



21st
ANNUAL REPORT
2010—2011

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

TWENTY FIRST ANNUAL REPORT 2010-2011

CONTENTS	Page No.
Notice	3
Directors' Report	9
Management Discussion and Analysis Report	14
Corporate Governance Report	16
Auditors' Report	27
Balance Sheet	31
Profit & Loss A/c	32
Schedules & Notes on Accounts	37
Cash Flow Statement	45
Balance Sheet Abstract	46



JAIN STUDIOS LIMITED

NOTICE

NOTICE is hereby given that the 21st Annual General Meeting of the members of Jain Studios Limited will be held on **Friday, 30th Day of September 2011**, 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 2011, 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 Dr. (Mrs.) Ragini Jain, who retires by rotation and being eligible, offers herself for re-appointment.
3. To appoint a Director in place of Shri Vishnu Bhagwan, 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.”

SPECIAL BUSINESS:

5. **To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED that pursuant to Sections 16, 31 and 94 of the Companies Act, 1956 and subject to provisions contained in the Memorandum of Association and Articles of Association of the Company, the Authorised Share Capital of the Company be and is hereby increased from Rs. 30,50,00,000/- (Rupees Thirty Crores Fifty Lacs Only) divided into 3,05,00,000 (Three Crores Five Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs. 35,50,00,000/- (Rupees Thirty Five Crores Fifty Lacs Only) divided into 3,05,00,000 (Three Crores Five Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 5,00,000 (Five Lacs) Preference Shares of Rs.100/- (Rupees Hundred Only) each by creation of additional 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- (Rupees Hundred Only) each.

RESOLVED FURTHER that the existing Clause V of the Memorandum of Association of the Company be deleted and in its place following Clause V be inserted:

Clause V

The Authorised Share Capital of the Company is Rs. 35,50,00,000/- (Rupees Thirty Five Crores Fifty Lacs Only) divided into 3,05,00,000 (Three Crores Five Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 5,00,000 (Five Lacs) Preference Shares of Rs.100/- (Rupees Hundred Only) each.

RESOLVED FURTHER that the existing Article 3 of the Articles of Association of the Company be deleted and in its place following Article 3 be inserted:

Article 3

The Authorised Share Capital of the Company is Rs. 35,50,00,000/- (Rupees Thirty Five Crores Fifty Lacs Only) divided into 3,05,00,000 (Three Crores Five Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 5,00,000 (Five Lacs) Preference Shares of Rs.100/- (Rupees Hundred Only) each with power to subdivide, consolidate and increase and with power from time to time, to issue any shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit and upon the sub-division of shares to apportion the right to participate in profits in any manner as between the shares resulting from sub-division.

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 100 to 104 read with Sections 78, 80, 81(1A), 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956, Article 50 of Articles of Association of the Company and subject to the confirmation of the Hon’ble High Court of Delhi or any other regulatory authority as may be required, the share capital of the Company be and is hereby reduced from Rs. 14,38,59,820/- (Rupees Fourteen Crore Thirty Eight Lac Fifty Nine Thousand Eight Hundred and Twenty only) consisting of 1,43,85,982 Equity Shares of Rs. 10/- each to Share Capital of Rs. 9,08,59,820/- (Nine Crore Eight Lac Fifty Nine Thousand Eight Hundred and Twenty only) consisting of 90,85,982 Equity shares of Rs. 10/- each by paying off/ returning the entire paid up share capital on the unlisted 53,00,000 (Fifty Three Lac) Equity Shares of Rs. 10/- each fully paid up, to the allottees who had subscribed to the said preferential allotment of 53,00,000 equity shares made by the Company and thereby extinguishing all those shares and in respect of the Share Premium @ Rs. 9/- each paid by those allottees, 4,77,000 (Four Lac Seventy Seven Thousand) Redeemable Preference Shares of Rs.100/- each fully paid up be issued to them subject to following terms and conditions:

- a) After the Hon’ble High Court confirms the reduction, the Company shall pay the shareholders referred above within 90 days from the date of confirmation of reduction of capital by the Hon’ble High Court, or transfer the amount to Unsecured loan until the sum is paid to the shareholders referred above.
- b) Upon payment of the consideration to the shareholders, the Company shall extinguish such paid up equity share capital.
- c) The Company shall issue 4,77,000 (Four Lac Seventy Seven Thousand) Redeemable Preference Shares of Rs.100/- each, fully paid up, to the allottees who had subscribed to the said preferential allotment of 53,00,000 equity shares made by the Company, in proportion to their subscription money.
- d) On extinguishments of the paid-up share capital as provided in (b) above and on issue of Redeemable Preference Shares as mentioned in (c) above, the Issued, subscribed and paid-up equity share capital shall stand reduced to Rs. 9,08,59,820/- and the Share Premium shall stand reduced to Rs. 29,21,62,810/- and the Issued, subscribed and paid-up Preference Share capital shall be increased to Rs. 4,77,00,000.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things including to agree to any modification or conditions that may be imposed or stipulated by the Hon’ble High Court or any other authorities and to take all such necessary steps and actions as the Directors may in their discretion deem fit for the purpose of ensuring that the reduction of equity share capital and thereby issue of Redeemable Preference shares is completed in a fair and equitable manner.”

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 80, 81(1A) read with Sections 78, 100 to 104 and 391 to 394 and other applicable provisions, if any, of the Companies Act, 1956, Memorandum and Articles of Association of the Company and subject to the confirmation of the Hon’ble High Court of Delhi or any other regulatory authority as may be required and subject to such other applicable laws, rules and regulations on such terms, conditions, alterations, modifications, changes and variations, approvals and permissions, the Board of Directors of the Company be and is hereby authorised to offer, issue and allot, in one or more tranches upto 4,77,000 (Four Lacs Seventy Seven Thousand) Redeemable Preference Shares of Rs. 100/- each fully paid up at par to the Promoter Group Companies, who had subscribed to the preferential allotment of 53,00,000 equity shares of Rs.10/- each fully paid up issued at a premium of Rs.9/- each by the Company, against and in proportion to the Share Premium amount received by the Company @ Rs. 9/- each per share from these allottees, other than the existing members of the Company on preferential basis through private placement.

RESOLVED FURTHER that the new Redeemable Preference shares to be allotted referred to hereinabove shall be subject to the Memorandum & Articles of Association of the Company and shall be redeemed within 10(Ten) years from the date of allotment.

RESOLVED FURTHER that for the purpose of giving effect to the above, the Directors of the Company be and are hereby authorized to do all such acts, deeds, matters and things including to agree to any modification or conditions that may be imposed or stipulated by the Hon’ble High Court or any other authorities and to take all such necessary steps and actions as the Directors may in their discretion deem fit for the purpose of ensuring that the issue of Redeemable Preference shares is completed in a fair and equitable manner.”

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

Place: New Delhi
Date: 10th August 2011

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 26th September 2011 to 30th September 2011, 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. Members are requested to send their email ID for electronic communication.
7. 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

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO.5 & 6

The shareholders of the Company, at their Extra-ordinary General Meeting held on 28.05.2004, had passed the Special Resolution for issue and allotment of 53,00,000 Warrants of Rs. 10/- each, at an issue price of Rs. 19/- each to persons belonging to the Promoters category, convertible into equivalent number of Equity Shares. Out of the said warrants, 38,00,000 were converted into equivalent number of Equity Shares on 25.08.2005 and 15,00,000 were converted into equivalent number of Equity Shares on 25.02.2006. However, while allotting the said securities, there were certain lapses of erstwhile SEBI DIP Guidelines and SEBI SAST Regulations, as a result of which, the Exchanges are not granting the Listing and Trading Permission for the said shares.

Non listing of the said 53,00,000 Equity Shares has led to a mismatch between the "Issued Equity Share Capital" & "Listed Equity Share Capital" of the Company.

As the Members of the Company are aware that the Company has entered into a One Time Settlement (OTS) with Stressed Asset Stabilization Fund (SASF), pursuant to which, SASF is to be allotted 50 Lac shares at the rate of Rs. 10/- each and also paid a sum of Rs 11 Cr. In addition to these, some statutory dues are also to be paid by the Company. To meet this fund requirement, it is proposed that the Promoters of the Company shall infuse in the requisite funds, to pay off SASF as well as the other statutory dues. In return to the funds infused by the Promoters, they shall be allotted equity shares/ convertible warrants of the Company.

