Results	2009-10	2008-09
Total Income	1271.18	861.53
Profit/ (Loss) before Interest, Depreciation and Tax	135.49	64.31
Interest	55.48	24.96
Profit / (Loss) after Interest but before Depreciation and Tax	80.01	39.35
Depreciation	50.48	19.61
Profit / (Loss) before exceptional item	29.53	19.74
Exceptional Item	0	0
Profit / (Loss) before Tax	29.53	19.74
Provision for Taxation (Including Current Tax, FBT, Deferred Tax & MAT Credit entitlement)	(0.34)	(60.31)
Profit / (Loss) after tax	29.87	80.05
Balance b/f from previous year	(203.81)	(283.86)
Net profit/ (Loss) & Carried to Balance sheet	(173.94)	(203.81)

Performance

During the year under review, the total income of your Company was Rs1271.18 Lacs, as compared to Rs. 861.53 Lacs in the previous year.

The Profit before Tax (PBT) for the year under review was Rs. 29.53 Lacs as compared to Rs.19.74 Lacs in the previous year. The Profit after Tax (PAT) for the year under review was Rs. 29.87Lac as compared to Rs.80.05 Lacs in the previous year.

Business Operation and Future Outlook

During the financial year, Company has been entrusted with the responsibility of Operationalisation of Medical Mobile Units (MMUs) at various districts of Uttarakhand, Bihar from the respective State Government and providing of mobile health care facilities at various blocks of Madhya Pradesh by the MP Government, which has

generated the revenues during the financial year and will continue to generate the revenues in the coming financial years. There are prospects of expansion of MMU operation business across all the states of country like in Rajasthan and similarly other states are planning to run this activity at district or block level.

Further, Prasar Bharti has also entrusted the Company a TV program production project worth Rupees 2.25 crore. We are producing agriculture news and telecasting it through regional and Narrowcasting DD kendras like Srinager, Jalandhar, Lucknow, Jaipur, Raipur, Shimla, New Delhi CPC, Jammu, Hisar, Bareilly, Mau, Gorakhpur Varanasi, Raipur, Jagdalpur etc.

Dividend

In view of the brought forward losses, your Directors have been unable to recommend any dividend.



DR. JAIN VIDEO ON WHEELS LTD.

Fixed Deposits

The Company has not accepted any deposits during the financial year under review.

Directors

In terms of the provisions of Companies Act, 1956 and the Articles of Association of the Company, Shri Ankur Jain, Director of the Company retires by rotation and being eligible, offer himself for re-appointment. Ms. Shalini Dhanda, resigned from the Director on the Board of the Company w.e.f. 1st October 2009.

Accounts for the Financial Year ended 31st March, 2010 on a 'going concern' basis.

Personnel and Particulars of Employees

The industrial relations with the workers and staff of the Company remained cordial throughout the year. Training and development of employees continue to be an area of prime importance. Pursuant to section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, a statement containing list of employees and drawing remuneration exceeding Rs. 24.00 Lacs per annum or Rs. 2.00 Lac per month is given herein below:

S.No	Name	Designation	Remuneration Received (Rs.)	Qualification	Exp	Age	Date of Commencement	Particulars of Last Employment
1.	Smt. Shalini Dhanda	Executive Director (Operation)	19,50,000/-*	Graduate, Specialisation in Film making/ production (USA)	24 yrs.	48 yrs.	01.10.2009	Service

* Remuneration has been revised to Rs. 3,50,000/- p.m. w.e.f. 01.01.2010

Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, the Directors confirm:

- that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2010, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- that the Directors have prepared the Annual

Particulars of Energy, Technology and Foreign exchange

- Energy conservation – The Company makes continuous efforts to explore new technologies and techniques to make the infrastructure more energy efficient. Moreover, the operations of the Company are not energy intensive.
- Technology absorption – Company uses Indian technical manpower to operate Indian and imported infrastructure.
- Foreign Exchange earnings and out go:
Earnings in foreign exchange : Rs. NIL
Expenditure in foreign exchange : Rs. NIL

Auditors

M/s Giri & Bansal, Chartered Accountants, Auditors of the Company, retire at the conclusion of the ensuing Annual General Meeting, being eligible offer themselves for re-appointment. The Company has received a certificate from them that their re-appointment if made would be within prescribed limits under Section 224(1B) of the Companies Act, 1956



DR. JAIN VIDEO ON WHEELS LTD.

Auditors' Report

The Notes on Accounts of the Company referred to in Auditors report are self-explanatory and therefore do not call for any further explanation.

Appreciation

Your Directors greatly appreciate the dedication and

commitment of employees at all levels who have contributed towards the effective functioning of the Company. We also wish to convey gratitude to company's Bankers, Financial Institutions, Government Authorities, Clients, Vendors, and Investors for their support and encouragement during the year and look forward for their continued support in the future.

For and on Behalf of the Board of Directors

Place: New Delhi
Date: 25.08.2010

Ankur Jain
(Director)

Bharti Jain
(Director)



DR. JAIN VIDEO ON WHEELS LTD.

AUDITORS' REPORT

TO THE MEMBERS/SHAREHOLDERS OF DR. JAIN VIDEO ON WHEELS LTD.

We have audited the attached Balance Sheet of **DR. JAIN VIDEO ON WHEELS LTD.** as at 31st March 2010 and also the Profit and Loss Account of the Company for the period ended on that date annexed thereto. These financial statements are the responsibility of 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 and used 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.

We report that:

1. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
2. In our opinion, proper books of accounts as required by law have been kept by the company, so far as appears from our examination of the books;
3. The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
4. In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report comply with the mandatory Accounting Standards (AS) referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
5. On the basis of information and explanations given to us, we report that none of the directors are disqualified as on 31st March 2010 from being appointed as Director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956;
6. Subject to the forgoing in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with notes thereon, 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 Balance Sheet, of the state of affairs of the company as at 31st March 2010; and
 - ii. In the case of Profit and Loss Account, of the Profit of the company for the period ended on that date.
7. As required by the Companies (Auditor's Report) Order, 2004 (The Order) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956 (The Act), the statement on matters paragraphs 4 and 5 of the said order is given hereunder to the extent applicable to the company:
 - (i) (a) Proper records showing full particulars including quantitative details and situation of all fixed assets are under process of updating / completion.
 - (b) According to the information and explanations given to us, the company has phased programme of verification of fixed assets in accordance of which, the Company had carried out physical verification of its fixed assets; no material

- discrepancies were noticed on such verification.
- (ii) (a) The company has carried out physical verification of inventory at regular intervals.
- (b) The procedure of physical verification of inventories followed by the management requires to be strengthened in relation to the size of the company and the nature of its business.
- (c) The company is maintaining records of inventory and no material discrepancies were noticed on the physical verification.
- (iii) As per the information and explanation given to us, the company has not taken/ given any loans, secured or unsecured, from/to companies, firms or other parties listed in the Register maintained under section 301 of the Act. Accordingly, the provisions of clause 4 (iii) (b) to 4 (iii) (d) are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regard to sale of services.
- (v) (a) According to the information and explanations given to us and based upon audit procedures performed, we are of the opinion that the transactions that need to be entered into a register maintained under Section 301 of the Act have 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 register maintained under section 301 of the Companies Act, 1956 and exceeding the value of five lakhs rupees in respect of each party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposits from the public in terms of provisions of section 58A and 58AA of the Act and the rules framed there under and the directives issued by RBI.
- (vii) In our opinion, the Company has an (in house) internal audit system, which needs to be further strengthened to make it commensurate with the size of the company and nature of its business.
- (viii) We are informed that the Central Government has not prescribed maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956.
- (ix) (a) The company is not regular in depositing with appropriate authorities undisputed statutory dues including provident fund, sales tax, service tax (Refer Note No. 10 of schedule N), cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, there is no undisputed amount were in arrears as at 31st March 2010.
- (c) According to the records and information & explanations given to us, there are no dues in respect of custom duty, wealth tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute.
- (x) Accumulated losses of the Company at the end of the financial year have not exceeded 50% of its net worth. The Company has not incurred cash loss during the financial year 31st March'2010, and the previous year ended 31st March'2009.
- (xi) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the company has not defaulted as on 31st March 2010 in repayment of dues to financial institutions banks or debenture holder.
- (xii) According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares debentures and other securities.



DR. JAIN VIDEO ON WHEELS LTD.

- (xiii) The Company is not a chit fund or nidhi / mutual benefit fund / society, therefore, the provisions of clause 4 (xiii) of the said Order are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) In our opinion, on the basis of information and explanations given to us, term loan has been taken by the company during the year, was applied for the purpose for which the loan was obtained.
- (xvii) On the basis of information and explanations given to us and on the overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term investment, and vice versa.
- (xviii) According to the information and explanations given to us, the Company has not made any preferential allotment of shares to any parties or companies covered in the Register maintained under section 301 of the Companies Act 1956.
- (xix) The company has not issued any debentures during the period.
- (xx) The company has not raised any money through a public issue during the period.
- (xxi) Based on the audit procedure performed and on the basis of information and explanations provided by the Management, no fraud on or by the company has been noticed or reported during the course of the audit.

For **GIRI & BANSAL**
Chartered Accountants

Place: New Delhi
Date : 25th May 2010

(N.P. Bansal)
Partner
M.NO.: 80319



DR. JAIN VIDEO ON WHEELS LTD.

BALANCE SHEET AS ON 31ST MARCH, 2010

	SCHEDULE	As at 31-03-10 Amount (Rs.)	As at 31-03-09 Amount (Rs.)
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	A	55,000,000.00	50,000,000
Reserves & Surplus	B	197,794,679.00	182,794,679
Secured Loans	C	58,948,473.88	38,918,837
Unsecured Loans	D	10,200,000.00	10,200,000
TOTAL		321,943,152.88	281,913,516
APPLICATION OF FUNDS			
Fixed Assets	E		
Gross Block		288,035,964.23	251,479,887
Less: Depreciation		25,027,049.76	19,979,445
Net Block		263,008,914.47	231,500,442
Deferred Tax Assets (Net)		5,844,827.27	6,432,983
Current Assets, Loans & Advances			
Cash & Bank Balances	F	4,028,171.26	3,566,631
Inventories	G	2,477,100.00	3,952,100
Sundry Debtors	H	33,446,431.19	26,185,787
Other Current Assets	I	6,379,768.45	5,995,693
Loans & Advances	J	14,696,892.76	890,409
		61,028,363.66	40,590,620
Less: Current Liabilities & Provisions	K	25,333,050.55	22,191,742
Net Current Assets		41,540,140.38	24,831,861
Miscellaneous Expenses	L	17,394,098.04	25,581,213
TOTAL		321,943,152.88	281,913,516
Significant Accounting Policies	M		
Notes on Accounts	N		

As per our report of even date attached
for **GIRI & BANSAL**
Chartered Accountants

For and on Behalf of Board of Directors
Dr. JAIN VIDEO ON WHEELS LTD.

