

**KoffeeBreak**  
pictures

# KOFFEE BREAK PICTURES LIMITED

16TH ANNUAL REPORT

2007-2008

KOFFEE BREAK PICTURES LTD

# MY FRIEND GANESHA

Biggest Superhit Of The Year



*India's first Composite Animated film*

**KOFFEE BREAK PICTURES LIMITED****BOARD OF DIRECTORS**

Mr. Apurva Shah	:	Chairman & Managing Director
Mr. Manish Ruparel	:	Non - Executive Director
Mr. S. Shridhar	:	Non - Executive Director
Mr. Raman Trikha	:	Independent & Non - Executive Director
Mr. Mitesh Mehta	:	Independent & Non - Executive Director
Mr. Shivbabu Vegulla (Up To 15 <sup>th</sup> April, 2007)	:	Independent & Non - Executive Director
Mr. Shanti Haria (Up To 15 <sup>th</sup> April, 2007)	:	Independent & Non - Executive Director
Mr. Aatur Mehta (Up To 15 <sup>th</sup> April, 2007)	:	Independent & Non - Executive Director
Mr. Kshitij Sheth (w.e.f 8 <sup>th</sup> April, 2008)	:	Whole Time Director
Mr. Hitesh Kawa (w.e.f 14 <sup>th</sup> June, 2008)	:	Independent Director

**REGISTERED OFFICE:**

704-705, Silver Oak,  
Nr. Mahalaxmi Char Rasta,  
Paldi, Ahmedabad 380006.

**CORPORATE OFFICE:**

328, Adhyaru Industrial Estate,  
Sun Mill Compound,  
Lower Parel (West), Mumbai 400013

**SHARES LISTED AT:**

The Stock Exchanges -  
Mumbai &  
Ahmedabad.

**AUDITORS:**

P. N. JHAMAR & Co.,  
Chartered Accountants,  
Mumbai

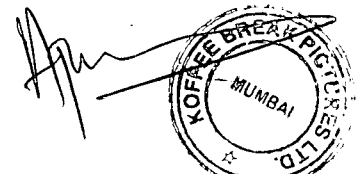
**REGISTRARS & SHARE TRANSFER AGENTS:**

M/s. MCS Limited. (Up to 31<sup>st</sup> March, 2008)  
Subh Shtatadal Complex,  
Opp. Batta Show Room, Ashram Road,  
Ahmedabad 380009  
Phone No. 079-26582878/1296  
Fax No. 079-26584027

System Support Services,  
(w.e.f. 1<sup>st</sup> April, 2008)  
Nr. Copper Chimney Hotel,  
Sakinaka, Andheri Kurla Road,  
Andheri(E), Mumbai 400072.  
Phone No. 022-28500835

**BANKERS:**

HDFC Bank Limited  
State Bank of India  
Central Bank of India  
Cosmos Co-operative Bank Ltd  
Dena Bank



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### **16<sup>th</sup> ANNUAL GENERAL MEETING**

**Date : 30<sup>th</sup> September, 2008**

**Day : Tuesday**

**Time : 4.00 p.m.**

**Place : Cultural Centre Hall, BCA Charitable Trust,  
Nr. Chandra Nagar Bus Stand, Narayan Nagar Road,  
Paldi, Ahmedabad - 380007**

**NOTICE**

Notice is hereby given that the Sixteenth Annual General Meeting of the Members of Koffee Break Pictures Limited will be held on Tuesday, 30 September, 2008, at 4.00 p.m. at Cultural Centre Hall, BCA Charitable Trust, Nr. Chandra Nagar Bus Stand, Narayan Nagar Road, Paldi, Ahmedabad - 380007 to transact the following business.

**ORDINARY BUSINESS**

1. To receive, and consider and adopt Audited Balance Sheet as at March 31, 2008 & Profit and Loss Account for the year ended on that date, together with reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Manish Ruparel of the company who retires by rotation & being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. S. Shridhar of the company who retires by rotation & being eligible offers himself for re-appointment.
4. To appoint auditors of the Company to hold office from the conclusion of this Annual General Meeting, until the conclusion next Annual General Meeting and to fix their remuneration.

**SPECIAL BUSINESS**

5. To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary resolution**.  
"RESOVLED THAT Mr. Kshitij Sheth, who was appointed as an additional Director w.e.f. 8<sup>th</sup> April, 2008, and who holds office upto the date of the 16<sup>th</sup> Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director."
6. To consider and if thought fit to pass, with or without modification, the following resolution as an **Ordinary resolution**.  
"RESOVLED THAT Mr. Hitesh Kawa, who was appointed as an additional Director w.e.f. 14<sup>th</sup> June, 2008, and who holds office upto the date of the 16<sup>th</sup> Annual General Meeting, but who is eligible for the re-appointment and in respect of whom the company has received a notice in writing from a member under section 257 of the Companies Act, 1956 be and is hereby re-appointed as a Director."
7. To consider and, if thought fit, pass, with or without modification, following resolution as an ordinary resolution, in pursuance of special notices which have been received by the Company from members pursuant to Section 284 read with Section 190 of the Companies Act, 1956.  
"RESOLVED THAT, Mr. Mitesh Mehta, Director be and is removed from office of a Director of the Company with effect from the conclusion of this meeting."

BY ORDER OF THE BOARD  
KOFFEE BREAK PICTURES LIMITED  
Sd/-  
APURVA SHAH  
(CHAIRMAN & MANAGING DIRECTOR)

DATE : 29<sup>th</sup> August, 2008

PLACE : Mumbai

**NOTES :**

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. **THE PROXY IN ORDER TO BE EFFECTIVE, MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY AT 704-705, Silver Oak, Nr. Mahalaxmi Char Rasta, Paldi, Ahmedabad-380 006, NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
3. The Register of Members and Share Transfer Register shall remain closed from Saturday, 27<sup>th</sup> September, 2008 to Tuesday, 30<sup>th</sup> September, 2008 (both days inclusive).
4. The information as required to be provided under the Listing Agreements entered into by the Company with Stock Exchange regarding the directors who are proposed to be appointed/re-appointed is separately given in the Corporate Governance Report and the Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, gives disclosure relating to the special business to be transacted at this Annual General Meeting.
5. All the documents referred to in this Notice are open for inspection of the members at the Corporate Office of the Company on all working days between 11.00 a.m. to 1.00 p.m. up to the date of Annual General and during the time of the meeting.
6. The shares of the company are in Demat category for all the investors. In view of this and also to ensure better services, we request those shareholders who are yet to dematerialize their shares to do so at the earliest.
7. Corporate Members are requested to send a duly certified copy of the Board resolution/Power of Attorney authorizing their representative to attend and vote at the Annual General Meeting.
8. Members/Proxies are requested to bring their admission slips along with the copies of the Annual Report to the Meeting.
9. Members having any queries in relation to the accounts are requested to send them at least ten days in advance to enable the Company to collect the relevant information.
10. Members may note that no gifts/gift coupons shall be distributed at the meeting.
11. The Company received written representations with respect to the resolution set out above for the removal of Mr. Mitesh Mehta as Director of the Company in accordance with the provisions of Section 284(4) of the Act. The special notices received are included as resolution no. 7 in the above notice for AGM. The Copies of the same will be served to the concerned Director and the Directors' representation will be circulated to the members, if received in time otherwise the aforesaid Director will read out representation at the meeting.