Hence the Company has proposed for the reduction of the unlisted 53,00,000 Equity Shares of Rs. 10/- each, issued at a premium of Rs.9/- each, by paying off/ returning the entire paid up share capital on the unlisted 53,00,000 (Fifty Three Lac) Equity Shares of Re. 10/- each fully paid up, to those allottees, who had subscribed to the said preferential allotment of 53,00,000 equity shares made by the Company and thereby extinguishing all those shares. Further, apart from above, it has been proposed to issue 4,77,000 (Four Lac Seventy Seven Thousand) Redeemable Preference Shares of Rs.100/- each to these allottees against the share premium of Rs.9/- each per share (53,00,000 equity shares) subscribed by these allottees subject to terms and conditions as mentioned in the Resolution no.6 to this notice:

It may be noted that the "Issued Equity Share Capital" has to be in line with the "Listed Equity Share Capital", as per the Stock Exchanges. Reduction of the unlisted shares, as proposed by the Resolution No. 6 will ensure that the Company would be able to obtain the requisite approvals of the Stock Exchanges for the future "Corporate Actions", as and when needed, including the proposed Preferential Allotment to SASF and others.

The Reduction of Capital shall also not cause any prejudice to the Creditors of the Company. There is no reduction in the amount payable to any of the creditors, since no compromise or arrangement is contemplated with the Creditors.

Even after the proposed reduction of Company's Share Capital and thereby issue of Redeemable Preference shares, the Company's financial position will continue to be sound and the same is adequate for the operations of the company and will not have any adverse impact / effect on the working of the Company.

Section 100 of the Companies Act, 1956 and Article 50 of the Articles of Association of the Company authorizes the Company to reduce its Share Capital by passing a Special Resolution.

The Resolution at item No. 6 is subject to the confirmation of the Hon'ble High Court or approval of such



JAIN STUDIOS LIMITED

other regulatory authority as may be required according to the laws in force.

The Directors may be deemed to be interested in the Resolution only to the extent of reduction of the shares allotted and thereby issue of redeemable Preference shares to them or their associate persons/ entities

The Board of Directors commends the Special Resolution for approval of the members.

Further, the Board has proposed for increase in authorized share capital of the Company from 30,50,00,000/- (Rupees Thirty Crores Fifty Lacs Only) divided into 3,05,00,000 (Three Crores Five Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each to Rs. 35,50,00,000/- (Rupees Thirty Five Crores Fifty Lacs Only) divided into 3,05,00,000 (Three Crores Five Lacs) Equity Shares of Rs.10/- (Rupees Ten Only) each and 5,00,000 (Five Lacs) Preference Shares of Rs.100/- (Rupees Hundred Only) each by creation of additional 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- (Rupees Hundred Only) each and also to Alter the Memorandum and Articles of Association of the company, which are consequential in nature.

This creation of additional 5,00,000 (Five Lacs) Preference Shares of Rs. 100/- (Rupees Hundred Only) each will enable the Company to issue the necessary Redeemable Preference shares.

None of the Directors are concerned or interested in the resolution contained in item no. 5.

Hence the resolution contained in Item No.5 of the Notice is placed before you for your approval.

ITEM NO.7

In continuation of the explanations given above under item no. 5&6, Board of Directors proposed for issue and allotment, in one or more tranches upto 4,77,000 (Four Lacs Seventy Seven Thousand) Redeemable Preference Shares of Rs. 100/- each fully paid up at par to the Promoter Group Companies, who had been allotted 53,00,000 equity shares of Rs.10/- each fully paid up issued at a premium of Rs.9/- each by the Company, against and in proportion to the Share Premium amount received by the Company @ Rs. 9/- each per share from these allottees, other than the existing members of the Company on preferential basis through private placement.

Hence the resolution contained in Item No.7 of the Notice is placed before you for your approval, which is subject to the necessary approval of the Hon'ble High Court, Delhi and any other Regulatory authority (ies).

The Directors may be deemed to be interested in the Resolution only to the extent of issue of Redeemable Preference shares to these promoter group companies or their associate persons/ entities.

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

Place : New Delhi
Date : 10th August 2011

Satyendu Pattnaik
(Company Secretary)



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. Dr. (Mrs.) Ragini Jain, Non-Executive Director

Date of Birth	26.09.1949
Expertise in Specific Functional Area	Dr. (Mrs.) Ragini Jain in her capacity as an eminent Medical Doctor (MBBS, MD) of repute having post qualification experience of about 25 years of managing and running Medical Center at South Delhi is providing her expertise suggestions and direction to the Company.
Directorship in other Companies	Jain Medical Communication Network Ltd., Dr. Jain Clinic Pvt. Ltd., Sona Press Pvt. Ltd., Dr. Jain Medical Centre Pvt. Ltd., Development Insurance Broking Corporation Ltd., Jain Newspapers Pvt. Ltd., Shalini properties Pvt. Ltd., Subhag Traders Pvt. Ltd., Kinder Klinik Pvt. Ltd.
Committee Position	NIL
Shareholding in the Company	100

2. Shri Vishnu Bhagwan, Non-Executive and Independent Director

Date of Birth	07.12.1940
Expertise in Specific Functional Area	Shri Vishnu Bhagwan who joined the Board of the Company on 30.06.2005 is a retired Civil Servant and was Chief Secretary of Government of Haryana
Directorship in other Companies	Dr. Jain Video On Wheels Ltd. and Vikas WSP Ltd.
Committee Position	Chairman of the Audit Committee and Member of the Shareholders' Grievance Committee of Jain Studios Ltd.,
Shareholding in the Company	NIL



JAIN STUDIOS LIMITED

DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the Twenty First Annual Report of Jain Studios Limited together with Audited Financial Statements and Auditor's Report for the Financial Year ended as on 31st March 2011. The Financial Highlights for the year under review are given below:

	(Rs. In Lakh)	
Financial Results	2010-11	2009-10
Total Income	1194.92	695.54
Profit/ (Loss) before Interest, Depreciation, Exceptional items and Tax	(572.59)	120.16
Interest	278.46	266.36
Profit / (Loss) after Interest but before Depreciation, Exceptional items and Tax	(851.05)	(146.20)
Depreciation	99.67	118.15
Profit / (Loss) before Exceptional Items and Tax	(950.72)	(264.35)
Exceptional Items (Income)	1120.59	18.00
Exceptional Items (Expenses)	184.61	-
Profit / (Loss) before Tax	(14.74)	(246.35)
Provision for Taxation (Including Current Tax, FBT, Deferred Tax & MAT Credit entitlement)	(65.88)	(68.62)
Profit / (Loss) after tax	51.14	(177.73)
Balance b/f from previous year	(2656.08)	(2478.35)
Net profit/ (Loss) Carried to Balance sheet	(2604.94)	(2656.08)

Performance

During the year under review, the total income of your Company was Rs.1194.92 Lakh excluding the exceptional income for Rs.1120.59 Lakh as compared to total income for Rs.695.54 Lakh in the previous F.Y. 2009-10. The Loss before Tax for the year under review was Rs. 14.74 Lakh as compared to Loss before Tax of Rs. 246.35 Lakh in the previous year.

The Net Profit for the year under review was Rs. 51.14 Lakh as compared to Net Loss of Rs. 177.73 Lakh in the previous year.

Dividend

In view of the brought forward losses and lack of adequate profits in the current year, 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 (Marketing, Production & Broadcasting)
2. Teleport
3. Others including Production and Distribution of Cinema Photographic Film (s) and mobile Healthcare.

During the year, Company has generated handsome revenues by representing its associate Company in the area of Mobile Healthcare at different States of India and is hopeful for its continuous expansion and increase in revenues of the Company taking into consideration state-wise requirement of operation of mobile healthcare projects in India.

Apart from above, Company is further concentrating in its existing "JAIN Satellite Television" and Broadcasting business, which will hopefully contribute in enhancing the revenues of the Company.

The Company is busy in mobilizing the resources to conclude the settlement reached with Stressed Assets Stabilization Fund (SASF). The Company is also in talks with various consultants and possible partners to find ways to recognize its investments to achieve better shareholders' value.