(N.P. Bansal)
(Partner)

(Ankur Jain)
(Director)

(Bharti Jain)
Director

Place: New Delhi
Date: 25.05.2010

(Shalini Dhanda)
Ex-Director



DR. JAIN VIDEO ON WHEELS LTD.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2010

	Schedule	Amount 31.03.2010 (Rs.)	Amount 31.03.2009 (Rs.)
INCOME			
Income from Operations	O	125,493,348.00	86,117,876
Other Income	P	1,624,249.00	35,534
TOTAL		127,117,597.00	86,153,410
EXPENDITURE			
Operational Expenses	Q	79,509,330.16	61,956,352
Personnel Expenses	R	19,682,663.00	6,631,217
Travelling Expenses	S	802,869.00	1,059,351
Marketing Expenses	T	701,234.00	268,455
Administrative & Other Expenses	U	11,457,972.00	8,382,273
Financial Charges	V	6,962,876.67	3,920,800
Depreciation	E	5,047,604.53	1,960,983
TOTAL		124,164,549.36	84,179,431
Profit for the year before tax		2,953,047.64	1,973,979
Provision for Taxation			
- Current year		501,870.45	223,652
- Fringe Benefit Tax		-	178,797
- Deferred Tax		588,155.70	(6,432,983)
- MAT Credit Entitlement		(1,124,093.45)	
Profit / (Loss) After Tax		2,987,114.94	8,004,513
Add : Balance brought forward		(20,381,212.98)	(28,385,726)
Profit transferred to Balance Sheet		(17,394,098.04)	(20,381,213)
Earnings Per Share - (Basic / Diluted)		0.60	1.60

Significant Accounting Policies M
Notes on Accounts N

As per our report of even date attached
for **GIRI & BANSAL**
Chartered Accountants

For and on Behalf of Board of Directors
Dr. JAIN VIDEO ON WHEELS LTD.

(N.P. Bansal)
(Partner)

(Ankur Jain)
(Director)

(Bharti Jain)
Director

Place: New Delhi
Date: 25.05.2010

(Shalini Dhanda)
Ex-Director



DR. JAIN VIDEO ON WHEELS LTD.

SCHEDULE TO BALANCE SHEET

	Schedule	Amount (Rs.) As on 31.03.2010	Amount (Rs.) As on 31.03.2009
Share Capital	A		
Authorised			
70,00,000(Previous year 50,00,000)		70,000,000.00	50,000,000
Equity Shares of Rs 10/- each		<u>70,000,000.00</u>	<u>50,000,000</u>
Issued, Subscribed & paid up			
55,00,000 (Previous year 50,00,000)		55,000,000.00	50,000,000
Equity Shares of Rs 10/- each		<u>55,000,000.00</u>	<u>50,000,000</u>
Reserve & Surplus	B		
Revaluation Reserve		182,794,679.00	182,794,679
Share Premium (500000 Nos. Shares @Rs. 30/-)		15,000,000.00	-
		<u>197,794,679.00</u>	<u>182,794,679</u>
Secured Loan	C		
Car Loan with ICICI Bank Ltd. (Honda city)		276,189.00	421,951
Car Loan with ICICI Bank Ltd. (Versa)		140,400.00	275,422
Mahindra & Mahindra Finance Services (Mahindra Loadking Pride) (Secured by hypothecation of the vehicles in favour of the lender)		119,584.00	277,389
PNB Bank CC A/c 0167008700012938 (Secured against entire Book Debts, present & future, arising out of genuine credit safe transactions)		19,613,755.88	14,993,881
PNB Term Loan A/c No. JE-155 (Secured against Mobile Medical Units & Block Assets of the Company and Greater Noida Land, owned by the company and Personal Gurantee of Directors)		10,459,547.00	22,950,194
PNB Term Loan A/c No. JE-036 (Secured against Mobile Medical Units & Block Assets of the Company and Greater Noida Land, owned by the company and Personal Gurantee of Directors)		28,338,998.00	-
		<u>58,948,473.88</u>	<u>38,918,837</u>
Unsecured Loan	D		
Ankur Services and Growth Fund Ltd.		10,200,000.00	10,200,000
		<u>10,200,000.00</u>	<u>10,200,000</u>
Cash and Bank Balances	F		
Balance with Scheduled Banks			
- In Deposit accounts (FD)*		3,221,800.00	1,432,000
- In Other accounts		22,470.26	1,470,057
Cash in Hand		783,901.00	664,574
		<u>4,028,171.26</u>	<u>3,566,631</u>
*(Fixed Deposits of Rs. 31.71 Lac is pledged with Punjab National Bank - Bhikajicama Place, New Delhi to Issue Bank Guarantee)			
Inventories	G		
(At lower of cost or estimated realisable value)			
Closing Stock of Audio / Video Footage of Agri News (As taken, valued and certified by the management)		2,477,100.00	3,952,100
		<u>2,477,100.00</u>	<u>3,952,100</u>
Sundry Debtors	H		
(Unconfirmed,Unsecured,considered good by the management)			
-exceeding six months considered good		1,398,259.00	2,153,396
-others considered good		32,048,172.19	24,032,391
		<u>33,446,431.19</u>	<u>26,185,787</u>



DR. JAIN VIDEO ON WHEELS LTD.

SCHEDULE - E Schedule of Fixed Assets Forming Part of Balance Sheet for the Period of 1st April, 2009 to 31st March 2010

Sl. No.	PARTICULARS	ORIGINAL COST		DEPRECIATION		NET		UP TO 31.03.2010 JPE-GH4	UP TO 31.03.2010 JPE-GH4	AS ON 31.03.2010	BLOCK
		AS ON 1/04/2009 A	AS ON 31/03/2009 B	SALE Adjustment C	AS ON 31/03/2009 D=H+C	UP TO 31/03/2009 E	Rate F				
01	LAND *	186,100,000.00	-	-	186,100,000.00	-	-	-	-	186,100,000.00	186,100,000.00
02	BUILDING	319,200.00	-	-	319,200.00	130,596.66	3.34	10,061.78	146,267.92	169,932.08	169,932.08
03	VIDEO VANS	13,162,891.45	-	-	13,162,891.45	11.31	-	-	13,162,891.45	0.00	0.00
04	MOBILE HEALTH CLINIC VANS	-	34,681,860.00	-	34,681,860.00	11.31	-	897,437.84	897,437.84	33,184,422.16	33,184,422.16
05	FURNITURE & FIXTURES	423,271.00	-	-	423,271.00	298,614.43	6.33	20,614.37	247,426.80	175,844.20	175,844.20
06	PROD. SYSTEM	2,845,041.50	-	-	2,845,041.50	2,334,629.45	7.07	201,144.43	2,535,773.88	309,267.62	309,267.62
07	D.S.N.G.	40,250,753.00	-	-	40,250,753.00	433,332.95	7.07	2,845,728.24	3,278,660.78	36,972,092.21	36,972,092.21
08	PHOTO COPY MACHINE	659,790.00	-	-	659,790.00	170,811.52	4.75	12,282.05	168,103.57	75,678.43	75,678.43
09	TELEVISION	1,678,330.00	44,000.00	-	1,722,330.00	1,112,048.89	7.07	118,667.85	1,187,772.55	1,250,534.13	461,565.87
10	AUDIO EQUIPMENTS	346,624.20	-	-	346,624.20	221,420.93	7.07	24,508.33	245,910.26	100,713.94	100,713.94
11	ELECTRICAL EQUIP.	176,237.75	-	-	176,237.75	160,410.77	7.07	8,281.78	168,692.55	7,045.20	16,326.98
12	REFR. & WATER COOLER	45,068.00	-	-	45,068.00	39,141.40	7.07	3,251.35	42,392.75	3,595.25	6,846.62
13	COMPUTER CAMERA	2,165,169.78	1,669,446.00	-	3,234,615.78	1,265,974.74	16.21	388,807.43	4,023,483.19	1,633,784.45	889,935.04
14	TEMP. STRUCTURE	110,480.00	-	-	110,480.00	33,624.67	3.34	3,690.03	3,690.03	97,344.70	73,695.30
15	VEHICLE (CAR) **	3,075,117.00	1,335,050.00	-	4,410,167.00	407,158.36	11.31	347,589.53	113,763.49	4,062,377.51	3,545,094.05
16	CELL PHONE	160,272.55	25,300.00	-	185,572.55	64,067.46	7.07	11,331.76	69,162.62	109,209.73	86,232.11
17	AIR CONDITIONER	313,724.00	-	-	313,724.00	216,671.01	7.07	21,414.18	21,414.18	237,586.20	78,638.80
	GR.TOTAL CURRENT YR.	251,479,887.23	36,556,677.88	-	288,036,565.11	19,979,445.23	-	3,968,820.70	1,078,733.62	5,947,554.32	282,089,010.79
	GR.TOTAL PREVIOUS YR.	200,671,161.23	42,800,706.00	160,866.68	243,532,673.91	18,019,461.84	-	1,344,418.86	616,594.41	231,646,442.38	190,662,719.38

* Breaked and Phased off P&H as per para 2(b) of Schedule I on the Note on Accounts
** Motor vehicle contributed to CIO Bank & Mahindra & Mahindra Finance Ltd

Auditors Report

As per our report of even date
for **GIRI & BANSAL**
Chartered Accountants

N.P. Bansal
(Partner)

Place: New Delhi
Date: 25.05.2010

For and on Behalf of Board Directors
Dr. JAIN VIDEO ON WHEELS LTD.