**EXPLANATORY STATEMENT**  
**As required by section 173(2) of the Companies Act, 1956**

**Item No. 5.**

Mr. Kshitij Sheth was appointed as an additional Director w.e.f. 8<sup>th</sup> April, 2008 under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Mr. Kshitij Sheth for the office of the Director under section 257 of the Companies Act, 1956.

1	Name of the Director	Mr. Kshitij Sheth
2	Age	21 Years
3	Qualification	B. Com.
4	Number of directorship in other Indian Public Limited Company	Nil

Mr. Kshitij Sheth does not hold any shares of the Company.  
The Board of Directors recommends the resolution for approval of the members.  
None of the Directors are concerned or interested in the said Resolution except Mr. Kshitij Sheth.

**Item No. 6.**

Mr. Hitesh Kawa was appointed as an additional Director w.e.f. 14<sup>th</sup> June, 2008 under section 260 of the Companies Act, 1956. The said Director will hold office upto the date of the Annual General Meeting. The company has received a notice in writing from member proposing the candidature of Mr. Hitesh Kawa for the office of the Director under section 257 of the Companies Act, 1956.

1	Name of the director	Mr. Hitesh Kawa
2	Age	29 Years
3	Qualification	B. Com, A.C.A
4	Experience	5 Years
5	Number of Directorship in other Indian Public Limited Company	Nil

Mr. Hitesh Kawa is holding 100 equity shares of the Company.  
The Board of Directors recommends the resolution for approval of the members.  
None of the Directors are concerned or interested in the said Resolution except Mr. Hitesh Kawa.

**Item No. 7.**

The Company has received special notices from the members of the Company proposing the removal of Mr. Mitesh Mehta from the office of Directorship with effect from the date of Annual General Meeting. The copies of the said notices will be forwarded to the concerned Director and any representation, if made by the said Director will be read out in the ensuing Annual General Meeting.

A copy of the said representation, if any will be available for inspection during the meeting hours for the members of the Company.

None of the Directors are concerned or interested in the said Resolution except Mr. Mitesh Mehta.

**BY ORDER OF THE BOARD**  
**KOFFEE BREAK PICTURES LIMITED**  
Sd/-  
**APURVA SHAH**  
**(CHAIRMAN & MANAGING DIRECTOR)**

DATE : 29<sup>th</sup> August, 2008

PLACE : Mumbai

**DIRECTORS' REPORT**

To,  
The Members,  
**KOFFEE BREAK PICTURES LIMITED.**

Your Directors have pleasure in presenting the Sixteenth Annual Report, of the Company together with the Audited Statements of the Accounts for the year ended 31<sup>st</sup> March, 2008.

**1. FINANCIAL RESULTS:**

	Year ended	
	2008	2007
Total Income	3,07,52,822	1,20,12,523
Total Expenditure	2,63,47,873	1,16,64,350
Profit/(Loss) before Taxes	44,04,949	3,48,173
Less: Provision for Income Tax (net off short/(excess) provision for earlier years)	21,41,429	3,19,084
Profit/(Loss) After Taxes	22,63,520	29,089
Add: Balance brought forward from previous year	(36,03,990)	(36,33,079)
Balance carried to Balance Sheet	(13,40,470)	(36,03,990)

**2. OPERATIONS:**

During the year 2007-08, we successfully made and released our first home production & India's first composite animation movie "My Friend Ganesha" and began a trend of animation movies in India which was a huge success. Since then our focus has been animation and we also setup one of India's finest animation studio which is equipped to make world class 2D traditional animation. Simultaneously, we are focusing on our second home production as well as taking up animation jobs for Indian & International clients. With the huge success of its first home production the company has witnessed a 300% jump in profits and for the coming year continue the same growth in all fields.

At KOFFEE BREAK, we have always believed that excellence is a journey that never ends. To be the best there is, we employ only the finest in the industry and offer an environment conducive to growth. And thus, we have succeeded in maintaining our leadership stance in the entertainment industry. For us, raising benchmarks has always been a trend and we aim to become a global front-runner in the world of entertainment.

KOFFEE BREAK has revolutionized the Indian Film Industry with the first composite animation film in the history of Indian Cinema and is much more than just a content provider. We treat brand KOFFEE BREAK as a powerful communicator, which influences the lives of the target audience.

Our enviable stature has been achieved through careful planning, disciplined action and specialization, which is reflected at all stages. In the constantly changing world of entertainment, we have discovered that certain factors for success remain the same

At KOFFEE BREAK, driving profits is also a process. We do not stop at just providing creative content of the highest quality it is also our endeavor to popularize our products in the target markets. Careful adherence to process and systems, even at the level of ideation and conceptualization has set an example for the entire industry.

India is a huge market and although Hindi is the primary language, regional markets are also important. This is why we plan to launch our next film in Telugu, Tamil, Kannada, and Bengali and English.

**3. DIVIDEND:**

The Board does not recommend any dividend for the year under review.

**4. FIXED DEPOSITS:**

The company has not accepted any deposits from the public during the year pursuant to the provisions of section 58A of the Companies Act, 1956.

**5. LISTING:**

Being listed at Mumbai & Ahmedabad Stock Exchanges, your company has paid listing fees till March, 2008.

**6. SHARE CAPITAL:**

During the period under review the Authorised share capital was increased from Rs. 6,00,00,000/- to Rs.16,00,00,000/-.

**7. WARRANTS:**

During the year under review, Company issued 1,00,00,000 (One Crore) Convertible share warrants on preferential basis at a price of Rs. 21/- which is arrived in pursuance of SEBI (DIP) guideline, 2000 in accordance with the provisions of Section 81(1A) and other applicable provisions of the companies Act, 1956. Out of the said warrants, 1,75,000 warrants were converted into equity shares as on date of this report.

**8. DIRECTORS:**

Mr. Apurva Shah was appointed as a Managing Director of the Company w .e. f. 1<sup>st</sup> October, 2007.

Mr. Kshitij Sheth was appointed as an Additional Director w. e. f. 8<sup>th</sup> April, 2008 thereafter co-opted as a Whole Time Director w.e.f. 1<sup>st</sup> May, 2008.

Mr. Hitesh Kawa was appointed as an Additional Director w. e. f. 14<sup>th</sup> June, 2008, you are requested to reappoint him in forthcoming Annual General Meeting as a Director.

Also Mr. Manish Ruparel, and Mr. S. Shridhar, Directors of the Company retire by rotation being eligible, offer themselves for re-appointment, you are requested to reappoint them in ensuing Annual General Meeting

As you are aware the Company has received notices from the shareholders for the removal of Mr. Mitesh Mehta as a Director of the Company u/s Section 284(4) of the Companies Act, 1956. The Copy of the same will be served to the concerned Director and the Directors' representation will be circulated to the members, if received in time otherwise the said representation will be read out in the Annual General Meeting.

**9. DIRECTORS RESPONSIBILITY STATEMENT:**

The Board of Directors hereby confirms:

That in the preparation of the Annual Accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the financial year and of the Profit or Loss of the Company for that period.

That the Directors have taken proper and sufficient care for the maintenances of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

That the Directors have prepared the Annual accounts on a going concern basis.

**10. SUBSIDIARIES:**

Since the Company has no subsidiaries, provision of section 212 of the Companies Act, 1956 is not applicable.

**11. CORPORATE GOVERNANCE:**

The Board had implemented Corporate Governance Code in pursuance of clause 49 of Listing Agreement during the year. The report on Corporate Governance is annexed hereto forming part of this report. The requisite certificate from HS Associates, Company Secretary in practice on implementation of requirements of the Corporate Governance is also annexed herewith forming part of this report.