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, Dr. (Mrs.) Ragini Jain and Shri Vishnu Bhagwan, Directors of the Company retires by rotation and being eligible, offers themselves for re-appointment as non-executive Directors.

One Time Settlement (OTS) with SASF and Issue of Shares and Share Warrants

With reference to OTS arrived with Stressed Assets Stabilization Fund (SASF) by the Company, members

of the Company at the Extra-Ordinary General Meeting held on 13th April 2011, accorded their approval to the Board of Directors to issue and allot upto 50,00,000 equity shares of Rs.10/- each to SASF and 60,50,000 equity shares of Rs.10/- each at a price of Rs.12.50/- each to Dr. J.K. Jain (Promoter of the Company) and 51,50,000 share warrants convertible into equivalent no. of equity shares of face value of Rs.10/- each, at a premium of Rs.2.50/- each per share to Dr. J. K. Jain (Promoter of the Company) respectively in accordance with relevant Acts/Regulations/Guidelines etc. and subject to the approval of Stock Exchanges, SEBI and any other appropriate authority.

Application alongwith relevant certificates and documents has been filed with BSE, NSE and a copy to other stock Exchanges to obtain the in-principle approval for issue upto 50,00,000 equity shares of Rs.10/- each to SASF and 60,50,000 equity shares of Rs.10/- each at a price of Rs.12.50/- each to Dr. J.K. Jain (Promoter of the Company) and 51,50,000 share warrants convertible into equivalent no. of equity shares of face value of Rs.10/- each, at a premium of Rs.2.50/- each per share to Dr. J. K. Jain (Promoter of the Company) respectively. The matter is under process before the stock exchanges.

Pending Status of Preferential Issues, Reduction of Share Capital and Issue of Redeemable Preference Shares

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 with the condition of in-principle approval from NSE also. However, NSE has not yet granted any listing and trading permission of said 53,00,000 shares allotted by the Company on preferential basis due to certain lapses of erstwhile SEBI DIP Guidelines and SEBI (SAST) Regulations.

Non listing of the said 53,00,000 Equity Shares has led to a mismatch between the "Issued Equity Share Capital" & "Listed Equity Share Capital" of the Company.

As the Company has entered into One Time Settlement (OTS) with Stressed Asset Stabilization

Fund (SASF), pursuant to which, SASF is to be allotted 50 Lac shares at the rate of Rs. 10/- each and also paid a sum of Rs 11 Cr. In addition to these, some statutory dues are also to be paid by the Company. To meet this fund requirement, it is proposed that the Promoters of the Company shall infuse in the requisite funds, to pay off SASF as well as the other statutory dues. In return to the funds infused by the Promoters, they shall be allotted equity shares/ convertible warrants of the Company.

It may be noted that the "Issued Equity Share Capital" has to be in line with the "Listed Equity Share Capital", as per the Stock Exchanges.

Hence it has been proposed by the Board for reduction of the unlisted 53,00,000 Equity Shares of Rs. 10/- each, issued at a premium of Rs.9/- each, by paying off/ returning the entire paid up share capital on the unlisted 53,00,000 (Fifty Three Lac) Equity Shares of Rs. 10/- each fully paid up, to those allottees, who had subscribed to the said preferential allotment of 53,00,000 equity shares made by the Company and thereby extinguishing all those shares. (Proposed vide Resolution no.6 of the notice calling forthcoming AGM)

Further, apart from above, it has been proposed to issue upto 4,77,000 (Four Lac Seventy Seven Thousand) Redeemable Preference Shares of Rs.100/- each fully paid up at par in one or more tranches to these allottees against and in proportion to the share premium amount received by the Company @ Rs.9/- each per share (53,00,000 equity shares) from these allottees. (Proposed vide Resolution no.7 of the notice calling forthcoming AGM)

Reduction of the unlisted shares, as proposed by the Resolution No. 6 of the notice calling forthcoming AGM will ensure that the Company would be able to obtain the requisite approvals of the Stock Exchanges for the future "Corporate Actions", as and when needed, including the proposed Preferential Allotment to SASF and others.

The Reduction of Capital shall also not cause any prejudice to the Creditors of the Company. There is no reduction in the amount payable to any of the creditors, since no compromise or arrangement is contemplated with the Creditors.

Even after the proposed reduction of Company's Share Capital and thereby issue of Redeemable Preference shares, the Company's financial position will continue to be sound and the same is adequate for the operations of the company and will not have any adverse impact / effect on the working of the Company.

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, 2011, 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, 2011 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 exchange (Realisation basis)	: Rs.11.51 Lakh
Expenditure in foreign exchange (Accrual basis)	: Rs.3.60 Lakh



JAIN STUDIOS LIMITED

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 employee(s) and details of the remuneration 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	40 yrs.	65 yrs.	01.10.1999*	Industrialist

*Terms of Appointment

Dr. J.K. Jain was appointed as Managing Director of the Company for a period of five years w.e.f. 01.10.1999. Thereafter, he 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. Remuneration of Dr. J.K. Jain, Chairman & Managing Director of the Company was 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. 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 and of the Central Government at the remuneration of Rs.5.00 Lac per month for a period of three years w.e.f. 01.10.2009.

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

No. of equity shares of Jain Studios Ltd. held by Dr. J.K. Jain as on 31.03.2011 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, 12 & 13 of Schedule "S" referred to in the Auditors' Report para vi (a) to para vi (d) of point no. 2 and item nos. i (b), iv, vii, ix (a) & (b), x and 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, Custom Duty, Cess and any other material statutory dues as early as possible to avoid unnecessary interest, 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.

Corporate Governance Report

We strive to attain high standards of corporate governance while interacting with all our



JAIN STUDIOS LIMITED

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 Ajay Behera & Associates, Company Secretaries, confirming level of Compliance is annexed and forms part of the Directors' Report.

Subsidiary

During the financial year (2010-11), due to increase in paid up share capital of Dr. Jain Video on Wheels Limited, (DJVOW), an un-listed Company, shareholding of Jain Studios Limited (JSL) in DJVOW reduced from 52.727% to 45.944%. Due to this reduction in shareholding during the financial year, DJVOW no longer be the subsidiary of JSL and JSL was not required to consolidate its balance sheet with

the balance sheet of DJVOW as per the Provisions of Companies Act, 1956 for the financial year ended 31st March 2011. Further, relevant clauses of the Listing Agreement including clause 32 and 49 (Corporate Governance) as applicable to the Holding Company having subsidiary Company(ies) for necessary compliance(s), no longer applicable to JSL.

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 : 10th August 2011

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

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". Apart from the above-said primary business, Company is having other revenue and investments segment, i.e. Teleport, Mobile Healthcare, Others including production and Distribution of Cinema photographic films.

Segment or Product Wise Performance

The financial performance of the Company under different segment with performance indicators for the year under review is given below:

(Rs. in Lacs)

Particulars	Television	Teleport	Others
Revenue:	349.65	120.00	637.91
Total Sales			
Segment Results:			
Profit/Loss before Interest and Tax (PBIT)	(367.33)	87.47	2.53

A detail financial performance may be viewed from the Balance Sheet, Profit & Loss A/c and Annexure thereto in the Annual report.

Discussions on Financial Performance with Respect To Operational Performance

During the financial year ended 31st March 2011, the total income of your Company was Rs.1194.92 Lakh excluding the exceptional income for Rs.1120.59 Lakh as compared to total income for Rs.695.54 Lakh in the previous F.Y. 2009-10. The exceptional income of the Company generated due to the OTS of outstanding loan and interest thereon arrived with Stressed Assets Stabilization Fund.

The Loss before Tax for the year under review was Rs. 14.74 Lakh as compared to Loss before Tax of Rs. 246.35 Lakh in the previous year. The Net Profit for the year under review was Rs. 51.14 Lakh as

compared to Net Loss of Rs. 177.73 Lakh in the previous year.

The company has put stringent measures, which assure better collection and quicker action in case of default. The company has also evolved new strategies taking into consideration the different segment of business apart from primary business of Satellite Television and related activities.

Outlook

As already mentioned above, Company is already in the process of getting rid of from substantial debt burden and other statutory liabilities so as to make the company free from unnecessary liabilities, which will pave the way for its growth and hopeful for its enhanced performance in the forthcoming financial years.

The Company is in discussions with various consultants to discuss recognition of its investments so as to create better shareholders' value.