Bharti Jain
(Director)

Ankur Jain
(Director)

Shalini Dhandia
(Ex-Director)



DR. JAIN VIDEO ON WHEELS LTD.

SCHEDULE TO BALANCE SHEET

	Schedule	Amount (Rs.) As on 31.03.2010	Amount (Rs.) As on 31.03.2009
Other Current Assets	I		
Security Deposit		300,000.00	300,000
Interest Receivable on FDR		115,507.00	9,776
Prepaid Expenses (Insurance)		950,568.00	37,524
Earnest Money Deposit		358,600.00	3,743,400
MAT Credit Entitlement		1,124,093.45	223,652
TDS Recoverable		3,531,000.00	1,681,341
Total		6,379,768.45	5,995,693
Loans & Advances	J		
Advances Staff Imprest		2,545,250.34	278,771
Advances to Suppliers / Others		12,151,642.38	611,638
Total		14,696,892.72	890,409
Current Liabilities & Provisions	K		
a) Current Liabilities			
Sundry Creditors		10,639,374.00	9,844,682
Trade Creditors		3,985,962.00	2,310,062
Other Creditors		6,653,412.00	7,534,620
Advance from customer		639,377.00	5,322,000
Advance from others		1,000,000.00	5,764,888
Security Deposit Received - Vehicle & Equipments		7,995,000.00	-
TDS Payable		532,456.00	82,618
PF Payable		143,746.00	200,605
ESI Payable		28,232.00	-
Audit Fees Payable		50,562.00	50,393
FBT Payable		-	65,804
Salary, Stipend and Consultancy Payable		3,802,433.10	637,100
Total		24,831,180.10	21,968,090
b) Provisions			
Provision for Income Tax		501,870.45	223,652
Total		501,870.45	223,652
Total(a+b)		25,333,050.55	22,191,742
Miscellaneous Expenditure	L		
(to the extent not written off or adjusted)			
Profit & Loss A/c		17,394,098.04	20,381,213
Internet, Ecom, Ad & Publicity, Software Archives, Intellectual Property Rights, Services Rights Expenses		-	5,200,000
Total		17,394,098.04	25,581,213



DR. JAIN VIDEO ON WHEELS LTD.

SCHEDULE TO PROFIT LOSS ACCOUNT

	Sch.	Amount (Rs.) As on 31.03.2010	Amount (Rs.) As on 31.03.2009
Income from Operations	O		
Mobile Health Services (Govt.)		116,277,954.00	35,888,592.00
Workshops on Health Education (Govt.)		7,787,394.00	6,030,440.00
Documentary Health Education Film		1,428,000.00	44,198,844.00
		125,493,348.00	86,117,876.00
Other Income	P		
Interest on FDR		124,249.00	35,534.00
Sale of Health Education Programmes		1,500,000.00	-
		1,624,249.00	35,534.00
Operating Expenses	Q		
Cost of Documentary Health Education Film :		943,175.00	31,521,319.50
Add : Decrease in Stock of Documentry / Educational Programmes		1,475,000.00	-
		2,418,175.00	31,521,319.50
Mobile Health Services Charges		53,085,896.16	26,059,504.00
Workshops on Health Education Charges		4,922,640.00	2,696,160.00
Health Consultancy Charges		17,123,310.00	-
Consultancy Charges		1,793,011.00	1,310,510.00
Fuel Expenses		42,756.00	-
Van Painting Exp.		-	-
Photograph Exp.		8,023.00	7,770.00
Repair & Maintenance - equip./car		84,679.00	86,238.00
Van / Equipment Hiring Charges		30,000.00	274,850.00
Software Exp.		840.00	-
		79,509,330.16	61,956,351.50
Personnel Expenses	R		
Personnel expenses		17,222,198.00	5,705,560.00
Managerial Remuneration		2,310,000.00	720,000.00
Staff Welfare		150,465.00	205,657.00
		19,682,663.00	6,631,217.00
Travelling Expenses	S		
Conveyance exp. -Personnel & administrative		324,274.00	126,671.00
Conveyance exp. -Operations		45,503.00	409,235.00
Tours & travelling -Marketing		433,092.00	523,445.00
		802,869.00	1,059,351.00
Marketing Expenses	T		
Business Promotion Exp.		701,234.00	268,455.00
		701,234.00	268,455.00
Administration & Other expenses	U		
Rent		1,335,000.00	1,200,000.00
Office Maintenance		1,559,685.00	645,581.00
Books & Periodicals		44,641.00	8,599.00
Printing & Stationery		303,856.00	345,131.00
Repair & Maintenance		118,544.00	68,873.00
Insurance expenses - Van		176,443.00	75,833.00
Deferred Revenue Expenses / Video Rights(w/o)		5,200,000.00	5,200,000.00
Fees, Rates & Taxes		6,095.00	75,170.00
Audit Fees		112,360.00	168,540.00
Telephone and Communication Expenses		701,348.00	470,897.00
Prior Period Expense		-	123,649.00
Bad Debts		1,900,000.00	-
		11,457,972.00	8,382,273.00
FINANCIAL CHARGES	V		
Bank Interest		5,547,764.00	2,495,538.38
Bank / Bank Guarantee Charges		1,415,112.67	1,425,261.91
		6,962,876.67	3,920,800.29



SCHEDULE – 'M'

SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS

A. Significant Accounting Policies

a) Accounting Convention

- i) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles and the provisions of the Companies Act, 1956 subject to what is stated herein below, as adopted consistently by the company.
- ii) The company follows mercantile system of accounting and recognises significant items of income and expenditure on accrual basis except in the case of retirement benefits, which are recognised on cash basis.

b) Fixed Assets and Depreciation

Fixed Assets are stated at cost of acquisition less depreciation in the manner and the rate prescribed in Schedule XIV to the Companies Act, 1956.

The leasehold land is not being amortized as in the opinion of the company, the same is an appreciating asset.

c) Provision for Tax

Provision is made for current income tax, estimated to arise on the result for the year, in accordance with the Income Tax Act, 1961.

Deferred tax assets/liabilities are accounted for in accordance with Accounting Standard -22 "Accounting for Taxes" on Income issued by the Institute of Chartered Accountants of India.

d) Revenue Recognition

Revenue/Income & costs/Expenditure are generally accounted on accrual basis as they are earned or incurred.

e) Retirement Benefits

The Company has adopted the policy of

accounting for gratuity and leave encashment on cash basis, i.e., at the time of actual payment and hence no provision has been made thereof.

f) Borrowing Costs

Borrowing costs attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such asset up to the date when such asset is ready for its intended use. Other borrowing costs are charged to profit and loss account.

g) Inventories

Inventories are valued at lower of the cost or net realizable value. Cost is determined on weighted average basis.

h) Deferred Revenue Expenses

Rights for Internet, E com., Ad & publicity Services are amortized over a period of 10 years.

SCHEDULE – 'N'

NOTES ON ACCOUNTS

1. Previous year figures have been regrouped / rearranged and recast wherever considered necessary to facilitate comparison with current year figures.
2. a) Depreciation on all fixed assets is charged on straight line method and as per rates and manner specified in Schedule XIV to the Companies Act, 1956. The leasehold land is not being amortized as in the opinion of the company the same is an appreciating asset.
- b) The company's leasehold land at Greater Noida (UP) has cost price of Rs.33.65 Lakhs was revalued on 19th January, 2008 by approved valuer on the basis of their valuation report dated 19th January, 2008, the revalued amount of leasehold land of



DR. JAIN VIDEO ON WHEELS LTD.

the company as reported had been stated in annual accounts at an amount of Rs. 1,861.60 Lakhs as at 31.03.2008. The said land has been pledged with PNB to avail various banking facilities.

3. As a measure of prudence the Deferred Tax assets (Net), in terms of Accounting Standard - 22 "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, have been recognized.

The major components of deferred tax assets and liabilities are as given below :

Deferred Tax Assets

	<u>As at 31-03-2010</u>
i. Unabsorbed depreciation	Rs. 12,19,357/-
ii. Business Loss	Rs. 80,68,931/-
(A)	<u>Rs. 92,88,288/-</u>

Deferred Tax Liabilities

	<u>As at 31-03-2010</u>
i. Depreciation (B)	Rs. 34,43,461/-
Net Deferred Tax (Assets) / Liabilities (Net) (A-B)	<u>Rs. (58,44,827/-)</u>

4. During the financial year 2000-2001 the company entered into an arrangement with Jain Studios Ltd. (JSL) whereby :-
- Jain Studios Ltd. (JSL) agreed to permit Dr. Jain Video On Wheels Ltd. (VOW) to use JSL's TV channel for advertising and publicity and its existing and prospective software.
 - VOW shall have the right to appoint franchisees having unlimited free internet access.
 - VOW shall have the right to use JSL's Ecom services including payment gateway solutions, for a period of 10 years

AND, in lieu thereof

VOW paid JSL a sum of Rs. 5,20,00,000/- (Rupees Five Crore Twenty Lakhs Only).

The company has treated this expenditure of Rs. 5,20,00,000/- (Rupees Five Crore Twenty Lakhs Only) as deferred expenditure and has decided, to amortize it over the period of the arrangement (i.e.10 years).

Accordingly, during this fifth year, the company has charged 1/10th (One Tenth) i.e. Rs. 52,00,000/- (Rupees Fifty-two Lakh Only) to the profit and loss account.

5. During the F.Y. 2005-06, Jain Studios Limited (JSL) has acquired 6,00,000 shares of the company. Consequently, the company has become subsidiary of JSL.
6. During the previous year, company has issued 500000 Equity Shares of face value Rs.10/- each, at premium Rs.30/- each to M/s Ankur Services & Growth Fund Limited.
7. The company has obtained certain loans for procurement of fixed assets and towards working capital requirements, which are as follows:
- Vehicle Loans amounting to Rs. 5,36,173/ - (P.Y. Rs. 9,74,762/-) is secured by hypothecation of respective vehicles.
 - During the year the company has availed and renewed/ enhanced various facilities from Punjab National Bank as per its sanction letter, which are as follows:

Term Loan

- Fresh Term Loan amounting to Rs. 280 Lakhs from Punjab National Bank, Branch Office – Bhikajicama Place, New Delhi, secured by Hypothecation of Equipments and 1st charge on block assets of the company.
- Continuation of Term Loan amounting to Rs. 183 Lakhs (Original Limit was Rs.300 Lakhs) from Punjab National Bank, Branch Office – Bhikajicama Place, New Delhi, secured by Hypothecation of Equipments and 1st charge on block assets of the company.