The Company is in the process of complying with the requirement of construction of the website of the Company and appointing Independent Directors for proper constitution of the Board and various committees as per clause 49 of the listing agreement.

The Company has appointed Mr. Apurva Shah as CEO and Kshitij Sheth as CFO of the Company for the year 2008 -09.

#### 12. COMMITTEES:

The Company is in the process of reconstituting the Audit committee, Shareholder's / Investors Grievance Committee and Remuneration Committee pursuant to clause 49 of the Listing Agreement.

#### 13. AUDITORS:

M/s. P. N. Jhamar & Co., Chartered Accountants, Mumbai, Statutory Auditors of your company hold office till the conclusion of the coming Annual General Meeting. They have signified their willingness to accept re-appointment & have further confirmed their eligibility under Section 224(1-B) of the Companies Act, 1956. The significant Accounting policies & notes on Account are self explanatory hence no further explanations are required.

#### 14. MANAGEMENT DISCUSSION AND ANALYSIS.

The Management Discussion and Analysis are annexed and forms an integral part of this report.

#### 15. PARTICULARS OF EMPLOYEES:

There are no employees whose particulars are required to be given under section 217(2A) of the Companies act read with the Companies (Particulars of Employees) Rules, 1975.

#### 16. INFORMATION ON ENERGY CONSERVATION AND FOREIGN EXCHANGE:

There is nothing to report under the particulars of the companies (Disclosure of Particulars in the report of Board of Directors) Rules 1988, on conservation of energy and technology absorption as the company is in media and entertainment sector.

#### 17. FOREIGN EXCHANGE EARNINGS & OUTGO:

During the year under review the foreign exchange earnings and outgoings are as follows:

	2007-2008	2006-2007
a) Foreign Exchange Earnings	NIL	NIL
b) Foreign Exchange Outgo	NIL	NIL

#### 18. APPRECIATION:

Your Directors wish to thank all the shareholders, bankers and clients for lending their support in various activities of the Company. Your Directors would like to place on record their appreciation to all the employees who have continued their support during the year.

BY ORDER OF THE BOARD

KOFFEE BREAK PICTURES LIMITED

Sd/-

APURVA SHAH

(CHAIRMAN & MANAGING DIRECTOR)

DATE : 29<sup>th</sup> August, 2008

PLACE : Mumbai

## CORPORATE GOVERNANCE REPORT

### Company's philosophy:

The Company's philosophy of corporate governance stems out from its 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 corporate values.

Keeping in view the Company's size and complexity in operations, the company's corporate governance framework is based on the following main principles:

- a. Appropriate composition and size of the Board, with each Director bringing in key expertise in different areas.
- b. Timely and accurate disclosure of all material operational and financial information to the stakeholders.

The Securities and Exchange Board of India (SEBI) through clause 49 of the listing agreement with the stock exchanges regulates corporate governance for listed companies.

### Board of Directors:

The Board composition is in conformity with the provisions of the Companies Act, 1956 and is in the process of complying with clause 49 of the listing agreement. The strength of the Board as on 31<sup>st</sup> March, 2008 is 5 Directors comprising of 3 Promoter Directors and 2 Independent Directors.

### The composition of the Board as on 31<sup>st</sup> March, 2008 was as follows:

Name of Directors	Category of Directorship	*No. of other Directorships	No. of Committee Memberships
Mr. Apurva Shah	Promoter & Managing Director	Nil	Nil
Mr. Manish Ruparel	Promoter & Non - Executive Director	Nil	Nil
Mr. Raman Trikha	Non - Executive Independent Director	Nil	Nil
Mr. Mitesh Mehta	Non - Executive Independent Director	Nil	Nil
Mr. S. Shridhar	Promoter and Non - Executive Director	Nil	Nil
Mr. Shiv Babu Vegulla (up to 15/4/2007)	Non - Executive Independent Director	Nil	Nil
Mr. Shanti Haria (up to 15/4/2007)	Non - Executive Independent Director	Nil	Nil
Mr. Aatur Mehta (up to 15/4/2007)	Non - Executive Independent Director	Nil	Nil

\*Excludes Alternate Directorships, Directorships in Indian Private Limited Companies and Foreign Companies and proprietorship and partnership firms.

In accordance with Clause 49 of the Listing Agreement with the Stock Exchanges, membership/chairmanship of only the Audit Committee, Shareholders' / Investors Grievance Committee and the Remuneration Committee of the Public Limited Companies has been considered.

There are no nominees or Institutional Directors in the Company. None of Directors have pecuniary or Business relationship with the Company other than as mentioned in the elsewhere in the Annual Report. No Director of the Company is either member in more than ten committees and/or Chairman of more than five committees across all Companies in which he is Director.

During the year there were in total 9 (Nine) Board Meetings which were held on, 15/04/2007, 29/04/2007, 06/06/2007, 12/07/2007, 14/07/2007; 27/07/2007, 02/08/2007, 29/10/2007, and 30/01/2008 the time gap between the two meetings was not more than 4 months. All the information required to be furnished to the Board was made available to them along with detailed Agenda notes.

Sr. No.	Name of Director	Category	No. of Board meetings Attended	Attendance at Last AGM
1.	Mr. Apurva Shah	Chairman	9	YES
2.	Mr. Manish Ruparel	Promoter and Non Executive Director	9	YES
3.	Mr. Raman Trikha	Independent Non Executive Director	NIL	NO
4.	Mr. Mitesh Mehta	Independent Non Executive Director	NIL	NO
5.	Mr. S. Shridhar	Promoter and Non Executive Director	9	YES
6.	Mr. Shiv Babu Vegulla	Director (up to 15/04/2007)	NIL	NO
7.	Mr. Shanti Haria	Director (up to 15/04/2007)	NIL	NO
8.	Mr. Aatur Mehta	Director (up to 15/04/2007)	NIL	NO

**Board Committees**

The Board has constituted Committees of Directors to monitor the activities and to deal with matters within the terms of reference of the respective Committees.

**Audit Committee:**

The Company has an Audit Committee at the Board level with powers and role that are in accordance with clause 49 of the listing agreement. The Committee acts as a link between the management, the statutory and the Board of Directors and oversees the financial reporting process.

The Audit Committee presently comprises of 2 Non Executive Directors and 1 Managing Director. It was informed that the Board is in the process of reconstituting the aforesaid committee as per the clause 49 of the listing agreement.

The functions of the Audit Committee are as per Company Law and Listing Agreement with the Stock Exchanges. These include the Review of accounting and financial policies and procedures, Review of financial reporting system, Internal control system and Procedures and ensuring compliance of statutory requirements.

The Audit Committee reviews the financial statements with the Statutory Auditors and the Management with reference to the accounting policies and practices before commending the same to the Board for its approval.

The Committee met 5 times during the year under report on 29/4/2007, 27/07/2007, 02/08/2007, 29/10/2007 and 30/1/2008. The time gap between the two meetings was not more than 4 months.

**The Audit Committee was reconstituted on 15<sup>th</sup> April, 2007.**

**Composition of Audit Committee and details of the meeting attended:**

Name	Category	No. of Committee meetings attend.
Mr. Apurva Shah.	Chairman	5
Mr. Manish Ruparel	Member	5
Mr. S. Shridhar	Member	5

**Broad terms of reference of the Audit Committee are as per following:**

- Approving and implementing the Audit procedures and techniques.
- Reviewing audit reports of statutory auditors with management and Statutory Auditors.
- Reviewing financial reporting systems, internal control systems and control procedures.
- Ensuring compliance with regulatory guidelines.
- Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
- Reviewing, with management, performance of statutory auditors, adequacy of the internal control systems.
- Reviewing the finding of any internal investigations where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Review of Related party Transactions:
- Reviewing accounting treatment and confirmation of the fact that financial statement are giving true and fair view as per Company Law and Listing Agreement with the Stock Exchanges.