Human Resources

During the year 2010-11 your company's Human Resources has undergone large-scale initiatives in the form of total revamping and restructuring.

Category	As on 31.03.2011	As on 31.03.2010
Skilled Employees	66	37
Non-Skilled Employees	10	12
TOTAL	76	49

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



JAIN STUDIOS LIMITED

- ❖ Capital Asset Systems and Reporting
- ❖ Operational Fulfilment Systems and Reporting
- ❖ General Administrative Systems and Reporting
- ❖ Knowledge Management Systems

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 periodical decision making of most customers affects the revenue in different period, 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 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.

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, 2010 to March 31, 2011 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	3	Yes	2	-	-
Dr. (Mrs.) Ragini Jain	Promoter-Non-Executive Director	3	No	2	-	-
Sh. Murli Dhar Asthana	Non - Executive Independent Director	5	No	Nil	-	2
Sh. Vishnu Bhagwan	Non - Executive Independent Director	5	No	2	1	1
Sh. J.C Jetli	Non - Executive Independent Director	5	No	Nil	1	1
Sh. Krishan Lall Khetarpaul*	Non - Executive Independent Director	1	No	1	-	1
Mrs. Tanuja Joshi	Non - Executive Independent Director	-	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.

(D) Number of Board Meetings held and dates:

During the financial year 2010-2011 the Board of Directors met five (5) times. The dates of the meetings are 27th May 2010, 11th August 2010, 14th November 2010, 10th February 2011 and 15th March 2011.

(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 Committee and other Committees of the Board.

The Board reviews various Compliances under different Acts/Rules/Regulations/Guidelines/ Listing Agreement as 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.

(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 web-

site of the Company. All the Board members and senior management personnel have affirmed compliance with the code of conduct during the year 2010-11.

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) Ex. Director (Finance), 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 4 meetings were held i.e. 27th May 2010, 11th August 2010, 14th November 2010 and 10th February 2011.

Number of meetings attended by the members are given below:

Sl. No	Name of Director	Category	No. of Meetings	
			Held during respective period of Directorship	Attended
1.	Shri Vishnu Bhagwan	Chairman	4	4
2.	Sh. Krishan Lall Khetarpaul*	Member	1	1
3.	Shri J.C Jetli	Member	4	4
4	Shri M.D. Asthana**	Member	2	2

*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
- Disclosure of related party transactions
- Qualifications in draft audit report.

(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
- o Reviewing with management, the quarterly and annual 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.

- 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

During the financial year (2010-11), due to increase in paid up share capital of Dr. Jain Video on Wheels Limited, (DJVOW), an un-listed Company, shareholding of Jain Studios Limited (JSL) in DJVOW reduced from 52.727% to 45.944%. Due to this reduction in shareholding during the financial year, DJVOW no longer be the subsidiary of JSL and JSL was not required to consolidate its balance sheet with the balance sheet of DJVOW as per the Provisions of Companies Act, 1956 for the financial year ended 31st March 2011. Further, relevant clauses of the Listing Agreement including clause 49 (Corporate Governance) as applicable to the Holding Company having subsidiary Company(ies) for necessary compliance(s) no longer applicable to JSL.

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.

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 has not been listed at Stock Exchanges due to certain lapses of erstwhile SEBI (DIP) Guidelines and SEBI (SAST) Regulations. It has been decided by the Board for the reduction of the said unlisted 53,00,000 Equity Shares of Rs. 10/- each issued at a premium of Rs.9/- each and recommended for the approval of the members of the Company at their forthcoming Annual General Meeting.

(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) 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. for a period of three years duly approved by the members of the Company at 19th AGM held on 30.09.2009 and by the Central Government.

- (c) The Following is the remuneration paid to Dr. J.K. Jain, Chairman & Managing Director in the Financial Year 2010-2011:

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. Murlidhar Asthana, Chairman
2. Sh. J.C. Jetli, Member
3. Sh. Vishnu Bhagwan, Member

There are no such meeting of Remuneration Committee of the Company has been held during the year.

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. 1,31,000/- 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. Dr. (Mrs.) Ragini Jain and Shri Vishnu Bhagwan 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 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 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 2010 to 31st March 2011 a Shareholders'/ Investors' Grievance Committee was held on 14th November 2010.

The Company has not received any complaint from investor during the financial year 2010-2011.

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 & Ex. 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 2011 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:



JAIN STUDIOS LIMITED

Particulars	Time	Dated on which held	Venue
20 th A.G.M	11.00A.M	29 th September 2010	Sharma Farms, Green Meadows Village Satbari, Mehrauli, New Delhi- 110 030
19 th AGM	11.00 A.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

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

The shareholders through postal ballot passed no ordinary or special resolution during the F.Y.2010-2011. At the ensuing Annual General Meeting there is no special Resolution proposed to be passed through the postal ballot.

The Company has passed the following Special resolution (s) at the Extra Ordinary General Meeting (EOGM) held on 13th April 2011.

Sl. No.	Subject matter of Resolution	Date of EOGM
1.	Issue of 60,50,000 Equity shares of the Face value of Rs.10/- each to Dr. J.K. Jain (Promoter of the Company) at a price of Rs.12.50/- each per share and 50,00,000 Equity shares of the face value of Rs.10/- each to Stressed Assets Stabilization Fund (SASF) at a price of Rs.10.00/- each per share on preferential basis u/s 81(1A) of the Companies Act, 1956 and any other applicable provisions under this Act and under any other Act/Rules/Guidelines etc. and subject to approval of relevant authority (ies).	13 th April 2011
2.	Issue of 51,50,000 Warrants to Dr. J.K. Jain (Promoter of the Company) convertible into equivalent no. of equity shares of the face value of Rs.10/- each at a premium of Rs.2.50/- each per share on preferential basis u/s 81(1A) of the Companies Act, 1956 and any other applicable provisions under this Act and under any other Act/Rules/Guidelines etc. and subject to approval of relevant authority (ies).	13 th April 2011

It has been proposed to obtain the approval of the members of the Company by special resolution(s) through postal ballot pursuant to Section 192A, 372A read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011 with respect to following matters:

1.	Special Resolution under Section 372A of the Companies Act, 1956, for guarantees given by the Company in connection with loans availed by other bodies corporate in excess of the limits specified u/s 372A(1) of the Companies Act,1956.
2.	Special Resolution under Section 372A of the Companies Act, 1956, for guarantee(s) to be given and/or security(ies) to be provided by the Company in connection with loans to be availed by other body(ies) corporate in excess of the limits specified u/s 372A(1) of the Companies Act,1956.



JAIN STUDIOS LIMITED

(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: Friday, 30th September, 2011

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 2011	: By end July-1 st fortnight of Aug. 2011
• Next Annual General Meeting	: By September 2011
• Unaudited results for the quarter/half year ended Sept. 2011	: By end Oct.-1 st fortnight of Nov. 2011
• Unaudited results for the quarter ended December 2011	: By end Jan.-1 st fortnight of Feb.2012
• Unaudited results for the quarter ended March 2012/ or	: By end April-1 st fortnight of May 2012
• Audited Results for the Year ending March 2012	: By end May 2012

Dates of Book Closure:

From 26th day of September 2011 to 30th day of September 2011(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 2010-2011.