Working Capital Limits

Renewal/ Enhancement of Cash Credit limit



DR. JAIN VIDEO ON WHEELS LTD.

from Rs.150 Lakhs to Rs. 200 Lakhs from Punjab National Bank, Branch Office – Bhikajicama Place, New Delhi, secured by hypothecation of book debts.

Non Fund Based Limits

Renewal/ Enhancement of Non Fund Based Limit from Rs.150 to Rs. 200 Lakhs from Punjab National Bank, Branch Office – Bhikajicama Place, New Delhi.

The Punjab National Bank credit facilities has been collaterally secured by way of first charge as mortgage on the industrial plot located at

- a. B-22, D-9 (Part) and D-10 at Surajpur Industrial Area, Site –C, Village Gulistanpur, Tehsil Sadar, District Gautam Budha Nagar, Uttar Pradesh admeasuring 4654 square meter of the company; and
- b. B-25, D-3, D-4 and D-5 at Surajpur Industrial Area, Site –C, Village Gulistanpur, Tehsil Sadar, District Gautam Budha Nagar, Uttar Pradesh admeasuring 12140.50 square meter of M/s Noida Software Technology Park Limited; and first charge on the other block of assets of the company.

8. The value of current assets and loans and advances in the ordinary course of business, to the best of management knowledge and belief, will not be less than the stated value.
9. The company has not received any intimation from suppliers regarding their status under 'Micro, small & medium Enterprises Development Act 2006 and hence disclosures, if any relating to amount unpaid as at year end together with interest paid/payable as required

As per our report of even date attached.
For **GIRI & BANSAL**
Chartered Accountants

(**N.P. Bansal**)
Partner

Place: New Delhi
Date: 25th May 2010

under the said Act have not been given.

10. Provision has not been made for service tax, in case of one of the clients, as in the opinion of the management it is not required. The company has sought legal opinion for the same.

11. Additional information as required under Schedule-VI of the Companies Act, 1956.

- a) CIF value of Imports.....Nil
- b) Expenditure in foreign currencyNil
- c) Earning in foreign exchange Nil

d) Contingent liabilities :	2009-10	2008-09
Bank Guarantees	199.86 Lakh	143.20 Lakh
Represents by margin in the form of Fixed Deposit	10%	10%
Bank Guarantees	11.73 lakh	Nil
Represents by margin in the form of Fixed Deposit	100%	100%

11. Managerial remuneration

	2009-10	2008-09
Salary and allowances	23,10,000	7,20,000

12. Auditors Remuneration

	2009-10	2008-09
- Audit Fees	30,000.00	80,000.00
- Tax Matters	55,000.00	80,000.00
- Secretarial Matters	7,360.00	8,540.00
- Expense Reimbursement	20,000.00	30,000.00

13. The statement of Significant Accounting Policies and Notes on Accounts numbered 1 to 14 forms an integral part of the accounts for the year ended 31 March 2010.

For and on behalf of Board of Directors
Dr. Jain Video on Wheels Ltd.

(**Ankur Jain**)
Director

(**Bharti Jain**)
Director

(**Shalini Dhanda**)
Ex-Director



DR. JAIN VIDEO ON WHEELS LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2010

Particular	2009-10	2008-09
A Cash Flow From Operating Activities		
Net Profit/(loss) before tax and exceptional items	2,953,047.64	1,973,978.82
<u>Adjustments For:</u>		
Miscellaneous Expenses Written off	5,200,000.00	5,200,000.00
Depreciation	5,047,604.53	1,960,983.39
Interest Expenses	6,962,876.67	2,495,538.38
Profit/(loss) on sale/discard of fixed assets	-	-
Interest Income	(124,249.00)	(35,534.00)
Operation Profit/(loss) before working capital changes	20,039,279.84	11,594,966.59
<u>Adjustments For:</u>		
Trade & Other Receivables	(20,327,109.84)	(4,175,118.19)
Inventory	1,475,000.00	-
Trade & Other Payables	2,928,894.00	(4,116,155.50)
Cash generated from operations	4,116,064.00	3,303,692.90
Direct taxes(paid)/Refund	(289,455.80)	(139,051.00)
Net Cash Flow From Operating Activities	3,826,608.20	3,164,641.90
B Cash Flow From Investing Activities		
(Increase)/decrease in fixed assets	(36,556,077.20)	(42,808,706.00)
Interest received on Fixed Deposit	124,249.00	35,534.00
Net Cash Flow From Investing Activities	(36,431,828.20)	(42,773,172.00)
C Cash Flow From Financing Activities		
Interest Paid	(6,962,876.67)	(2,495,538.38)
Increase in Share Capital	5,000,000.00	-
Security Premium	15,000,000.00	-
Increase in secured loan	20,029,637.00	30,204,852.17
Increase in unsecured loan	-	10,200,000.00
Net Cash Flow From Financing Activities	33,066,760.33	37,909,313.79
Net Increase/(Decrease) in cash & cash equivalents(A+B+C)	461,540.33	(1,699,216.31)
Opening Balance of cash & cash equivalents	3,566,630.93	5,265,847.24
Closing Balance of cash & cash equivalents	4,028,171.26	3,566,630.93

Note : Figures for the previous year have been re-grouped/re-arranged wherever considered necessary, to confirm current year's classification.

As per our report of even date attached.
For **GIRI & BANSAL**
Chartered Accountants

For and on behalf of Board of Directors
Dr. Jain Video on Wheels Ltd.

(**N.P. Bansal**)
Partner

(**Ankur Jain**)
Director

(**Bharti Jain**)
Director

Place: New Delhi
Date: 25th May 2010

(**Shalini Dhanda**)
Ex-Director



DR. JAIN VIDEO ON WHEELS LTD.

Additional Information Required under Part - IV of Schedule to the Companies Act, 1956

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1 Registration details:	
CIN	U92199DL1991PLC042609
Balance Sheet Date	31.03.2010
2 Capital raised during the year:	(In Rs.)
Public issue	Nil
Right issue	Nil
Bonus issue	Nil
Private Placement	50,00,000.00
3 Position of mobilisation and deployment of funds:	
Total Liabilities	321,943,152.89
Total Assets	321,943,152.89
Source of Funds –	
Paid-up capital	55,000,000.00
Reserves & Surplus	197,794,679.00
Secured Loans	58,948,473.88
Unsecured loan	10,200,000.00
Application of funds –	
Net Fixed Assets	263,008,914.47
Investments	-
Net Current Assets	35,695,313.11
Miscellaneous Expenses	17,394,098.04
Accumulated Losses	
Deferred Tax Assets (Net)	5,844,827.27
4 Performance of Company:	
Total Income	127,117,597.00
Total Expenditure	124,164,549.36
Profit/(loss) before tax	2,953,047.64
Profit/(loss) after tax	2,987,114.94
Earnings per share (Rs.)	0.60
Dividend rate	NIL
5 Generic Names of principal products, services of the company:	
Item Code no.	N.A.
Product description	Van Campaign Production of News / Documentary Films

As per our report of even date attached.
For **GIRI & BANSAL**
Chartered Accountants

For and on behalf of Board of Directors
Dr. Jain Video on Wheels Ltd.

(**N.P. Bansal**)
Partner

(**Ankur Jain**)
Director

(**Bharti Jain**)
Director

Place: New Delhi
Date: 25th May 2010

(**Shalini Dhanda**)
Ex-Director



JAIN STUDIOS LIMITED

AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

TO THE BOARD OF DIRECTORS OF JAIN STUDIOS LIMITED ON THE CONSOLIDATED FINANCIAL STATEMENTS OF JAIN STUDIOS LIMITED AND ITS SUBSIDIARY

We have audited the attached Consolidated Balance Sheet of **JAIN STUDIOS LIMITED** (The company) and its subsidiary (Dr. Jain Video on Wheels Limited) as at 31st March 2010, the Consolidated Profit & Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of 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 management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

i). *Attention is invited to:*

- a) *In respect of non-provision against shortfall in recovery (amount-unascertainable) against overdue and other debts amounting to Rs 181,354.47 thousand; accounting of uplinking license fees amounting to Rs 24,000 thousands as per terms of agreement which is pending necessary approvals and our inability to comment on realisability/recoverability thereof.*
- b) *In respect of non confirmation/reconciliation and non availability of documents in support and audit trail of balances of debtors, loans and advances, sundry creditors and other current liabilities (including statutory dues), banks and secured loans and income and expenditure accounted for during the year and contingent liabilities considered as ascertained by the management, consequential impact where of presently cannot be ascertained and*

our inability to comment on correctness and completeness.

- c) *In respect of transfer of Provident Fund amount payable of Rs. 2286.78 thousands (net) to 'Social Security Fund A/c', and regarding write back of sundry balances/excess provision written back amounting to Rs.2217.33 thousands based on management perception and our inability to comment thereon. Further in respect of non-payment of certain statutory dues and non filing of certain statutory returns/forms w.r.t. Employees state Insurance, Provident Fund, Tax deducted at source, Service tax, custom duty, Fringe Benefit tax and other and accounting of penalty, interest, etc.(amount unascertainable) and our inability to comment thereon.*
- d) *In respect of recognition and carry over of deferred tax assets (net) to the extent as stated in said note, based on management perception (note no. 13 of schedule S) and MAT credit entitlement of amounting to Rs. 2645.30 thousands recognized and carried over based on management perception (note no. 17 of schedule S) and our inability to comment thereon.*
- e) *In respect of management perception about recoverable amount of the fixed assets (including the assets held for disposal) (Impairment of assets: AS-28) and of investments (Accounting for Investments: AS-13) of the company being more than carrying amount; and our inability to comment thereon.*
- f) *In respect non provision of the liability for Custom Duty saved as per EPCG Scheme, which becomes payable on account of shortfall of exports over the years; and our inability to comment thereon.*

We further report that the profit for the year, balance in profit & loss account and respective assets and liabilities are without considering the impact of items referred to in paragraphs 2(vi) (a) to (e) above or otherwise, the effect of which could not be determined.