**Remuneration Committee**

The committee was reconstituted on 29<sup>th</sup> April, 2007. The Committee presently comprises of 2 Non Executive Directors and 1 Managing Director. Although a non mandatory item, the Board is in the process of reconstituting the aforesaid committee as per the clause 49 of the listing agreement. There is no specific remuneration policy as such prevailing in the Company.

The terms of reference of the Remuneration Committee are to recommend to the Board, salary (including annual increments), perquisites and allowances, performance linked remuneration, if any, commission to be paid to the company's Executive/Whole time Director (ED/WTD) and to finalize the perquisites and allowances package within the overall ceiling fixed by the Board.

During the year there was one Remuneration Committee Meetings which was held on 29<sup>th</sup> October, 2007.

**THE ATTENDANCE AT THE REMUNERATION COMMITTEE MEETING WAS AS UNDER:**

Director	No. of Committee meetings held	No. of Committee meetings attend.
Mr. Apurva Shah	1	1
Mr. Manish Ruparel	1	1
Mr. S Shridhar	-	-

**Disclosure on Remuneration of Directors**

1. All elements of remuneration package of individual directors summarized under major groups, such as salary benefits, bonuses, stock option, and pension etc. - Managerial remuneration is given in Profit and Loss Account as on year ended March 31, 2008 is Rs. 5,50,000/-.
2. Details of fixed component and performance linked incentives, along with the performance criteria - NIL.
3. Service contracts, notice period, severance fees - NIL.
4. Stock option details, if any - and whether issued at a discount as well as the period over which accrued and over which exercisable - NIL.

Following is the list of Non-Executive Directors and their Shareholdings in the Company.

Sr. No.	Name of the Non-Executive Directors	Number of Equity Shares	Sitting fees	Non convertible Instruments
1.	Mr. Manish Ruparel	12,132	Nil	Nil
2.	Mr. Raman Trikha	Nil	Nil	Nil
3.	Mr. S. Shridhar	7,15,000	Nil	Nil
4.	Mr. Mitesh Mehta	Nil	Nil	Nil

**Shareholders / Investors Grievance Committee**

The Committee was reconstituted on 29<sup>th</sup> April, 2007.

The Shareholder's / Investment committee presently comprises of 2 Non Executive Directors and 1 Managing Director. It was informed that the Board is in the process of reconstituting the aforesaid committee as per the clause 49 of the listing agreement.

The Shareholder's Committee is empowered to perform all the functions of the Board in relation to handling of Shareholder's grievances. It primarily focuses on:

1. Review of investor complaints and their redressal.
2. Review of the queries received from the investors.
3. Review of the work done by Share Transfer Agent.
4. Review of corporate actions related work.

The Committee met Five times during the year.

**Composition of Shareholders/Investors Grievance Committee and details of the meeting attended:**

The Committee met 5 times during the year under report on 29/4/2007, 27/07/2007, 02/08/2007, 29/10/2007, and 30/1/2008. The time gap between the two meetings was not more than 4 months.

The following are members of the Shareholder's / Investor's Grievance Committee Meeting.

Mr. Apurva Shah - Chairman and Compliance Officer.

Mr. Manish Ruparel - Member.

Mr. S. Shridhar - Member

**THE ATTENDANCE AT THE SHAREHOLDERS/INVESTORS GRIEVANCE COMMITTEE MEETING WAS AS UNDER:**

Director	No. of Committee meetings held	No. of Committee meetings attended.
Mr. Apurva Shah -Chairman	5	5
Mr. Manish Ruparel -Member	5	5
Mr. S. Shridhar	5	5

During the year the Company received 8 complaints from the shareholders out of which all 8 were resolved and none are pending.

**General Body Meetings:**

Details of last three year's General Meetings are given below:

Financial Year	Date	Time	Venue	Special Resolution(s)
2004-05	03/06/05	11.00 a.m.	Regd. Office At 209, Moonlight Complex, Opp. Gurukul Drive in Road, Memnagar, Ahmedabad 380052.	To change the Name of the Company from "My Fellow Fashion (Exports) Ltd." to "Koffee Break Pictures Ltd."
2005-06	30/09/06	11.00 a.m	At 705, Silver Oak, Nr. Mahalaxmi Char Rasta, Paldi, Ahmedabad 380 006	To authorize Board to apply for voluntary Delisting of Equity Shares of the Company listed at Ahemdabad Stock Exchange Ltd.
2006-07	29/09/07	11.00 a.m	At 705, Silver Oak, Nr. Mahalaxmi Char Rasta, Paldi, Ahmedabad 380 006	Nil

The following special resolutions were passed through postal ballot, of which results were declared on 25<sup>th</sup> July, 2007:

1. Acquisition of the control of the Company by Mr. Apurva Shah and Mr. Manish Ruparel in pursuance of take over Regulation 12 of the SEBI.
2. Shifting of registered office from state of Gujarat to state of Maharashtra in Pursuant to provisions of Section 17 and other applicable provisions, if any, of the Companies Act, 1956.

The said postal ballot process was conducted by Mr. Deepak Gandhi, Chartered Accountant, Ahmedabad in the capacity of a Scrutinizer.

No resolution is proposed to be passed by postal ballot.

All the above special resolutions were voted by requisite majority.

**Disclosures:**

During the year under review, besides the transactions reported elsewhere in the Annual Report, there were no other related party transactions with the promoters, Directors, the management or their relatives during the year with potential conflict of interest with the Company at large.

For the Last 3 years, Company received notices from the Mumbai Stock Exchange for non compliances of various clauses of listing agreement which were complied by the Company. However no penalty was levied by SEBI or other Statutory Authorities for the said non compliances.

The Board hereby affirms that no personnel have been denied access to the audit committee.

The Company does not have a Whistle Blower Policy being a non mandatory requirement.

**Statutory Compliance**

The Company has complied with certain provisions of corporate governance and is in the process of adopting the other provisions of corporate governance and is in the process of adopting the non-mandatory provisions of Corporate Governance.

**Means of Communication:**

The Quarterly/ yearly results were sent to the concerned Stock Exchanges with some delay after approval by the Board.

The Company has setup its website. All quarterly results as well as any official news release will be displayed thereon. However there was no presentation made during the year either to Institutional Investors or to the analysts. Management discussion & Analysis Report is attached herewith forming part of the Annual Report.

**General Shareholders Information:**

- i. The 16<sup>th</sup> Annual General Meeting is scheduled to be held on Tuesday the 30<sup>th</sup> September, 2008 at 4.00 p.m. at Cultural Centre Hall, BCA Charitable Trust, Nr. Chandra Nagar Bus Stand, Narayan Nagar Road, Paldi, Ahmedabad - 380007.

ii. The Financial year of the company is from April to March. The Financial Calendar is as per following:

First quarter results (30 <sup>th</sup> June)	End of July, 08
Mailing of Annual Reports	First week of September, '08
Annual General Meeting	30 <sup>th</sup> September, 2008
Payment of Dividend	N.A.
Second quarter results (30 <sup>th</sup> September)	End of October, '08
Third quarter results (31 <sup>st</sup> December)	End of January, '09
Fourth quarter / Annual Results	End of April '09/June, '09

iii. Book Closure dates are from 27<sup>th</sup> September, 2008, Saturday to 30<sup>th</sup> September, 2008, Tuesday (both days inclusive).

iv. The Board of Directors has not proposed any dividend for the current financial year.

v. The company's shares are listed at Mumbai and Ahmedabad Stock Exchange.

vi. **Stock Code 531602**

The Stock Exchange, Mumbai

Security in Physical Form No. 531602.