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

Delhi, Mumbai, NSE, Ahemdabad, 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 2010-2011

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. 2010-11 are stated herein below:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April 2010	13.00	10.20	13.35	10.00
May 2010	13.06	10.01	13.25	10.50
June 2010	12.99	10.63	12.95	10.60
July 2010	15.90	11.31	15.00	11.15
August 2010	14.30	11.41	14.20	11.20
September 2010	13.51	11.15	13.80	10.30
October 2010	14.94	10.35	14.95	10.00
November 2010	12.69	9.00	12.85	9.65
December 2010	11.30	9.31	11.15	9.05
January 2011	10.58	8.00	10.65	7.80
February 2011	8.56	6.65	8.90	6.75
March 2011	10.03	7.01	10.25	6.65



JAIN STUDIOS LIMITED

Jain Studios Ltd (JSL) Share Performance v/s S & P CNX NIFTY (1st April 2010 to 31st March 2011)

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 10	12.45	5278.00	100	100
May 10	11.50	5086.30	96.37	92.37
June 10	12.40	5312.50	100.65	99.60
July 10	12.35	5367.60	101.70	99.20
Aug. 10	11.35	5402.40	102.36	91.16
Sept. 10	11.45	6029.95	114.25	91.97
Oct. 10	11.30	6017.70	114.01	90.76
Nov. 10	10.50	5862.70	111.08	84.34
Dec. 10	10.00	6134.50	116.23	80.32
Jan 11	8.00	5505.90	104.32	64.26
Feb 11	7.15	5333.25	101.05	57.43
March 11	9.85	5833.75	110.53	79.12

Distribution of shareholding as on 31.03.2011 Nominal Value of Each Equity Share: Rs. 10/- each

Shareholding of nominal value (Rs.)	Share holders		Share Amount	
	Number	% to Total	(Rs.)	% to Total
Upto – 5000	6849	86.15	9,12,155	6.7577
5001-10000	570	7.17	4,80,346	3.3390
10001-20000	275	3.46	4,22,682	2.9382
20001-30000	77	0.97	1,93,507	1.3451
30001-40000	42	0.53	1,52,634	1.0610
40001-50000	31	0.39	1,48,685	1.0335
50001-100000	51	0.64	3,88,835	2.7029
100001 & above	48	0.69	1,16,27,138	80.8227
Total	7943	100.00	1,43,85,982*	100.00

*Includes 53,00,000 equity shares of Rs. 10/- each issued at a premium of Rs. 9/- each and allotted during the F.Y.

2005-06 on conversion of 53,00,000 warrants which are not listed at stock exchanges.

Shareholding Pattern as on 31st March 2011:

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	1166810	8.11
Individuals	3148172	21.88
HUF	130133	0.91
Clearing Members	13413	0.09
Non Resident Indians	29738	0.21
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 issued at a premium of Rs. 9/- each and allotted during the F.Y. 2005-06 on conversion of 53,00,000 warrants which are not listed at stock exchanges.

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.



JAIN STUDIOS LIMITED

Dematerialisation of shares and liquidity:

Company's shares are in Compulsory Demat category. Over 31.95 % of the shares have been dematerialized. The Equity Shares are listed on major Stock Exchanges in India, such as BSE and NSE.

One Time Settlement (OTS) with SASF and Issue of Shares and Share Warrants

With reference to OTS arrived with Stressed Assets Stabilization Fund (SASF) by the Company, members of the Company at the Extra-Ordinary General Meeting held on 13th April 2011, accorded their approval to the Board of Directors to issue and allot upto 50,00,000 equity shares of Rs.10/- each to SASF and 60,50,000 equity shares of Rs.10/- each at a price of Rs.12.50/- each to Dr. J.K. Jain (Promoter of the Company) and 51,50,000 share warrants convertible into equivalent no. of equity shares of face value of Rs.10/- each, at a premium of Rs.2.50/- each per share to Dr. J. K. Jain (Promoter of the Company) respectively in accordance with relevant Acts/Regulations/Guidelines etc. and subject to the approval of Stock Exchanges, SEBI and any other appropriate authority.

Application alongwith relevant certificates and documents has been filed with BSE, NSE and a copy to other stock Exchanges to obtain the in-principle approval for issue of securities as mentioned above.

Pending Status of Preferential Issues, Reduction of Share Capital and Issue of Redeemable Preference Shares

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. Due to certain lapses of erstwhile SEBI DIP Guidelines and SEBI (SAST) Regulations, these shares were not listed at stock exchanges.

Non listing of the said 53,00,000 Equity Shares has led to a mismatch between the "Issued Equity Share Capital" & "Listed Equity Share Capital" of the Company.

It may be noted that the "Issued Equity Share Capital" has to be in line with the "Listed Equity Share Capital", as per the Stock Exchanges.

Hence it has been proposed by the Board for reduction of the unlisted 53,00,000 Equity Shares of Rs. 10/- each, issued at a premium of Rs.9/- each, by paying off/ returning the entire paid up share

capital on the unlisted 53,00,000 (Fifty Three Lac) Equity Shares of Rs. 10/- each fully paid up, to those allottees, who had subscribed to the said preferential allotment of 53,00,000 equity shares made by the Company and thereby extinguishing all those shares. (Proposed vide Resolution no.6 of the notice calling forthcoming AGM)

Further, apart from above, it has been proposed to issue upto 4,77,000 (Four Lac Seventy Seven Thousand) Redeemable Preference Shares of Rs.100/- each fully paid up at par in one or more tranches to these allottees against and in proportion to the share premium amount received by the Company @ Rs.9/- each per share (53,00,000 equity shares) from these allottees. (Proposed vide Resolution no.7 of the notice calling forthcoming AGM)

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, such as Teleport 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. E-
mail:beetal@rediffmail.com

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 : 10th August 2011

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



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, 2011 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 2011, 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 Ajay Behera & Associates
Company Secretaries**

**(Ajay Behera)
Proprietor
C.P. No.: 7980**

Place: New Delhi
Date: 10th August 2011

AUDITORS' REPORT

To the Members of JAIN STUDIOS LIMITED

We have audited the attached Balance Sheet of JAIN STUDIOS LIMITED as at 31st March 2011, 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 confirmation/reconciliation and non availability of documents in support and audit trail of balances of current liabilities (including statutory dues), banks and secured loans 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.*
 - b) *In respect of transfer of Provident Fund amount payable of Rs.1577.10 thousands and regarding write back of sundry balances/excess provision written back amounting to Rs.8187.08 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. Tax deducted at source, Service tax, custom duty, and other and accounting of penalty, interest, etc.(amount unascertainable) and our inability to comment thereon.*
 - c) *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. 12 of schedule S) and MAT credit entitlement of amounting to Rs. 2645.30 thousands recognized and carried over based on management perception (note no. 18 of schedule S) and our inability to comment thereon.

- d) *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 and loss account and respective assets and liabilities are without considering the impact of items referred to in paragraphs 2(vi)

(a) to (d) 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 2011;
- 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: 30th May 2011

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 2011).

- (i) (a) Fixed assets records showing full particulars including quantitative details and situation of fixed assets have been maintained.
- (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, 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(a) 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, the contracts or arrangements referred to in section 301 of the Act which need to be entered into register required to be maintained under that section have been entered accordingly.
- (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 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 2011 are Tax Deduction at Source (Rs. 4,191.13 thousands), and Bonus (Rs. 1483.68 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 (as per Balance Sheet including Revaluation Reserve). It has incurred cash profit of Rs. 23,877.82 thousands in the current financial year, though there was a cash loss of Rs 12,820.19 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 had defaulted on one time settlement (OTS) arrived at with SASF on 26th July, 2008, consequently, fresh OTS was made with SASF vide SASF letter dated 26th February, 2011 (read with Note No.3).*

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.481.43 (P.Y. Rs.409.89 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: 30th May 2011



JAIN STUDIOS LIMITED

BALANCE SHEET AS AT 31st MARCH 2011

(Rs. in '000)

SCHEDULE	As on 31.03.2011	As on 31.03.2010
SOURCES OF FUNDS		
Shareholders' Funds		
Share Capital	A 143,859.82	143,859.82
Reserves & Surplus	B 390,436.97	390,530.97
Loan Funds		
Secured Loans	C 152,820.16	249,987.00
TOTAL	687,116.95	784,377.79
APPLICATION OF FUNDS		
Fixed Assets		
Gross Block	D 297,021.84	295,418.43
Less: Depreciation	127,797.31	117,736.50
Net Block	169,224.53	177,681.93
Assets held for Disposal	-	15,385.32
Investments	E 63,600.00	63,600.00
Deferred Tax Assets (Net)	67,281.63	60,693.14
Current Assets, Loans and Advance:		
Inventory	F -	13,569.56
Sundry Debtors	G 156,579.34	208,534.69
Cash & Bank Balances	H 3,974.44	28,865.12
Loans & Advances	I 54,175.06	29,901.56
	214,728.84	280,870.93
Less: Current Liabilities and Provisions		
Current liabilities	J 87,092.63	77,550.61
Provisions	1,119.85	1,911.54
	88,212.48	79,462.15
Net Current Assets	126,516.36	201,408.78
Profit & Loss Account	260,494.43	265,608.62
TOTAL	687,116.95	784,377.79