JAIN STUDIOS LIMITED

Subject to the foregoing, in our opinion, and to the best of our information and according to the explanations given to us, the said accounts read together with Notes thereon, give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;

i) In the case of Consolidated Balance Sheet,

of the state of affairs of the Company as at 31st March 2010;

- ii) In the case of the Consolidated Profit & Loss Account, of the Profit for the year ended on that date; and
- iii) In the case of Consolidated Cash Flow Statement, of the Cash Flows for the year ended on that date.

For GIRI & BANSAL
Chartered Accountants

(N. P. BANSAL)
Partner
Membership No.: - 80319

New Delhi
Date: 27th May, 2010



JAIN STUDIOS LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31st March, 2010

(Rs. in '000)

	SCHEDULE	As on 31.03.2010	As on 31.03.2009
SOURCES OF FUNDS			
Shareholders' Funds			
Share Capital	A	143,859.82	143,859.82
Reserves & Surplus	B	588,325.65	573,419.65
Minority Interest		18,847.64	12,435.54
Loan Funds			
Secured Loans	C	308,935.48	264,898.09
Unsecured Loan	D	10,200.00	10,200.00
		-	-
TOTAL		1,070,168.59	1,004,813.10
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	E	583,454.40	544,765.29
Less: Depreciation		142,763.56	125,808.82
Net Block		440,690.84	418,958.47
Assets held for Disposal		15,385.32	15,385.32
Investments	F	40,000.00	40,000.00
Goodwill on Consolidation	G	-	991.92
Deferred Tax Assets (Net)		66,537.97	60,264.49
Current Assets, Loans and Advances			
Inventory	H	17,521.66	15,245.27
Sundry Debtors	I	258,646.21	200,797.55
Cash & Bank Balances	J	32,893.29	28,835.60
Loans & Advances	K	49,503.25	50,712.72
		358,564.41	295,591.14
Less: Current Liabilities and Provisions			
Current liabilities	L	119,049.75	82,757.02
Provisions		2,413.41	2,082.83
		121,463.16	84,839.85
Net Current Assets		237,101.25	210,751.28
Miscellaneous Expenditure (To the Extent not Written Off)	M	-	5,200.00
Profit & Loss Account		270,453.21	253,261.62
TOTAL		1,070,168.59	1,004,813.10
Notes on Accounts	V		

As per our report of even date
for **Giri & Bansal**
Chartered Accountants

For and on behalf of the Board of Directors

(N P Bansal)
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.) Ragini Jain
Director

Vishnu Bhagwan
Director

Place : New Delhi
Date: 27th May, 2010

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary



JAIN STUDIOS LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31.03.2010 (Rs. in '000)

	SCHEDULE	for the year ended 31-03-2010	for the year ended 31-03-2009
INCOME			
Income from Operations	N	175,726.09	147,566.38
Other Income	O	5,059.34	7,591.36
Increase/(decrease) in Stock	P	2,276.39	2,586.29
		183,061.82	157,744.03
EXPENDITURE			
Production Expenses	Q	81,348.06	100,717.24
Personnel Expenses	R	36,989.56	20,134.52
Administrative & Other Expenses	S	30,538.65	33,545.74
Selling & Distribution Expenses	T	1,751.01	1,707.17
Interest & Other Financial Charges	U	33,855.08	30,014.23
Miscellaneous Expenses Written Off		5,200.00	5,200.00
Depreciation/Amortisation		16,956.74	12,693.67
Less : Transfer from Revaluation Reserve		94.00	94.00
Goodwill on Consolidation written off		991.82	991.82
		207,537.62	204,910.59
Profit(Loss) before exceptional items		(24,475.20)	(47,166.47)
Exceptional Items (Note no 3 of Schedule U)		2,422.22	-
Profit(Loss) before extra ordinary items		(22,052.98)	(47,166.47)
Extraordinary Items (Note no 3 of Schedule U)		-	-
Profit(Loss) before tax		(22,052.98)	(47,166.47)
Less: Provision For current taxes			
- Current Tax		501.87	223.65
- Fringe Benefit Tax		-	906.69
- Deferred tax (Note no.12 of Schedule U)		(6,273.48)	(19,428.68)
- MAT Credit Entitlement		(501.87)	-
Profit(Loss) after tax		(15,779.50)	(28,868.13)
Minority Interest		1,412.10	3,361.89
Profit(Loss) after tax and Minority Interest		(17,191.60)	(32,230.02)
Add : Balance Brought Forward		(253,261.61)	(221,031.60)
Profit(loss) Available For Appropriation		(270,453.21)	(253,261.62)
Balance Carried to Balance Sheet		(270,453.21)	(253,261.62)
Earning per share (Note no 11 of Schedule U)			
Before exceptional item and Deferred Tax		(1.70)	(2.01)
Cash		(0.36)	(2.17)
Basic		(1.10)	(2.01)
Diluted		(1.10)	(2.01)

Notes on Accounts

V

As per our report of even date
for **Giri & Bansal**
Chartered Accountants

For and on behalf of the Board of Directors

(N P Bansal)
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.) Ragini Jain
Director

Vishnu Bhagwan
Director

Place : New Delhi
Date: 27th May,2010

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary



JAIN STUDIOS LIMITED

CONSOLIDATED SCHEDULE TO THE BALANCE SHEET

(Rs. in '000)

	As on 31.03.2010	As on 31.03.2009
SCHEDULE - A		
Share Capital		
Authorised		
3,05,00,000 Equity Shares of Rs. 10/- each	305,000.00	305,000.00
	<u>-</u>	<u>-</u>
	305,000.00	305,000.00
Issued, Subscribed and Paid-up		
14,385,982 Equity Shares of Rs 10/- each fully paid up	143,859.82	143,859.82
	<u>-</u>	<u>-</u>
	143,859.82	143,859.82
Note		
a) 4,73,283 Equity shares of Rs10/- each issued to Unit Trust of India India at a price of Rs 211.29 per share on preferential basis , pursuant to conversion of Optionally Convertible Cumulative Preference Shares (OCCPs).		
b) 1,11,599 Equity shares of Rs. 10/- each issued on conversion of cumulative dividend @ 15.5% due on the outstanding OCCPs (refer note a above) upto the date of allotment of aforesaid equity shares without payment being received in cash		
SCHEDULE - B		
Reserves and Surplus		
Capital Reserve		
As per Last Balance Sheet	18,000.00	18,000.00
Additions during the year (Refer Note 4(ii) of Schedule S)	<u>-</u>	<u>-</u>
	18,000.00	18,000.00
Revaluation Reserve		
As per last Balance Sheet	215,556.84	215,650.84
Less : Transferred to Profit & Loss Account	94.00	94.00
	<u>215,462.84</u>	<u>215,556.84</u>
Share Premium Account		
As per Last Balance Sheet	339,862.81	339,862.81
Additions during the year	15,000.00	-
	<u>354,862.81</u>	<u>339,862.81</u>
	588,325.65	573,419.65
SCHEDULE - C		
Secured Loans		
Long Term		
Loan from SASF (Stressed Assets Stabilisation Fund) (Refer Note 3 of Schedule S) (Secured by hypothecation of movable properties, book debts and mortgage of immovable properties of the company both present & future ranking pari passu with the charges /mortgage created/to be created on the said assets in favour of the Company's bankers for securing the borrowing for working capital requirements and personal guarantee of Dr. J K Jain, (Managing Director)and corporate guarantee(s) of and pledge of 22,10,300 equity shares held by certain promoters.)	228,746.93	209,996.93
Interest Accrued and due	18,362.78	12,991.23
PNB Term Loan (JE-155)	10,459.55	22,950.19
(Secured against Video Vans, Equipment, Building at Ahmedabad, personal guarantee of the Directors and corporate guarantee)		
PNB Term Loan (JE-036)	28,339.00	-
(Secured against Video Vans, Equipment, Building at Ahmedabad, personal guarantee of the Directors and corporate guarantee)		
Vehicle Loan from ICICI Bank(Scorpio) (Loan secured by hypothecation of vehicles)	467.40	656.21
Car Loan from ICICI Bank(Honda City)	276.19	421.96
Car Loan from ICICI Bank(Versa)	140.40	275.42
Car Loan from Mahindra & Mahindra Finance Services(Mahindra Loadking Pride) (Loan secured by hypothecation of vehicles)	119.58	277.39
Working Capital loan	19,613.76	14,993.88
	<u>306,525.59</u>	<u>262,563.20</u>
Demand Loan from Syndicate Bank (loan secured against pledge of FDRs)	2,000.00	2,000.00
Interest Accrued and due	409.89	334.89
	<u>2,409.89</u>	<u>2,334.89</u>
	308,935.48	264,898.09
SCHEDULE - D		
Unsecured Loans		
Ankur Services & Growth Fund Ltd	10,200.00	10,200.00
	<u>10,200.00</u>	<u>10,200.00</u>

SCHEDULE TO THE BALANCE SHEET CONSOLIDATED

SCHEDULE - E

Fixed Assets

PARTICULARS	GROSS BOOK VALUE			DEPRECIATION			NET BOOK VALUE			
	As on 01/04/2009	Additions	Sales/ Adjustment	As on 31.03.2010	upto 31.03.2009	During the year	Sales/ (Adjustment)	upto 31.03.2010	As on 31.03.2010	As on 31.03.2009
Land -Leasehold	238,289.19	-	-	238,289.19	5,127.96	585.72	-	5,713.68	232,575.51	233,161.23
-Freehold	29,679.63	-	-	29,679.63	-	-	-	-	29,679.63	29,679.63
	267,968.82	-	-	267,968.82	5,127.96	585.72	-	5,713.68	262,255.14	262,840.86
Building	31,914.92	-	-	31,914.92	7,431.13	494.05	-	7,925.18	23,989.74	24,483.79
Plant & Machinery	187,901.08	2,910.53	-	190,811.61	68,603.52	11,483.79	-	80,087.31	110,724.30	119,297.56
Furniture & Fixtures	3,560.31	55.60	-	3,615.91	1,829.49	223.27	-	2,052.76	1,563.15	1,730.82
Office Equipments	24,285.49	306.05	-	24,591.54	18,519.40	1,497.66	-	20,017.06	4,574.48	5,766.09
Vehicles	21,254.42	35,416.93	-	56,671.35	17,200.93	1,886.39	-	19,087.32	37,584.03	4,053.49
Intangible Assets										
Programme Software Library	7,880.25	-	-	7,880.25	7,094.39	785.86	-	7,880.25	0.00	785.86
Total	544,765.29	38,689.11	-	583,454.40	125,806.82	16,956.74	-	142,763.56	440,690.84	418,958.47
Previous Year	501,440.64	43,424.65	100.00	544,765.29	113,113.15	12,693.67	-	125,806.82	418,958.47	