Electronic Form No. Scrip Name: koff

vii. Market price data: (All figures in Indian Rupees)

Month	High Price	Low Price
April 2007	16.68	12.27
May 2007	23.95	17.50
June 2007	30.85	21.50
July 2007	30.70	21.00
August 2007	28.25	19.40
September 2007	23.10	17.00
October 2007	21.10	13.25
November 2007	19.34	13.00
December 2007	27.90	16.05
January 2008	26.95	15.10
February 2008	18.00	13.15
March 2008	19.85	12.45

viii. Register and Transfer System.

M/s. MCS Limited. (up to 1<sup>st</sup> April, 2008)

Subh Shtatadal Complex, Opp.

Batta Show Room, Ashram Road,

Ahmedabad- 380 009

Phone No. 079-26582878/1296

Fax No. 079-26584027

System Support Services, (w.e.f. 1<sup>st</sup> April, 2008)

209, Shiva Indl Est 89,

Nr. Copper Chimney Hotel,

Sakinaka, Andheri Kurla Road,

Andheri (E), Mumbai - 72.

Tel No. 02228500835.

ix. Share Transfer System

The Share transfer of Securities in Physical form are registered, duly transferred and dispatched within one month of the receipt, if the transfer documents are in order. The share transfers are approved every fifteen days. The shares in de-materialized form are normally processed and transferred with 21 days from receipt of dematerialization requests.

## x. Distribution of shareholding pattern.

Category of Shareholder	No. of Share holders	Total No. of Shares	Total No. of Shares held in Dematerialized Form	Total Shareholding as a % of Total No. of Shares	
				As a % of (A+B)	As a % of (A+B+C)
<b>(A) Shareholding of Promoter and Promoter Group</b>					
(1) Indian					
Individuals / Hindu Undivided Family	4	871,071	14,571	18.22	18.22
Bodies Corporate	1	643,500	-	13.46	13.46
<b>Sub Total</b>	<b>5</b>	<b>1,514,571</b>	<b>14,571</b>	<b>31.67</b>	<b>31.67</b>
(2) Foreign					
<b>Total shareholding of Promoter and Promoter Group (A)</b>	<b>5</b>	<b>1,514,571</b>	<b>14,571</b>	<b>31.67</b>	<b>31.67</b>
<b>(B) Public Shareholding</b>					
(1) Institutions					
(2) Non-Institutions					
Bodies Corporate	86	636,884	636,884	13.32	13.32
Individuals					
Individual shareholders holding nominal share capital up to Rs. 1 lakh	1,617	1,207,005	864,605	25.24	25.24
Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	45	1,325,686	1,325,686	27.72	27.72
Any Others (Specify)	-	-	-	-	-
Clearing Members	51	92,954	92,954	1.94	1.94
Non Resident Indians	2	5,000	5,000	0.1	0.1
<b>Sub Total</b>	<b>1,801</b>	<b>3,267,529</b>	<b>2,925,129</b>	<b>68.33</b>	<b>68.33</b>
<b>Total Public shareholding (B)</b>	<b>1,801</b>	<b>3,267,529</b>	<b>2,925,129</b>	<b>68.33</b>	<b>68.33</b>
<b>Total (A)+(B)</b>	<b>1,806</b>	<b>4,782,100</b>	<b>2,939,700</b>	<b>100</b>	<b>100</b>
<b>(C) Shares held by Custodians &amp; against which Depository Receipts have been issued</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total (A)+(B)+(C)</b>	<b>1,806</b>	<b>4,782,100</b>	<b>2,939,700</b>	<b>-</b>	<b>100</b>

## xi. Dematerialization of securities

The company's shares were dematerialized by the virtue of Tripartite agreement executed between CDSL, NSDL and the Company, 13,24,087 Equity Shares representing 26.48% were held in Demat form in CDSL and 16,15,613 Equity Shares representing 32.30 % were held in Demat form in CSDL & the balance 18,42,400 Equity Shares representing 36.84% were in physical form.

xii. There were no GDR/ADR/Warrants or any other convertible instruments were outstanding at the end of the year.

xiii. Being in the Media Sector there are no plants as such.

xiv. Address for correspondence:

Shareholders of the company can send correspondence at company's share & Transfer Agent's Office or at the Corporate office of the company situated at following address:

**REGISTERED OFFICE ADDRESS:**

704 - 705, Silver Oak, Nr. Mahalaxmi Char Rasta, Paldi, Ahmedabad - 380 006.

**CORPORATE ADDRESS:**

328, Adhyaru Industrial Estate, Sun Mill Compound, Lower Parel (West), Mumbai 400 013.

**COMPANY SECRETARY IN PRACTICE'S REPORT ON CORPORATE GOVERNANCE**

To,  
The Board of Directors,  
KOFFEE BREAK PICTURES LIMITED  
Add: 704-705, Silver Oak,  
Nr. Mahalaxmi Char Rasta,  
Paldi, Ahmedabad-380 006.

We have reviewed the implementation of Corporate Governance procedure by the company during the year ended March, 31 2008, with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The compliance of conditions of Corporate Governance is the responsibility of the management; our examination is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of the above and according to the information and explanations given to us, in our opinion, the Company is not in compliance with clauses I (A)(ii), II(A), (D)(i) and (IV)(G)(ii) and (iii), V and non mandatory requirement specified in Annexure ID of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges.

We further state that our examination of 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 **HS Associates**,  
Company Secretaries

Sd/-  
**Hemant Shetye**  
Partner

**Date** : 29<sup>th</sup> August, 2008  
**Place** : Mumbai  
**FCS** : 2827  
**COP** : 1483



## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

### **A) INDUSTRY STRUCTURE AND DEVELOPMENT:**

Entertainment as an industry has shown positive growth and will continue to do the same in the coming years.

### **B) SEGMENTWISE PERFORMANCE:**

The animation segment has outperformed the entire entertainment segment. It continues to show excellent growth throughout the world. We are dealing more on the animation front than the regular entertainment companies as we foresee further growth in this segment which has been proven right by last year's performance.

### **C) OPPORTUNITIES / OUTLOOK:**

Apart from making animation films we are targeting products at the children segment. The reason being that this age-group is easier to please as they do not have any pre-notions about the products they view. Hence they form an excellent audience. Also all products aimed at this segment have a higher repeat value ensuring better sales in fields of home video and merchandise.

After the setup of our own animation studio which is one of the best in country in terms of human resources, hardware & software we can now undertake projects for other firms & individuals. As we are using the best of hardware and software apart from specialized man-power we aim at delivering traditional 2D animation 90 minute films in a span of 9 to 12 months which usually take 25 - 30 months.

With the launch of more television channels, there is an acute shortage of material to telecast increasing our opportunities to exploit better prices for our content.

### **D) THREATS:**

We do not foresee any threats as currently we are not facing any competition. We are the only production house in the country which produces & releases content aimed specifically at the children segment.

### **E) RISKS AND CONCERNS:**

As our industry requires specialized labour and with the growth of animation as an industry there can be problems of man-power but with the right management and goal oriented people these problems are not a serious concern to us.