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: 30th May,2011

Sunil K Malhotra
Ex-Director (Finance)

Satyendu Patnaik
Company Secretary



JAIN STUDIOS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2011

(Rs. in '000)

	SCHEDULE	for the year ended 31-03-2011	for the year ended 31-03-2010
INCOME			
Income from Operations	K	110,756.09	66,119.23
Other Income	L	8,735.49	3,435.09
Increase/(decrease) in Stock	M	(13,569.56)	2,276.39
		105,922.02	71,830.71
EXPENDITURE			
Production Expenses	N	66,232.37	19,518.23
Personnel Expenses	O	27,487.45	17,306.90
Administrative & Other Expenses	P	61,864.88	21,683.79
Selling & Distribution Expenses	Q	7,354.73	1,049.78
Interest & Other Financial Charges	R	28,087.78	26,892.20
Depreciation/Amortisation		10,060.81	11,909.14
Less :Transfer from Revaluation Reserve		94.00	94.00
		200,994.02	98,266.04
Profit/(Loss) before exceptional items		(95,072.00)	(26,435.33)
Exceptional Items (Incomes) (Note no 3 of Schedule T)		112,059.35	1,800.00
Exceptional Items (Expenses)		(18,461.65)	-
Profit/(Loss) before extra ordinary items		(1,474.30)	(24,635.33)
Profit/(Loss) before tax		(1,474.30)	(24,635.33)
Less: Provision For Taxation			
- Current Tax (MAT)		-	-
- Deferred tax liabilities/(assets)(Note no.12 of Schedule S)		(6,588.49)	(6,861.64)
- MAT Credit Entitlement		-	-
Profit/(Loss) after tax		5,114.19	(17,773.69)
Add : Balance Brought Forward		(265,608.62)	(247,834.93)
Profit/(loss) Available For Appropriation		(260,494.43)	(265,608.62)
Balance Carried to Balance Sheet		(260,494.43)	(265,608.62)
Earning per share (Note no 11 of Schedule T)			
Cash		0.59	(0.89)
Basic		0.36	(1.24)
Diluted		0.36	(1.24)

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: 30th May, 2011

Sunil K Malhotra
Ex-Director (Finance)

Satyendu Patnaik
Company Secretary



JAIN STUDIOS LIMITED

SCHEDULE TO THE BALANCE SHEET

(Rs. in '000)

	JSL 31-03-2011	As on 31-03-2010
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 cummulative 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	32,668.16	32,762.16
Less : Transferred to Profit & Loss Account	94.00	94.00
	<u>32,574.16</u>	<u>32,668.16</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>390,436.97</u>	<u>390,530.97</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.)	150,000.00	228,746.93
Interest Accrued and due	-	18,362.78
Working Capital loan	<u>150,000.00</u>	<u>247,109.71</u>
Short Term		
Vehicle Loan from ICICI Bank (Loan secured by hypothecation of vehicles)	338.73	467.40
	<u>338.73</u>	<u>467.40</u>
Demand Loan from Syndicate Bank (loan secured against pledge of FDRs)	2,000.00	2,000.00
Interest Accrued and due	481.43	409.89
	<u>2,481.43</u>	<u>2,409.89</u>
	<u>152,820.16</u>	<u>249,987.00</u>

JAIN STUDIOS LIMITED SCHEDULE TO THE BALANCE SHEET

PARTICULARS	GROSS BOOK VALUE			DEPRECIATION			NET BOOK VALUE	
	As on 01/04/2010	As on 31/03/2011	As on 31/03/2011	As on 01/04/2010	During the year	As on 31/03/2011	As on 31/03/2011	As on 31/03/2010
Land -Leasehold	52,129.19	-	52,129.19	5,713.68	585.72	6,299.40	45,829.79	46,415.51
-Freehold	29,679.63	-	29,679.63	-	-	-	29,679.63	29,679.63
	81,808.82	-	81,808.82	5,713.68	585.72	6,299.40	75,509.42	76,095.14
Building	31,485.24	-	31,485.24	7,749.66	483.39	8,233.05	23,252.19	23,735.58
Plant & Machinery	148,259.58	618.87	148,878.45	75,007.74	8,070.13	83,077.87	65,800.58	73,251.84
Furniture & Fixtures	3,192.64	26.83	3,219.47	1,801.64	203.56	2,005.20	1,214.27	1,391.00
Office Equipments	17,237.99	957.71	18,195.70	14,884.11	494.91	15,379.02	2,816.68	2,353.88
Vehicles	5,553.91	-	5,553.91	4,699.42	223.10	4,922.52	631.39	854.49
Intangible Assets								
Programme Software Library	7,880.25	-	7,880.25	7,880.25	-	7,880.25	0.00	0.00
Total	295,418.43	1,603.41	297,021.84	117,736.50	10,060.81	127,797.31	169,224.53	177,681.93
Previous Year	293,285.40	2,133.03	295,418.43	105,827.37	11,909.13	117,736.50	177,681.93	

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

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

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

Place : New Delhi
Date: 30th May, 2011



JAIN STUDIOS LIMITED

SCHEDULE TO THE BALANCE SHEET

(Rs. in '000)

	JSL 31-03-2011	As on 31-03-2010
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 Body Corporates		
29,00,000 Equity Shares of Rs. 10/- each of Dr Jain Video on Wheels Ltd	23,600.00	23,600.00
	63,600.00	63,600.00
SCHEDULE - F		
Inventory		
(valued at net realisable value or cost whichever is lower)		
Work in Progress/ Finished Goods (Feature film)	-	13,569.56
	-	13,569.56
SCHEDULE - G		
Sundry Debtors		
(Unconfirmed, Unsecured)		
- exceeding six months considered good	116,206.09	181,354.47
considered doubtful	-	-
- others considered good	40,373.25	27,180.22
considered doubtful	-	-
	156,579.34	208,534.69
Less : Provision for doubtful debts	-	-
	156,579.34	208,534.69
SCHEDULE - H		
Cash and Bank Balances		
Cash in hand	114.00	135.92
Balances with scheduled banks		
in Current account	1,729.72	1,003.20
in Fixed Deposits	2,130.72	27,726.00
	3,974.44	28,865.12
SCHEDULE - I		
Loans and Advances		
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	3,168.74	2,061.90
Deposit with Government Authorities & others		
- with Government Authorities	3,298.25	3,298.25
- with others towards use of various rented premises	16,193.00	16,265.00
- with Custom Department	23,313.00	-
[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. Bank Guarantees has been invoked by the custom department) (Refer Note 14 of Schedule S)		
Interest receivable	-	587.77
Prepaid Expenses	279.83	31.61
MAT Credit Entitlement	2,645.30	2,645.30
TDS Recoverable	5,276.94	5,011.73
	54,175.06	29,901.56
SCHEDULE - J		
Current Liabilities and Provisions		
Current Liabilities		
Sundry Creditors - due to small scale undertakings*	-	-
- others	58,783.24	41,561.13
Advance from Customers	1,015.97	979.12
Other liabilities	27,293.42	35,010.36
	87,092.63	77,550.61
Provisions		
Provision for Tax	-	-
Fringe Benefit Tax (Net)	-	340.94
For retirement benefits	1,119.85	1,570.60
	1,119.85	1,911.54
	88,212.48	79,462.15

SCHEDULE TO PROFIT AND LOSS ACCOUNT

(Rs. in '000)