JAIN STUDIOS LIMITED

CONSOLIDATED SCHEDULE TO THE BALANCE SHEET

(Rs. in '000)

	As on 31.03.2010	As on 31.03.2009
SCHEDULE - F		
Investments (At Cost)		
Long Term-other than trade		
Unquoted-Fully Paid Up		
In Body Corporates		
40,00,000 Equity Shares of Rs. 10/- each of Noida Software Technology Park Ltd	40,000.00	40,000.00
In Subsidiary		
29,00,000 Equity Shares of Rs. 10/- each of Dr Jain Video on Wheels Ltd (w.e.f. 01.04.2005)	-	-
	<u>40,000.00</u>	<u>40,000.00</u>
SCHEDULE		
Goodwill - G		
Carrying Cost Of Investment		-
Less: JSL's Shares in Net Worth on Acquisition		-
Amount brought forward (To the extent not written off)	991.92	1,983.84
	991.92	1,983.84
Less: Written off During the Year	991.92	991.92
	<u>-</u>	<u>991.92</u>
SCHEDULE - H		
Inventory		
(valued at net realisable value or cost whichever is lower)		
Work in Progress (Feature film)	13,569.56	15,245.27
Closing stock of Audio/Video Footage of Agri News	3,952.10	-
	<u>17,521.66</u>	<u>15,245.27</u>
SCHEDULE - I		
Sundry Debtors		
(Unconfirmed, Unsecured)		
- exceeding six months considered good	178,914.36	175,588.13
considered doubtful	-	-
- others considered good	79,731.85	25,209.42
considered doubtful	-	-
	258,646.21	200,797.55
Less : Provision for doubtful debts	-	-
	<u>258,646.21</u>	<u>200,797.55</u>
SCHEDULE - J		
Cash and Bank Balances		
Cash in hand	919.82	756.50
Balances with scheduled banks	-	-
in Current account	1,025.67	1,731.47
in Fixed Deposits	30,947.80	26,347.63
[Pledged with bank]	-	-
	<u>32,893.29</u>	<u>28,835.60</u>
SCHEDULE - K		
Loans and Advances		
(Unconfirmed, Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	15,283.83	23,551.50
Deposit with Government Authorities & others	20,221.85	17,938.12
Interest receivable	703.27	720.55
Prepaid Expenses	982.18	128.33
MAT Credit Entitlement	3,769.39	2,645.30
TDS Recoverable	8,542.73	5,728.92
	<u>49,503.25</u>	<u>50,712.72</u>
SCHEDULE - L		
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors - due to small scale undertakings*	-	-
- others	68,868.46	43,651.05
Advance from Customers	1,618.50	4,058.36
Other liabilities	48,562.79	34,946.68
Book Overdraft	-	100.93
	<u>119,049.75</u>	<u>82,757.02</u>
Provisions		
Provision for Tax	501.87	-
Fringe Benefit Tax (Net)	340.94	990.67
For retirement benefits	1,570.60	1,092.16
	2,413.41	2,082.83
	<u>121,463.16</u>	<u>84,839.85</u>
* to the extent information available Note: Sundry Creditors includes creditors for capital goods Rs. Nil Thousand (Previous Year Rs Nil Thousand)		
SCHEDULE - M		
Miscellaneous Expenditure		
(to the extent not written off or adjusted)		
Internet,Ecom, Ad & publicity,Software Archives, Intellectual property rights, ServicesRights Expenses	5,200.00	10,400.00
Less: Written off/adjusted	5,200.00	5,200.00
	<u>-</u>	<u>5,200.00</u>
	<u>-</u>	<u>5,200.00</u>



JAIN STUDIOS LIMITED

SCHEDULES TO PROFIT AND LOSS ACCOUNT CONSOLIDATED

(Rs. in '000)

	for the year ended 31-03-2010	for the year ended 31-03-2009
SCHEDULE - N		
Income from Operations		
Advertisement / Slot Sale	16,070.13	4,513.79
Income from Alliance	4,442.43	-
Production & Other Incomes	1,593.25	122,869.00
Uplinking Income	-	18,100.00
Mobile Health Service (Govt.)	117,129.36	-
Workshop on Health Education (Govt.)	8,652.66	-
Registration & Audition fees	-	840.00
Enrollment Fees	3,825.00	890.00
News Feed Income	-	553.59
One time Fees	13.26	-
	151,726.09	147,586.38
SCHEDULE - O		
Other Income		
Interest Income on FDR's (Gross)	2,112.29	2,371.93
[Tax deducted at source Rs.500.84 thousands, (previous year Rs. 439.21)]	-	-
Sale of Health Education Programmes	1,500.00	-
Foreign Exchange Fluctuation (Gain)	936.08	20.92
Sundry Balances/Excess provisions written back including liabilities no longer required Rs.1800.00 thousand (FY Rs. 7691.44.21 thousand)	417.33	5,669.51
Miscellaneous Income	93.64	129.00
	5,059.34	7,591.36
SCHEDULE - P		
Increase/(decrease) in Stock		
For Real		
Closing Stock		
- Work in progress	17,521.66	15,245.27
Opening Stock		
- Work in progress	15,245.27	12,858.98
	2,276.39	2,586.29
SCHEDULE - Q		
Production Expenses		
Production Expenses		
- Production & Shooting Expenses	60,489.83	60,947.77
- News Gathering Expenses	-	37,574.12
- Operational expenses	-	-
- Taxi hire Charges	379.03	675.85
- Other Expenses	389.20	1,322.38
Uplinking Charges	-	-
Telecasting Charges	100.00	197.12
	61,348.06	100,717.24
SCHEDULE - R		
Personnel Expenses		
Salary, Wages and Allowances	34,370.76	18,902.39
Contribution to Provident Fund	1,736.70	349.15
Staff Welfare Expenses	882.10	882.98
	36,989.56	20,134.52
SCHEDULE - S		
Administrative & Other Expenses		
Electricity & Water Charges	2,085.45	3,080.84
Conveyance Expenses	1,861.34	1,711.04
Travelling Expenses	1,394.39	2,558.03
Legal & Professional Charges	2,947.45	6,334.98
Consultancy Charges	7,436.36	7,646.34
Repair & Maintenance	-	-
- Plant & Machinery	321.60	338.92
- Building	182.49	-
- Others	539.92	1,542.46
Printing & Stationery	873.41	772.88
Telephone, Postage & Courier Charges	1,588.88	1,660.19
Bad debts Written off	2,017.79	-
Rent	2,728.62	1,406.98
Rates & Taxes	8.81	112.19
Insurance Charges	486.19	242.43
Security Charges	759.08	888.65
Directors sitting fees	128.50	142.00
Loss on discard of fixed assets	-	-
Prior period expenses	370.28	371.39
Foreign Exchange Loss	7.43	1,339.45
Other Expenses	5,020.66	3,596.97
	30,538.65	33,545.74
SCHEDULE - T		
Selling & Distribution Expenses		
Advertisement & Publicity	273.53	470.36
Business Promotion & Others	1,434.22	1,080.76
Commission	43.26	156.05
	1,751.01	1,707.17
SCHEDULE - U		
Interest and other Finance Charges		
Interest on		
- Fixed Loans (Note no 3 of Schedule T)	32,173.86	25,957.42
- Others	10.00	2,452.97
Financial Charges	1,871.22	1,603.84
	33,855.08	30,014.23



JAIN STUDIOS LIMITED

SCHEDULES TO THE BALANCE SHEET AND PROFIT & LOSS ACCOUNT

SCHEDULE – V

Notes on Account

1. Principles of Consolidations

a) Jain Studios Ltd. (JSL) (the company) has prepared consolidated financial statements by consolidating its financial statements with those of its subsidiary Dr. Jain Video on Wheels Ltd. (VOW) as on 31st March 2010 in accordance with Accounting Standard - 21 (Consolidated Financial Statements) issued by the Institute of Chartered Accountants of India.

Market Value of the similar assets. As a result book value of such assets was increased by Rs 39,779 thousands, which was transferred to Revaluation Reserve. Gross Block as at 31.03.2010 includes cumulative surplus of Rs. 33,800 thousands (31.03.2009: Rs. 33,800 thousands) arising on revaluation of assets.

ii) Depreciation for the year includes Rs. 94 thousands (Previous Year: Rs.94 thousands) being depreciation on increased amount of assets due to revaluation and an equivalent amount has been transferred from revaluation reserve to profit and loss account.

Name of the company	Country of Incorporation	Proportion of ownership interest	Status
Dr. Jain Video on Wheels Ltd. (VOW)	India	52.7273% (PY 58%)	Audited

b) The consolidated financial statements have been prepared using uniform accounting policies, in accordance with the generally accepted accounting policies.

c) The financial statements of the parent company and its subsidiaries have been consolidated on a line by line basis by adding together the book value of like items of assets, liabilities, income and expenditure, after eliminating intra group balances, intra group transactions and minority interest.

d) The difference between the costs to the holding company of its investment in the subsidiary company over the holding company's portion of equity of the subsidiary amounting to Rs. 4959.60 thousands has been recognized in the financial statements as Goodwill and is being amortised over a period of 5 years.

e) VOW has become subsidiary of JSL w.e.f. 1st April 2005.

f) Accounting Policies and other notes on accounts of the financial statements of the JSL and its subsidiary are set out in their respective financial statements.