### **F) INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY:**

We believe in the "Maker-Checker" concept and dual reporting. All members of staff report to 2 independent seniors who internally report to 2 independent seniors. This is done to curb bureaucracy and maintain the health of the organization.

We also maintain monthly charting system which traces out the positive or negative growth of each individual. In cases of positive growth we maintain an "Employee of the Month" award. In cases of negative growth we try to trace out the problems if any and take the required steps if there is continuous negative growth.

The computer administration personnel take daily back up of all data which is moved out of the studio premises and deposited in a safety vault. We also have adequate firewalls to protect our systems from theft or illegal movement of data. Each member operates on a system which has assigned rights.

We have also appointed a Professional Firm who looks after the Internal Auditing of the Company. Their Job is to regularize the Internal Accounting procedures and submit reports to the Auditors so as to facilitate their final working.

### **G) HUMAN RESOURCES POLICIES:**

We have legally binding contracts with all senior members of staff. Leaves need to be pre-approved 15 days in advance by their head of department. The head of department ensures that their absence will not affect the workflow of others for which the employee may have to finish his assigned task pre-hand. New employee's are admitted only after they pass the required quality test.

### **H) CAUTIONARY STATEMENT:**

None

**CERTIFICATION BY CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER**

To,  
The Board of Directors,  
KOFFEE BREAK PICTURES LIMITED  
704-705, Silver Oak,  
Nr. Mahalaxmi Char Rasta,  
Paldi, Ahmedabad-380 006.

We hereby certify that for the financial year, ending 31<sup>st</sup> March, 2008 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that:-

1. These statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
2. These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or which violate the Company's code of conduct.
4. We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that:
  - a. There have been no significant changes in internal control during the year;
  - b. There have been no significant changes in accounting policies during the year.
  - c. There have been no instances of significant fraud of which we are 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.

Sd/-

**Apurva Shah**  
(Chairman & Managing Director, CEO)

Date : 30<sup>th</sup> June, 2008  
Place : Mumbai.

Sd/-

**Kshitij Sheth**  
(Whole Time Director & CFO)

**AUDITORS' REPORT**

To,  
The Share holders,  
Koffee Break Pictures Limited,

1. We have audited the Balance Sheet of **Koffee Break Pictures Limited** as at 31<sup>st</sup> March, 2008 and also the Profit and Loss account and the Cash Flow Statement for the year ended on that date annexed thereto. These Financial Statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these Financial Statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Company's (Auditor's Report) Order, 2003, (As Amended) (hereinafter referred to as "The Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956, (Hereinafter referred to as "The Act"). We enclose in the annexure a Statement on the methods specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the annexure referred to above, we report that:
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our Audit.
  - ii. In our opinion, books of accounts are required by Law, have been kept by the Company so far as appears from our examination of those books.
  - iii. The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of accounts.
  - iv. In our opinion of Balance Sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report, comply with the accounting Standards referred to in sub-section (3C) of Section 211 of the Act.
  - v. On the basis of written representations received from the Directors, as on 31<sup>st</sup> March, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31<sup>st</sup> March, 2008 from being appointed as a Director in terms of Clause(g) of sub-section (1) of Section 274 of the Act.
  - vi. In our opinion and to the best of our information and according to explanations given to us, the said accounts read with the notes thereon give the information as required by the Act in the manner so requires and give a true and a fair view in conformity with the accounting principles generally accepted in India:
    - a. In the case of Balance Sheet on the State of Affairs of the Company as on 31<sup>st</sup> March, 2008
    - b. In the case of profit and loss Account, of the profit of the Company for the year ended on that date; and
    - c. In the case of Cash Flow Statement, of the cash flow of the Company, for the year ended on that date.

For **P. N. Jhamar & Co.**  
Chartered Accountants,

Sd/-  
**Pankaj N. Jhamar**  
Proprietor  
M. No. 106333  
Place : Mumbai  
Date : 30<sup>th</sup> June, 2008

**Annexure referred to in paragraph 3 of our report of even date**

**Re: Koffee Break Pictures Limited**

- (i) a) The company has maintained proper records to showing full particulars, including quantitative details and situation of Fixed Assets.
- b) The company has a program for phased physical verification of all its fixed assets which in our opinion, is reasonable having regard to the size of company and the nature of its assets. As informed, no material discrepancies have been noticed on such verification.
- c) The company has not disposed off a substantial part of its fixed assets during the year.
- (ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) a) The company has given unsecured interest free loans, to one company which is covered in the register maintained u/s 301 of the Act in which one of the director of the company is interested party, aggregating to Rs. 39,06,000/-. At the year end, the loan granted to above party aggregate to Rs. 39,06,000/-. The maximum balance outstanding during the year is Rs. 39,06,000/-.
- b to d) In our opinion, the terms and conditions on which unsecured loans have been given to company, listed in register maintained under section 301 of the Act are not *prima facie*, prejudicial to the interest of the company. The principle amount has been repaid on demand and as per mutual understanding, hence paragraph (iii) (c) and (d) of the order, are not applicable.
- e) The company has taken unsecured interest free loans from parties covered in the register maintained u/s 301 of Act under review. Such loans are accepted by the company from two of its directors amounts to Rs.88,16,288/-. Following is the detail is the same.

Name of the director	Outstanding as on 31 <sup>st</sup> march 2008	Maximum outstanding during the year
Apurva M. Shah	58,86,288/-	63,10,000/-
Raman Trikha	29,30,000/-	29,30,000/-

- f) In our opinion, the rate of interest and other terms and conditions on which unsecured loans have been taken from the persons, listed in the register maintained under section 301 of the Act, are not, *prima facie*, prejudicial to the interest of the company.
- g) In respect of the aforesaid interest free loans taken by the company, the principle amount is repayable on demand.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the expending direct expenses and fixed assets and sale of its products and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) a) To the best of our knowledge and belief and according to the information and explanations given to us, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section ;and
- b) Transaction made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The company has not accepted any deposit from public. Therefore, the provision of c clause 4 (vi) of the Order are not applicable to the Company.
- (vii) The company has appointed a firm of Chartered Accountant for Internal Audit and scope and coverage of the same is commensurate with the size and the nature of the business of the company.

- (viii) The maintenance of cost records has not been prescribed by the Central Government U/s (d) of sub-section (1) of section 209 of the companies Act, 1956.
- (ix) a) According to the information and explanations given to us, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Investor Education and Protection Fund, Employees' state insurance, Income tax, wealth tax, sales tax, service tax, cess and other material statutory dues applicable to it. An amount of Rs. 1,33,557/- is outstanding for more than six month with respect to the Tax deduction as source.
- b) According to the information and explanation given to us and record of the company examined by us, there are no any disputed dues of any statute liabilities. As per our information there are no any disputed case is pending.
- (x) The company has accumulated losses of Rs. 36, 03,990/- but the company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank.
- (xii) In our opinion and according to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debenture and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provision 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. Accordingly the provision of clause 4(xiv) of the Order, are not applicable to the company.
- (xv) In our opinion and according to the information and explanations given to us, the Company has not given guarantee for loan taken by others from banks or financial institution
- (xvi) The company has taken loan from Cosmos Co-operative Bank Ltd. for vehicle and taken loan from ICICI bank for acquiring fixed assets and utilised for the same.
- (xvii) According to the information and explanation given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment by the company.
- (xviii) During the year covered by our audit report, the Company has not raised any money by way of public issue.
- (xix) The company has not issued debentures during the year under review and therefore the provision of clause 4(xix) of the Order, are not applicable to the company.
- (xx) During the year covered by our audit report, the Company has not raised any money by way of public issue.
- (xxi) According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the course of our audit.