	JSL year ended 31-03-2011	for the year ended 31-03-2010
SCHEDULE - K		
Income from Operations		
Advertisement / Slot Sale	9,747.32	16,070.13
Income from Alliance	3,723.55	4,442.43
Production & Other Incomes	23,450.97	601.75
Uplinking Income	12,000.00	24,000.00
Mobile Health Services (Govt.)	61,447.75	8,514.00
Workshops on Health Education (Govt.)	-	8,652.66
Enrollment Fees	386.50	3,825.00
One time Fees	-	13.26
	110,756.09	66,119.23
SCHEDULE - L		
Other Income		
Interest Income on FDR's (Gross)	247.59	1,988.04
[Tax deducted at source Rs.23.43 thousands, (previous year Rs. 500.84)]		
Foreign Exchange Fluctuation (Gain)	-	936.08
Sundry Balances/Excess provisions written back including liabilities no longer required Rs.7890.16 thousand (PY Rs.Nil thousand)	8,187.08	417.33
Miscellaneous Income	300.82	93.64
	8,735.49	3,435.09
SCHEDULE - M		
Increase/(decrease) in Stock		
Closing Stock		
- Work in progress	-	13,569.56
Opening Stock		
- Work in progress	13,569.56	11,293.17
	(13,569.56)	2,276.39
SCHEDULE - N		
Production Expenses		
Production Expenses		
- Production & Shooting Expenses	6,492.95	18,836.29
- Mobile Health Services Running Exps	55,302.98	
- Taxi hire Charges	13.84	379.03
- Other Expenses	4,422.60	202.91
Telecasting Charges	-	100.00
	66,232.37	19,518.23
SCHEDULE - O		
Personnel Expenses		
Salary, Wages and Allowances	26,847.38	16,378.73
Contribution to Provident Fund	493.40	196.54
Staff Welfare Expenses	146.67	731.63
	27,487.45	17,306.90
SCHEDULE - P		
Administrative & Other Expenses		
Electricity & Water Charges	2,285.82	2,065.45
Conveyance Expenses	1,434.79	1,491.57
Travelling Expenses	1,823.61	961.30
Legal & Professional Charges	4,013.92	2,829.00
Consutancy Charges	3,419.10	5,643.35
Repair & Maintenance		
- Plant & Machinery	421.46	321.60
- Building	361.68	182.49
- Others	543.16	421.37
Printing & Stationery	329.15	369.55
Telephone, Postage & Courier Charges	1,121.94	886.54
Bad debts Written off	24,060.81	117.79
Rent	1,688.80	1,393.62
Rates & Taxes	10.95	8.81
Insurance Charges	70.40	309.75
Security Charges	727.36	759.08
Directors sitting fees	128.50	128.50
Impairment of Assets	15,385.32	-
Prior period expenses	496.73	370.28
Foreign Exchange Loss	18.03	7.43
Other Expenses	3,523.35	3,416.31
	61,864.88	21,683.79
SCHEDULE - Q		
Selling & Distribution Expenses		
Advertisement & Publicity	182.78	273.53
Business Promotion & Others	7,170.04	732.99
Commission	1.91	43.26
	7,354.73	1,049.78
SCHEDULE - R		
Interest and other Finance Charges		
Interest on		
- Fixed Loans (Note no 3 of Schedule S)	27,731.96	26,626.09
- Others	114.44	10.00
Financial Charges	241.38	256.11
	28,087.78	26,892.20

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 avilment 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 31.03.2011 includes cumulative surplus of Rs. 33,800 thousands (31.03.2010: 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. One time settlement proposal of the company was agreed in principal by SASF vide its letter dated February 26, 2011 which envisage payment of Rs.160,000 thousands towards full and final settlement of dues to SASF as per details given below.
 - a) Rs.10,000 thousands to be paid on or before issue of letter of approval (LOA) (Paid on 31st March 2011).
 - b) Rs.100,000 thousands to be paid within a period of six months from the date of LOA on interest free basis.
 - c) Allotment of Equity Shares with face value of Rs 10/- each for aggregate value of Rs 50,000 thousands within three months from the date of issue of LOA.
 - d) Promoters to execute an agreement for buy back of shares at par with a return of 10% p.a. within a period of two years from the date of approval. SASF shall have the right to dispose off the shares in open market in case promoters/ company fail to pay buy back.

The above proposal has been approved by the Board of Directors during their meeting held on 15th March 2011 and accordingly the shareholders in the Extra Ordinary General Meeting on 13th April 2011 have approved the said proposal.

LOA was issued by SASF after receipt of Rs 10,000 thousands on 31st March 2011. However, it has been mentioned in the LOA that the payment of Rs 50,000 thousands is to be made on or before 31st March 2011. As per the letter issued by SASF on 26th February 2011 while giving approval in principle, that the total

payment of Rs 100,000 thousands to be made within six months. This has been discussed with the SASF and the management is expecting that the SASF will amend the LOA accordingly. Considering that the SASF will agree with the terms of their letter dated 26th February 2011, the company has gone ahead with settlement and credited the P&L Account with an amount of Rs. 112,059.35 thousands.

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. 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>2010 – 2011</u>	<u>2009– 2010</u>
	(Rs. in thousands)	(Rs. in thousands)

a) Audit Fee (including service tax)	308.18	303.33
b) Other Services	137.88	125.46

6. There are certain disputes with regards to the amount payable to some statutory Authorities relating to Provident Fund, 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 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.

Television

Marketing, Production & Broadcasting of TV Programme and Advertisement.

Teleport

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

Others

Feature film production & distribution

Information about business segments

		Rs in thousands			
	Particulars	Television	Teleport	Other	Total
A	REVENUE:				
1	Sales (External)	96,413.21 (42,119.23)	12,000.00 (24,000.00)	2,342.88 (NIL)	110,756.09 (66,119.23)
	Total Sales	96,413.21 (42,119.23)	12,000.00 (24,000.00)	2,342.88 (NIL)	110,756.09 (66,119.23)
B	RESULTS:				
1	Segment Results (PBIT)	-30,588.35 (-2,075.29)	8,747.28 (21,042.55)	-6,398.19 (NIL)	-28,239.26 (18,967.26)
2	Interest Expense				28,087.78 (26,892.20)
3	Interest Income				247.59 (1,988.04)
4	Unallocable expenditure net of unallocable income				-55,100.33 (18,698.43)
5	Profit / (-) Loss Before Tax				-1,474.30 (-24,635.33)
	Provision for Current Tax				NIL (NIL)
	Provision for Fringe Benefit tax				NIL
	Provision for Deferred Tax				(NIL)
	MAT Credit Entitlement				-6,588.49 (-6,861.64)
	Profit / (-) Loss After Tax				NIL (NIL) 5,114.19 (-17,773.69)
C	OTHER INFORMATION				
1	Segment Assets	142,591.30 (164,591.56)	185,864.37 (238,398.50)	NIL (13,569.56)	328,455.67 (416,559.62)
2	Unallocated Assets				119,097.75 (120,978.59)
3	Deferred Tax Assets (net)				67,281.63 (60,693.14)
4	Total Assets				514,835.05 (598,231.35)
5	Segment Liabilities	79,777.57 (60,652.48)	NIL (NIL)	NIL (8,104.66)	79,777.57 (68,757.14)
	Unallocated Liabilities				161,256.90 (260,693.83)
	Total Liabilities				241,034.47 (329,450.96)
6	Capital Expenditure	1,603.41 (2,133.03)	NIL (NIL)	NIL (NIL)	1,603.41 (2,133.03)
7	Depreciation	6,714.09 (8,857.69)	3,252.72 (2,957.45)	NIL (NIL)	9,966.81 (11,815.14)

Note: - Figures for previous year are given in brackets.

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:

Due to increase in capital base of Dr. Jain Video on Wheels Ltd. during the year the shareholding in Dr. Jain Video on Wheels Ltd has reduced from 52.727% to 45.944% and consequently ceased to be a subsidiary company.

a. 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)

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.
 Dr. Jain Video on Wheels Ltd.

- b. Enterprises over which Key Management Personnel and their relatives have significant

For Transactions with the related parties:

Rs. in thousands

Nature of Transactions	Key Managerial Persons and their relatives	Enterprises Where KMP and their relatives' Significant Influence	Total
Rendering of Services	NIL (NIL)	NIL (NIL)	NIL (NIL)
Uplinking (Earthstation) Income	NIL (NIL)	12,000.00 (15,600.00)	12,000.00 (15,600.00)
Receiving of Services	NIL (NIL)	78,800.94 (47,625.25)	78,800.94 (47,625.25)
Payment of Salary	3,772.32 (2,514.00)	NIL (NIL)	3,772.32 (2,514.00)
Payment on behalf of/(Received from)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Advances given	NIL (NIL)	NIL (5,764.89)	NIL (5,764.89)
Advances recovered/ received	NIL (NIL)	NIL (10,462.16)	NIL (10,462.16)
Balance outstanding as at year end: -			
- Loans & Advances	NIL (NIL)	NIL (10,634.06)	NIL (10,634.06)
- Security Deposit	NIL (NIL)	15,950.00	15,950.00 (15,950.00)
-Accounts receivable	NIL (NIL)	(15,950.00)	92,075.77 (115,600.00)
- Accounts Payable	707.40 (138.18)	92,075.77 (115,600.00)	30,272.87 (17,836.87)
		29,565.47 (17,698.69)	

Note:

- The company has given corporate guarantee for the loans taken from bank By Noida Software Technology Park Ltd and Dr. Jain Video on Wheels Ltd. The property at Dundahera, Gurgaon has been mortgaged against loan taken by Dr. Jain Video on Wheels Ltd.
- Company has given interest free security deposit for rented premises.
- 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).
- Details of remuneration to Key Management Personnel are given in Note No.17.
- Figures for previous year are given in brackets.
- Refer Note No. 3 herein above.