3. i) One time settlement proposal of the company was agreed by SASF vide its letter dated June 26, 2007 which envisage payment of Rs.211,796.93 thousands towards full and final settlement of dues to SASF as per details given below. Accordingly, effect of one time settlement was incorporated in the accounts.

- Rs.1,800 thousands to be paid on issue of letter of approval (Paid during the F.Y. 2007-08).
- Rs.10,000 thousands to be paid within one month from date of approval (Paid during the F.Y. 2007-08)
- Balance Rs.200,000 thousands to be paid within six month after the payment of Rs.10,000 thousands on interest free basis.
- Interest @ 12% p.a. on the outstanding amount for a further period of six month from the due date of amount as per (c) above.

The above one time settlement was subject to fulfillment of certain other condition of settlement as contained in the above referred letter. In the event of non compliance of any condition including any delay/default in payment of settlement amount by the company,

2. i) Freehold land and certain buildings were revalued on 31.03.1998 by approved valuers on the basis of assessment about the Fair

SASF had the right to reverse the waiver of dues and restore the original liability as per the terms of the loan agreement entered into by the company.

However, the company could not comply with condition 'c' above and did not pay the balance amount (out of settled amount) Rs. 200,000 thousands on the due date i.e. on or before 26.01.2008. Further, on the proposal of the company the SASF vide its letter dated 6th November 2008, has again extended some relaxation as below:

- a) As a special case the repayment period has been extended upto 25th July 2009.
- b) Rs. 10,000 thousands interest has been capitalized and Rs. 210,000 thousands to be paid towards settlement of loan.
- c) Interest @ 12 % p.a. on the outstanding amount from 26th July 2008 to be accrued and paid on monthly rests.

Further, on proposal of the company vide letter dated June 08, 2009; and subsequent approval of SASF vide its letter dated 8th December 2009, wherein the SASF has relaxed payment of interest by way of capitalization of the interest with the conditions as below:

- a) As a special case the repayment period has again been extended upto 25th July, 2010.
- b) The accumulated interest till September 2009 shall be capitalized subject to upfront payment of Rs. 4,700 thousands. A sum of Rs. 18,750 thousands has been capitalized out of accumulated interest and Rs. 4,700 thousands has been paid as on date.
- c) Interest @ 12% p.a. w.e.f. October 1, 2009 on the outstanding amount to be accrued and paid on monthly rests. 1st installment of interest shall be payable on November 1, 2009.

The company has paid Rs. 4,700 thousands towards interest since date. Rs. 18,362.78 thousands and Rs. 2,28,746.93 thousands are payable towards interest and principal/ settlement respectively.

ii) The company had entered into an agreement

with ASGFL on 30th March, 2007. The agreement provided that the company (JSL) shall issue and allot Equity Shares amounting to Rs. 200,000 thousands (including premium) as per SEBI guidelines to ASGFL. However, these shares were not issued till the end of current financial year due to pending approval from stock exchanges.

- 4 . i) The company has obtained in-principle approval from Bombay Stock Exchange (BSE) vide their letter dated 26.05.2008, in relation to listing of 53,00,000 Equity Shares allotted during the F.Y. 2005-06 shares. The company is in the process of complying with the conditions of the said approval letter dated 26.05.2008. In-principle approval from National Stock Exchange (NSE) and other stock exchanges with regard to the listing of the said shares is awaited.

- ii) 50,00,000 warrants for a face value of Rs. 10 each at a price of Rs. 36 each (including premium) allotted by the company as per SEBI application regulations for which the company received an amount of Rs. 18,000 thousand , however the subscribers to the said warrants had to deposit the rest of the demand within stipulated period , failure of deposit of the rest of the demand by the subscribers, warrants were forfeited and cancelled and the money received was transferred to Capital Reserve Account in the F.Y. 2006-07.

5. Auditors' Remuneration

	2009 – 10 (Rs. in thousands)	2008–09 (Rs. in thousands)
a) <i>Audit Fee (including service tax)</i>	303.33	308.66
b) Other Services	125.46	127.80

6. There are certain disputes with regards to the amount payable to some statutory Authorities relating to Provident Fund, ESI, Bonus, TDS, Service Tax. Management is of the opinion that it will be possible to settle all the disputes within the next year.

7. The value of current assets and loans and advances in the ordinary course of business,



JAIN STUDIOS LIMITED

- to the best of management knowledge and belief, will not be less than the stated value.
8. The company has not received any reply/intimation from suppliers regarding their status under 'Micro, small & Medium Enterprises Development Act'2006 and hence disclosures, if any relating to amount unpaid as at year end together with interest paid/payable as required under the said Act have not been given.
9. Segment Reporting:
a) Primary Segment Reporting (by business segment): -
In line with Accounting Standard (AS) 17 on Segment Reporting, the Company has identified business segment as given below taking into account the organisational structure as well as differential nature, risk and return.

Information about business segments :

		Rs in thousands			
	Particulars	Television	Teleport	Other	Total
A	REVENUE:				
1	Sales (External)	42,119.23 (93,473.75)	24,000.00 (15,600.00)	NIL (NIL)	66,119.23 (1,09,073.75)
	Total Sales	42,119.23 (93,473.75)	24,000.00 (15,600.00)	NIL (NIL)	66,119.23 (1,09,073.75)
B	RESULTS:				
1	Segment Results (PBIT)	-2,075.29 (-15,096.56)	21,042.55 (11,427.18)	NIL (NIL)	18,967.26 (-3,669.38)
2	Interest Expense				26,892.20 (26,093.44)
3	Interest Income				1,988.04 (2,336.40)
4	Unallocable expenditure net of unallocable income				18,698.43 (20,723.08)
5	Profit / (-) Loss Before Tax				-24,635.33 (-48,148.50)
	Provision for Current Tax				NIL (NIL)
	Provision for Fringe Benefit tax				NIL
	Provision for Deferred Tax				(727.90)
	MAT Credit Entitlement				-6,861.64 (-12,995.70)
	Profit / (-) Loss After Tax				NIL (NIL) -17,773.69 (-35,880.70)
C	OTHER INFORMATION				
1	Segment Assets	164,591.56 (169,553.72)	238,398.50 (233,408.41)	13,569.56 (11,293.17)	416,559.62 (414,225.30)
2	Unallocated Assets				120,978.59 (124,887.34)
3	Deferred Tax Assets (net)				60,693.14 (53,934.10)
4	Total Assets				598,231.35 (593,076.74)
5	Segment Liabilities	60,652.48 (60,762.15)	NIL (NIL)	8,104.66 (8,601.86)	68,757.14 (69,364.01)
	Unallocated Liabilities				260,693.83 (236,962.04)
	Total Liabilities				329,450.96 (306,326.05)
6	Capital Expenditure	2,133.03 (515.96)	NIL (NIL)	NIL (NIL)	2,133.03 (515.96)
7	Depreciation	8,857.69 (6,465.86)	2,957.45 (4,172.82)	NIL (NIL)	11,815.14 (10,638.68)

Note: - (i) Figures for previous year are given in brackets.
(ii) Teleport assets include Assets of Rs. 15,385.32 thousands of ISP division.



JAIN STUDIOS LIMITED

Television :

Marketing, Production & Broadcasting of TV Programme and Advertisement.

Subsidiary: Dr. Jain Video on wheels Ltd (w.e.f. 01.04.2005)

Teleport:

Uplinking, Video Clipping & News Feeding Charges through Digital Satellite News Gathering equipment.

b. Other Related Parties where transactions have been taken place during the year:

Others :

Feature film production & distribution

Key Management Personnel & their Relatives:

Dr J K Jain (Managing Director) –
Key Management Personnel
Dr. (Mrs.) Ragini Jain (Director,
Wife of Dr. J.K.Jain)
Mr. Ankur Jain (Son of Dr. J.K.Jain)

b) Secondary Segment Reporting (by Geographical Segment)
Since the Company's activities/operations are mainly within India, hence there is no separate geographical segment.

c. Enterprises over which Key Management Personnel and their relatives have significant influence:

Dr Jain Clinic Pvt. Ltd.
Dr. Jain Laboratories Pvt. Ltd.
Ankur Services and Growth Fund Ltd.
Dalmia Foundation for Medical Research
The Development Group
Jain Internet Ltd.
Noida Software Technology Park Ltd.

c) Segment Revenue, Results, Assets and Liabilities include the respective amounts identifiable to each of the segments and amounts allocated on a reasonable basis.

10. Related Party disclosures:

a. Parties where control exists:

d) For Transactions with the related parties:

Nature of Transactions	Subsidiary	Key Managerial Persons and their relatives	Rs. in thousands	
			Enterprises Where KMP and their relatives' Significant Influence	Total
Rendering of Services	15,907.35 (NIL)	NIL (NIL)	NIL (NIL)	15,907.35 (NIL)
Uplinking (Earthstation) Income	NIL (NIL)	NIL (NIL)	24,000.00 (15,600.00)	24,000.00 (15,600.00)
Receiving of Services	NIL (47,625.25)	NIL (NIL)	NIL (NIL)	NIL (47,625.25)
Payment of Salary	NIL (NIL)	3,714.00 (2,514.00)	NIL (NIL)	3,714.00 (2,514.00)
Payment on behalf of/(Received from)			NIL (NIL)	NIL (NIL)
Advances given	NIL (5,764.89)	NIL (NIL)	NIL (NIL)	NIL (5,764.89)
Advances recovered/received	NIL (NIL)	NIL (NIL)	10,634.06 (10,462.16)	10,634.06 (10,462.16)
Balance outstanding as at year end: -				
- Loans & Advances	NIL (NIL)	NIL (NIL)	NIL (10,634.06)	NIL (10,634.06)
- Security Deposit	NIL (NIL)	NIL (NIL)	15,950.00 (15,950.00)	15,950.00 (15,950.00)
-Accounts receivable	NIL (NIL)	NIL (NIL)	122,198.77 (115,600.00)	122,198.77 (115,600.00)
- Accounts Payable	16,667.95 (17,698.69)	91.10 (138.18)	NIL (NIL)	16,759.05 (17,836.87)



JAIN STUDIOS LIMITED

Note:

- i) No provision exists for doubtful debts as on 31.03.2010.
- ii) Company has given interest free security deposit for rented premises.
- ii) 22,10,300 Equity Shares of Jain Studios Ltd held by Promoters are pledged for loan taken from Financial Institutions by the company (refer Schedule C).
- iii) Details of remuneration to Key Management Personnel are given in Note No.17.
- iv) Figures for previous year are given in brackets.
- v) Refer Note No. 3(ii) herein above.