For **P. N. Jhamar & Co.**  
Chartered Accountants,

Sd/-  
**Pankaj N. Jhamar**  
Proprietor  
M. No. 106333  
Place : Mumbai  
Date : 30<sup>th</sup> June, 2008

**KOFFEE BREAK PICTURES LIMITED**  
BALANCE SHEET AS ON 31st MARCH, 2008

PARTICULARS	SCH NO.	AS AT 31/03/2008		AS AT 31/03/2007	
<b>SOURCES OF FUND</b>					
Share Capital	A		48,916,000		48,916,000
<b>LOAN FUNDS</b>					
Secured Loan	B		5,620,454		2,612,098
Unsecured Loan	C		8,816,288		4,800,000
			63,352,742		56,328,098
<b>APPLICATION OF FUND</b>					
<b>Fixed Assets</b>					
Gross Block	D	15,679,907		3,419,517	
Less : Depreciation		2,387,247		368,470	
Net Block			13,292,660		3,051,047
Investment	E		4,303,947		1,269,300
<b>Current Assets, Loans &amp; Advances</b>					
Picture in Process		11,725,744		6,158,881	
Sundry Debtors	F	6,539,863		2,140,898	
Cash & Bank Balance	G	3,259,317		3,850,245	
Loans & Advances	H	36,384,665		41,351,790	
			57,909,589		53,501,814
Less : Current Liabilities and Provisions	I	14,826,158		5,481,716	
			43,083,431		48,020,098
Deffered Tax Assets	J		921,852		-26,719
Miscellaneous Expenditure (To the extent not written off)	K		410,382		410,382
Profit & Loss Account			1,340,470		3,603,990
			63,352,742		56,328,098

Accounting Policies & Notes forming parts of accounts "Q"

As per our attached report of even date.

For P.N. Jhamar & Company  
Chartered Accountants

For Koffee Break Pictures Limited

Sd/-  
**Pankaj N. Jhamar**  
Proprietor

Sd/-  
**Apurva M. Shah**  
Managing Director

Sd/-  
**Kshitij K. Sheth**  
Director

Sd/-  
**Hitesh N. Kawa**  
Director

Date : 30/06/2008  
Place : Mumbai

Date : 30/06/2008  
Place : Mumbai

**KOFFEE BREAK PICTURES LIMITED**  
**PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2008**

PARTICULARS	SCH NO.	AS AT 31/03/2008		AS AT 31/03/2007	
<b>INCOME</b>					
Income From Operations			30,680,697		5,797,000
Other Income	L		193,167		56,642
Profit / (Loss) on Sale of Share			(121,042)		
			30,752,822		5,853,642
<b>EXPENDITURE</b>					
Picture Production Expenses	M		18,248,071		4,235,000
Administration and Other Expenses	N		6,485,665		945,580
Financial Charges	O		395,115		100,086
Balance Written off / Written Back			(799,755)		-
Depreciation			2,018,777		224,803
Total Expenditure			26,347,873		5,505,469
Profit Before Taxation			4,404,949		348,173
Tax Expenses	P		2,141,429		319,084
Profit / (Loss) After Tax			2,263,520		29,089
Previous Year Balance Brought Forward			-3,603,990		-3,633,079
Net Profit Carried to the Balance Sheet			-1,340,470		-3,603,990
Basic and Diluted EPS			0.47		0.01

Accounting Policies & Notes forming parts of accounts "Q"

As per our attached report of even date.

For P.N. Jhamar & Company  
Chartered Accountants

For Koffee Break Pictures Limited

Sd/-  
Pankaj N. Jhamar  
Proprietor

Sd/-  
Apurva M. Shah  
Managing Director

Sd/-  
Kshitij K. Sheth  
Director

Sd/-  
Hitesh N. Kawa  
Director

Date : 30/06/2008  
Place : Mumbai

Date : 30/06/2008  
Place : Mumbai

**KOFFEE BREAK PICTURES LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	March 31,2008	March 31,2007
<b>SCHEDULE : 'A' - SHARE CAPITAL</b>		
Authorized Capital :		
60,00,000 Equity shares of Rs. 10/- Each	60,000,000	60,000,000
Issued, Subscribed & paid-up : 47,82,100 (P.Y. 47,82,100)		
Equity Shares of Rs. 10/- Each Fully Paid up	47,821,000	47,821,000
Add : Share Forfeiture A/c	1,095,000	1,095,000
	<b>48,916,000</b>	<b>48,916,000</b>
<b>SCHEDULE : 'B' - SECURED LOAN</b>		
Overdraft facility from Cosmos Co-op. Bank Ltd. against pledge of Fixed Deposit	1,878,861	1,816,065
Term Loan Against Fixed Assets	2,444,478	-
Vehicle Loan from Cosmos Co-op. Bank Ltd. against Hypothecation of vehicles	1,297,115	796,033
	<b>5,620,454</b>	<b>2,612,098</b>
<b>SCHEDULE : 'C' - UNSECURED LOAN</b>		
From Directors	8,816,288	3,700,000
Intercorporate Deposit	-	1,100,000
	<b>8,816,288</b>	<b>4,800,000</b>
<b>SCHEDULE : 'E' - INVESTEMENT</b>		
<b>Unquoted Investments</b>		
1,25,000 Nos Equity Shares of Rs. 10/- Each Fully paid up of Jinex Enterprises Ltd.	1,250,000	1,250,000
Equity Share of Cosmos Co-op. Bank Ltd.	19,300	19,300
<b>Quoted Investments</b>		
90 Nos Equity shares of M/s Shree Bajarang Alloys Limited and 557943 Nos Equity Shares of M/s Kaleidoscope Films Ltd	3,034,647	-
	<b>4,303,947</b>	<b>1,269,300</b>
<b>SCHEDULE : 'F' - SUNDRY DEBTORS</b> (Unsecured but considered good)		
More than six months	1,979,892	105,000
Less than six months	4,559,971	2,035,898
	<b>6,539,863</b>	<b>2,140,898</b>
<b>SCHEDULE : 'G' - CASH &amp; BANK BALANCE</b>		
Cash on Hand	406,090	425,137
Balance with Bank	615,934	1,368,466
Bank FDR	2,237,293	2,056,642
	<b>3,259,317</b>	<b>3,850,245</b>
<b>SCHEDULE : 'H' - LOANS &amp; ADVANCES</b>		
Advances to others	6,808,200	6,261,450
TDS Receivable	3,456,666	95,835
Advance for Pictures	11,276,999	7,402,805
Advance for Assets	14,327,800	27,591,700
Advance for Expenses	515,000	-
	<b>36,384,665</b>	<b>41,351,790</b>