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

	<u>Rs in thousands</u> <u>2010 – 2011</u>	<u>Rs in thousands</u> <u>2009– 2010</u>
a) Profit /(Loss) attributable to equity shareholders: Profit /(Loss) after tax (Rs. in thousands)	5114.18	(17,773.69)
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
	<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)	0.36	(1.24)
ii) Diluted earnings per share (in Rs.)	0.36	(1.24)

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

	<u>Rs in thousands</u> <u>As at 31.03.2011</u>	<u>Rs in thousands</u> <u>As at 31.03.2010</u>
Deferred Tax Assets		
- Unabsorbed depreciation*	26,676.04	26,676.04
- Expenses allowable on payment basis/ as per section 40a	27,863.15	29,241.63
- Business Loss*	29,788.64	28,291.07
	<hr/>	<hr/>
	84,327.83	84,208.74
Deferred tax Liabilities		
- Depreciation	17,046.20	23,515.60
	<hr/>	<hr/>
Net Deferred tax (assets)/liabilities (net)	(67,281.63)	(60,693.14)

* 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 31.03.2010 has been updated for items giving rise to timing difference upto 31.03.2011. 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):

a) **Directors Interested: NIL**

14. Bank Guarantees amounting to Rs 22,313 thousands were given to custom authorities under EPCG scheme (towards 100% margin). On non compliance of the requirement of meeting the export obligation under EPCG scheme, the Bank Guarantees have been invoked during the current financial year.

On filing of petition with the DGFT, extension for further two years against four EPCG Licenses has been granted for subject to deposit of the balance 50% custom duty saved (net of invoked Bank Guarantees), i.e. Rs. 8,921.54 thousands as security deposit and 2% of duty saved as penalty for condonation of blockwise Export obligation fulfillment and compliance of other formalities for revalidation of EPCG License and necessary arrangement for fulfillment of Export obligation within the extended period of two years from the expiry of 10 years of each EPCG License. Extension letter for another one license is awaited.

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>2010 – 2011</u> (Rs.'000)	<u>2009– 2010</u> (Rs.'000)
b) C.I.F. value of Imports:	Nil	Nil
c) Expenditure in Foreign Currency (Accrual Basis): Foreign Travelling	360.26	186.56
d) Earnings in Foreign Currency: (Realisation Basis) Advertisement Income/Reimbursement	1,150.80	2,644.14

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

	2010 – 2011 (Rs.'000)	2009– 2010 (Rs.'000)
--	--	---------------------------------------

- | | | |
|--|------------|------------|
| A) Claims against the Company not acknowledged as debts (includes Rs 100,092.00 thousands towards demand Under section 156 and order U/s 201 (1)/201 (1A) of the Income tax Act towards TDS case. Company has filed an Appeal before CIT Appeals, Delhi as the A.O. has wrongly considered the cumulative figures shown in the balance sheet.) | 160.982.03 | 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. Nil thousands given (P.Y. Rs. 21,813 thousands)} {Refer note no. 14}

- | | | |
|---------------------------------|-----|--------|
| ii) Outstanding Bank Guarantees | Nil | 133.33 |
|---------------------------------|-----|--------|

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



JAIN STUDIOS LIMITED

17. Remuneration to the Managing Director

	2010 – 2011 (Rs. in thousands)	2009– 2010 (Rs. in thousands)
--	-----------------------------------	----------------------------------

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

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. In compliance of the AS 28- Impairment of Assets, during the year company has impaired the balance carried over amount of 18 % (kept as assets held for disposal), by charging the same to the debit of the P&L Account.
20. During the current year the company has written off Bad Debts amounting to Rs 24,060.81 thousands which in the opinion in the management were not good for recovery.
21. Figures for the previous year have been re-grouped/ re-arranged/ recast wherever considered necessary, to conform current year's classification.
22. 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

N. P. BANSAL
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.)Ragini Jain
Director

Vishnu Bhagwan
Director

Sunil K Malhotra
Ex. Director (Finance)

Satyendu Patnaik
Company Secretary

Place: New Delhi
Date: 30th May, 2011



JAIN STUDIOS LIMITED

Cash Flow Statement for the year ended 31.03.2011 JAIN STUDIOS LIMITED

Particulars	2010-11	2009-10
A Cash Flow from Operating activities		
Net profit/(loss) before tax and exceptional items	(95,072.00)	(26,435.33)
<i>Adjustments for:</i>		
Bad debts written off	24,060.81	117.79
Sundry balances written off/back	(8,187.08)	(417.33)
Depreciation	9,966.81	11,815.14
Impairment of Assets Held for Disposal	15,385.32	-
Interest expenses	28,087.78	26,892.20
Interest Income	(247.59)	(1,988.04)
Profit/(loss) before Exceptional items	(26,005.95)	9,866.64
Exceptional Items	93,597.70	1,800.00
Operating Profit/(loss) before working capital changes	67,591.75	11,666.64
<i>Adjustments for:</i>		
Trade & other receivables	3,033.26	(2,539.95)
Inventory	13,569.56	(2,276.39)
Trade & other payables	17,278.36	(39.42)
Cash generated from operations	101,472.93	6,928.67
Direct taxes (paid)/Refund	(340.94)	(426.08)
Net cash flow from operating activities	101,131.99	6,502.59
B Cash Flow from Investing activities		
Interest received	835.36	2,111.04
Purchase of fixed assets	(1,603.41)	(2,133.03)
Net cash flow from Investing activities	(768.05)	(21.99)
C Cash Flow from Financing activities		
Interest/Loan paid/write back (Refer note no 3 (i))	(125,125.95)	(2,695.64)
Short Term Loan Taken/(repaid) (Refer note no 3 (i))	(128.67)	(188.81)
Net cash flow from financing activities	(125,254.62)	(2,884.45)
Net Decrease in cash & cash equivalents(A+B+C)	(24,890.68)	3,596.15
Opening balance of cash & cash equivalents	28,865.12	25,268.97
Closing balance of cash & cash equivalents	3,974.44	28,865.12

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: 30th May, 2011

Sunil K Malhotra
Ex. 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. Balance Sheet date	L92199DL1991PLC042611 31st March 2011
2	Capital raised during the year: Public issue Right issue Bonus issue	(Rs. in Thousands) Nil Nil Nil
3	Position of mobilisation and deployment of funds: Total Liabilities Total Assets Source of Funds Paid-up capital Reserves & Surplus Secured Loans Unsecured loan Application of funds Net Fixed Assets Investments Net Current Assets Miscellaneous Expenses Accumulated Losses Deferred Tax Assets (Net)	 687,116.95 687,116.95 143,859.82 390,436.97 152,820.16 - 169,224.53 63,600.00 126,516.36 - 260,494.43 67,281.63
4	Performance of Company: Total Income Total Expenditure Profit/(loss) before tax Profit/(loss) after tax Earnings per share (Rs.) Dividend rate	 217,981.37 219,455.67 (1,474.30) 5,114.19 0.36 NIL
5	Generic Names of principal products, services of the company: Item Code no. Product description	N.A. 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
Ex. Director (Finance)

Satyendu Patnaik
Company Secretary

Place: New Delhi
Date: 30th May, 2011

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 **21st Annual General Meeting of the Company to be held on Friday, 30th day of September 2011 at 11.00 A.M.** and at any adjournment thereof.

Signed this _____ day of _____ 2011

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 **21st 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 Friday, 30th day of September 2011.**

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

- 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.
- No Gifts/Coupons will be distributed at the meeting.**

BOOK-POST

If undelivered please return to:

JAIN STUDIOS LIMITED

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