11. Earnings Per Share ["EPS"] computed in accordance with Accounting Standard 20:

	<u>Rs in thousands</u> <u>2009</u> <u>2010</u>	<u>Rs in thousands</u> <u>2008</u> <u>2009</u>
a) Profit /(Loss) attributable to equity shareholders:		
Profit /(Loss) after tax (Rs. in thousands)	(17,191.60)	(35,880.70)
b) Weighted average number of equity shares outstanding (face value of Rs 10/- each):		
i) Basic		
Number of Equity Shares at the beginning	1,43,85,982	1,43,85,982
Equity shares issued	-	-
	<hr/>	<hr/>
Weighted Average Number of Equity Shares	1,43,85,982	1,43,85,982
ii) Diluted		
Number of Equity Shares at the beginning	1,43,85,982	1,43,85,982
Equity shares issued	-	-
	<hr/>	<hr/>
Number of Equity Shares at the end of the year	1,43,85,982	1,43,85,982
c) i) Basic earnings per share (in Rs)	(1.10)	(2.49)
ii) Diluted earnings per share (in Rs.)	(1.10)	(2.49)

12. a) The major components of deferred tax assets and liabilities are as given below:

	<u>Rs in thousands</u> As at 31.03.2010	<u>Rs in thousands</u> As at 31.03.2009
Deferred Tax Assets		
- Unabsorbed depreciation *	27,895.40	3,459.86
- Expenses allowable on payment basis/as per section 40a	29,241.63	31,877.76
- Business Loss*	36,360.00	51,731.88
	<hr/>	<hr/>
	93,497.03	87,069.50
Deferred tax Liabilities		
- Depreciation	26,959.06	26,805.01
	<hr/>	<hr/>
Net Deferred tax (assets)/liabilities (net)	(66,537.97)	(60,264.49)

* Deferred tax has been recognized based on the Income tax returns.



JAIN STUDIOS LIMITED

b) The net deferred tax assets recognized in compliance with AS 22 “Accounting for Taxes on Income” upto 31.03.2009 has been updated for items giving rise to timing difference upto 31.03.2010. In view of the cost reduction measures and addition of new business and based on future projection, the Board believes that there is a virtual certainty that the future taxable income would be sufficient against which such carried forward deferred tax asset can be realized.

13. Advances recoverable in cash or in kind or value to be received include interest free Advances given to following bodies Corporate and Others (in terms of clause 32 of listing agreement):

a) **Subsidiary : NIL**

b) **Directors Interested: NIL**

14. In pursuance of the provisions of AS-4, “Contingencies and Events Occurring After the Balance Sheet Date” read with section 217 (d) of the Companies Act, 1956, Fixed deposits amounting to Rs 22,313 thousands kept as 100% margin money towards BGs with Syndicate Bank in compliance of the provisions under which export licenses obtained (EPCG Scheme). In view of the non compliance of the requirement to fulfill the export obligation under EPCG scheme, the Fixed Deposits as stated have been revoked.

15. Additional information required to be given pursuant to part II of Schedule VI to the Companies Act, 1956 are as follows:

a) The company is in the business of Television, Network and Teleport, which is not subject to licence for capacity. Hence licensed capacity is not given. Further the nature of business of the company is such that the installed capacity is not quantifiable.

	<u>2009 – 2010</u> (Rs. '000)	<u>2008– 2009</u> (Rs. '000)
b) C.I.F. value of Imports:	NIL	NIL
c) Expenditure in Foreign Currency (Accrual Basis): Foreign Travelling	186.56	838.46
d) Earnings in Foreign Currency (Realisation Basis): Advertisement Income/Reimbursement	2,644.14	20,655.54
16. Contingent Liabilities: (to the extent as ascertained by the Management)	<u>2009 – 2010</u> (Rs.'000)	<u>2008– 2009</u> (Rs.'000)
A) Claims against the Company not acknowledged as debts	112,495.02	112,495.02
B) Others:		
i) Customs Duty saved which may arise if obligation for exports is not fulfilled against import of certain machinery under EPCG Scheme	55,523.89	55,523.89

(EPCG license (obligation fulfilled) of custom duty saved of Rs.3,623.94 thousands where company has applied for discharge)
{(BG of Rs.21,813 thousands given (P. Y. Rs 22,313 thousands))}
{Refer note no. 14}



JAIN STUDIOS LIMITED

ii) Outstanding Bank Guarantees 133.33* 133.33*
* represented by 100% Margin money in the form of fixed deposits furnished to the bank

C) Registered Office is situated at premises which is available to the company at free of cost.

17. Remuneration to the Managing Director

	<u>2009 – 2010</u>	<u>2008– 2009</u>
	(Rs. in thousands)	(Rs. in thousands)

Salary & Other Allowances	3,600.00	2,400.00
---------------------------	----------	----------

Excludes provision for gratuity & Leave Encashment, where the actuarial valuation is done on overall company basis.

18. MAT credit entitlement has been recognized in view of addition of new business and based on future projections; the board believes that future taxable income would be sufficient so as the tax credit for such carried forward MAT credit entitlement can be setoff as per provision of section 115JAA of the Income Tax Act, 1961.

19. Figures for the previous year have been re-grouped/ re-arranged/ recast wherever considered necessary, to confirm current year's classification.

20. Schedules A to S form an integral part of the accounts and have been duly authenticated.

As per our report of even date
For GIRI & BANSAL

For and on behalf of the Board
Jain Studios Ltd

Chartered Accountants

N. P. BANSAL
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.)Ragini Jain
Director

Vishnu Bhagwan
Director

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary

Place: New Delhi
Date: 27th May, 2010



JAIN STUDIOS LIMITED

Consolidated Cash Flow Statement for the year ended 31.03.2010

Particulars	2009-10	Rs. In '000 2008-09
A Cash Flow from Operating activities		
Net profit(loss) before tax and exceptional items	(24,475.20)	(47,166.47)
Adjustments for:		
Bad debts written off	2,017.79	-
Miscellaneous expenses written off	5,200.00	5,200.00
Sundry balances written off/back	(417.33)	(5,069.51)
Depreciation	16,862.74	12,599.67
Goodwill	991.92	991.92
Interest expenses	33,855.08	30,014.24
Profit(loss) on sale/discard of fixed assets	-	-
Interest Income	(2,112.29)	(2,371.93)
Provision for doubtful debts written back	-	-
Profit(loss) before Exceptional items	31,922.71	(5,802.09)
Exceptional items	(2,422.22)	-
Operating Profit(loss) before working capital changes	29,500.49	(5,802.09)
Adjustments for:		
Trade & other receivables	(58,386.19)	14,700.90
Inventory	(2,276.39)	(2,586.29)
Trade & other payables	42,258.01	5,658.77
Cash generated from operations	11,083.92	11,971.31
Direct taxes (paid)/Refund	(649.73)	(1,878.40)
Net cash flow from operating activities	10,434.19	10,092.91
B Cash Flow from Investing activities		
Interest received	2,129.57	1,877.05
Investment in Subsidiary Company	-	-
Purchase of fixed assets	(38,689.11)	(43,424.65)
Sale of fixed assets	-	100.00
Net cash flow from Investing activities	(36,559.54)	(41,447.60)
C Cash Flow from Financing activities		
Interest paid	(9,658.53)	(11,206.84)
Short Term Loan Taken	-	10,200.00
Repayment of Long loan	19,841.57	30,150.15
Equity Share money received	20,000.00	-
Warrant money received	-	-
Net cash flow from financing activities	30,183.04	29,143.31
Net Decrease in cash & cash equivalents(A+B+C)	4,057.69	(2,211.38)
Opening balance of cash & cash equivalents	28,835.60	31,046.98
Closing balance of cash & cash equivalents	32,893.29	28,835.60

Note : Figure for the previous year have been re-group/re-arranged wherever considered necessary, to confirm current year's classification.

As per our report of even date
for **GIRI & BANSAL**
Chartered Accountants

For and on behalf of the Board of Directors

N. P. BANSAL
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.) Ragini Jain
Director

Vishnu Bhagwan
Director

Place: New Delhi
Date: 27th May, 2010

Sunil K Malhotra
Director (Finance)

Satyendu Patnaik
Company Secretary

JAIN STUDIOS LTD.

Regd. Office : Scindia Villa, Sarojini Nagar, Ring Road, New Delhi – 110 023.

PROXY FORM

Client ID:

Folio No.

DP ID:

No. of Shares held:

I / we _____ of in the District of _____ being a member / members of the above named Company hereby appoint _____ of _____ in the District of _____ as my proxy to vote for me/us on my/our behalf at the **20th Annual General Meeting of the Company to be held on Wednesday, 29th day of September 2010 at 11.00 A.M.** and at any adjournment thereof.

Signed this _____ day of _____ 2010

Signature _____

Affix
Revenue
Stamp

Note : This form in order to be effective should be duly stamped, completed and signed must be deposited with the Company's Registered Office not less than 48 hours before the time for holding the aforesaid Meeting.

JAIN STUDIOS LTD.

Regd. Office : Scindia Villa, Sarojini Nagar, Ring Road, New Delhi – 110 023.

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

I hereby record my presence at the **20TH ANNUAL GENERAL MEETING OF JAIN STUDIOS LTD. at Sharma Farms (Near Batra Farm), Green Meadows, Village Satbari, Mehrauli, New Delhi 110030 at 11.00 A.M. on Wednesday, 29th day of September 2010.**

Client ID:

Folio No.

DP ID:

No. of Shares held:

Name of the Shareholder
(Block Letters)

Signature

Name of the Proxy*
(Block Letters)

Signature

* To be filled if Proxy attends instead of member

NOTES

1. Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signature registered with the Company. The admission will, however, be subject to verification of signatures and such other checks, as may be necessary. Under no circumstances will any duplicate slip be issued at the entrance to the meeting hall.
2. **No Gifts/Coupons will be distributed at the meeting.**