**KOFFEE BREAK PICTURES LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	March 31,2008	March 31,2007
<b>SCHEDULE : 'I' - CURRENT LIABILITIES</b>		
Creditors for Expenses	6,318,181	969,321
Creditors for Assets	1,502,473	219,840
Creditors for Pictures	584,234	1,252,555
Advance Received for Picture	572,537	3,000,000
	<b>8,977,425</b>	<b>5,441,716</b>
Provision for Taxation	3,120,000	40,000
Provision for Expenses	2,728,733	-
	<b>14,826,158</b>	<b>5,481,716</b>
<b>SCHEDULE : 'J' - DEFERRED TAX</b>		
Deffered Tax Assets	921,852	-26,719
	<b>921,852</b>	<b>-26,719</b>
<b>SCHEDULE : 'K' - MISCELLANEOUS EXPENDITURE</b>		
Pre-operative Expenses Preliminary Expenses	410,382	410,382
	<b>410,382</b>	<b>410,382</b>
<b>SCHEDULE : 'L' - OTHER INCOME</b>		
Interest Income	180,651	56,642
Dividend Income	12,516	-
	<b>193,167</b>	<b>56,642</b>
<b>SCHEDULE : 'M' - PICTURE PRODUCTION EXPENSES</b>		
Opeining stock of Picture in Process	6,158,881	-
<b>Add : Cost of Production</b>		
Advertising & Promotion Expenses	4,722,534	980,677
Animation Expenses	204,433	1,848,389
Artist Expenses	1,507,277	2,128,006
Electricity Charges	180,500	183,088
Finance Cost	31,492	58,008
Food and Refreshment	172,415	248,561
Gaming Production Expenses	-	44,987
Music & Recording Expenses	1,875,350	978,253
Other Production related Cost	8,901,289	1,303,435
Packing Expenses	10,650	188,479
Shooting and Location Expenses	1,759,121	1,977,004
Staff Salary Expenses	3,254,081	341,494
Uniforms and dress Expenses	94,200	113,500
Printing Expenses	1,076,592	-
Script Writing Charges	25,000	-
	<b>23,814,934</b>	<b>10,393,881</b>
<b>Less : Closing stock of Picture in Process</b>	<b>11,725,744</b>	<b>6,158,881</b>
	<b>18,248,071</b>	<b>4,235,000</b>

**KOFFEE BREAK PICTURES LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET**

PARTICULARS	March 31,2008	March 31,2007
<b>SCHEDULE : 'N' - ADMINISTRATIVE &amp; OTHER EXPENSES</b>		
Advertisement Expenses	144,508	-
Car Repairing Expenses	194,169	72,477
Conveyance Expenses	142,247	74,952
Custodian Charges, Listing Fees and Demat Fees	14,279	41,214
Director's Remuneration	550,000	108,000
Electricity Expenses	743,051	-
Internet Expenses	58,127	49,652
Insurance Charges	24,612	-
Legal & Professional Expenses	167,628	36,300
Membership Fees	45,452	-
Office Expenses	218,303	77,864
Postage & Courier Charges	5,475	951
Printing Expenses	383,295	93,733
Professional Charges	175,680	190,408
Auditor's Remuneration	100,000	40,000
Rent Expenses	1,506,394	-
Repairs & Maintenance Expenses	295,274	47,346
Salary Expenses	1,072,966	-
Staff welfare	427,104	28,800
Telephone Charges	194,956	41,596
Travelling Expenses	22,146	42,287
	<b>6,485,665</b>	<b>945,580</b>
<b>SCHEDULE : 'O' - FINANCIAL CHARGES</b>		
Interest on OD A/c	187,417	62,979
Bank Charges	43,824	18,380
Interest on Term Loan	25,147	-
Interest on Vehicle Loan	138,727	18,727
	<b>395,115</b>	<b>100,086</b>
<b>SCHEDULE : 'P' - TAX EXPENSES</b>		
Deffered Tax	(948,571)	236,620
FBT Expenses	90,000	41,353
Provision for Taxation	3,000,000	41,111
	<b>2,141,429</b>	<b>319,084</b>

**KOFFEE BREAK PICTURES LIMITED**  
**SCHEDULES FORMING PART OF BALANCE SHEET**  
Schedule D - Fixed Assets

Name of Assets		Office Equipment	Vehicles	Furnitures	Studio Equipment	Computer	Computer Softwares for Film Production	Total
Rate		4.75	9.5	6.33	40	40	40	
Gross Block	As on 01.04.2007	509,840	2,909,677					3,419,517
	Addition	435,892	962,301	1,137,388	802,433	7,494,356	1,428,020	12,260,390
	Sold							
	As on 31.03.2008	945,732	3,871,978	1,137,388	802,433	7,494,356	1,428,020	15,679,907
Depreciation	As on 01.04.2007	17,586	350,884					368,470
	During the year	26,880	341,164	31,744	11,776	1,541,689	65,524	2,018,777
	Deduction	-	-					-
	As on 31.03.2008	44,466	692,048	31,744	11,776	1,541,689	65,524	2,387,247
Net Block	As on 01.04.2007	492,254	2,558,793					3,051,047
	As on 31.03.2008	901,266	3,179,930	1,105,644	790,657	5,952,666	1,362,496	13,292,660

**KOFFEE BREAK PICTURES LIMITED****SCHEDULE: "Q" -SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PARTS OF ACCOUNTS****(A) SIGNIFICANT ACCOUNTING POLICIES:****1. BASIS OF ACCOUNTING:**

The financial statements are prepared under the historical cost convention on an accrual basis and comply with the accounting standards issued by the Institute of Chartered Accountants of India referred to in section 211 (3C) of the Companies Act, 1956.

**2. FIXED ASSETS:**

- (i) Fixed Assets are recorded at cost of acquisition or construction less Service Tax/VAT Credit availed.
- (ii) Intangible Assets are recorded at the cost of acquisition.

**3. DEPRECIATION:**

Depreciation on fixed assets is provided on straight line basis in accordance with provision of the Companies Act, 1956 at rates and in the manner specified in schedule XIV of this Act except for the following fixed assets where higher rates of depreciation have been applied:

Name of Fixed Assets	Higher Rate
Studio Equipments	40%
Computers	40%

**4. INVESTMENTS:**

- (i) **Long term:** Long term investments shown in the balance sheet are valued at cost unless there is a permanent diminution in the value, in such case are valued at the diminished value and the difference is charged to profit and loss account.
- (ii) **Disposal of investment:** On disposal of an investment, the difference between the carrying amount and net disposal proceed is being charged to profit and loss account determined on the basis of First in First out (FIFO) Method.

**5. INVENTORIES:**

- (i) Inventories of under production films/ Animations and other contents are valued at actual amount spent which includes amount paid, bills settled and advance paid for which bills are awaited. The residual values of all the films are valued at NIL as total cost of production is charged to revenue at the time of first release of such films. Other inventories are stated at cost.
- (ii) Acquired rights pertaining to movies, animations and other contents are amortized on the exploitation of such rights based on the management estimates of revenue potential.

**6. REVENUE RECOGNITION:**

- (i) Revenues from Licensing / public sale of movies are recognized in accordance with the licensing agreement or on physical delivery of the movies, whichever is later.
- (ii) Recoveries of old films are recognized at as and when royalties earned.
- (iii) In respect of services, the company accounts for the revenue are on the basis of completed contract method.
- (iv) Interest income is accounted on accrual basis.
- (v) Dividend is recognized when the right to receive the dividend is unconditionally established at the balance sheet date.

**7. BORROWING COSTS:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes a substantial period of time to get ready for its intended use. None of the borrowing cost has been capitalised during the year.

**8. RETIREMENT BENEFITS:**

Gratuity:

Liability in respect of gratuity is provided in the books of accounts on the basis of actuarial valuation.

Leave Encashment:

Leave Encashment expenses are being accounted for as and when the employee encash.

**9. TAXATION:**

Tax expenses comprise Current Tax, Deferred Tax and Fringe Benefit Tax.

**(i) Current Tax:**

Current tax is calculated as per the provision of the Income Tax Act, 1961.

**(ii) Deferred Tax:**

Deferred Tax is recognized on timing differences being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax Assets, subject to the consideration of prudence are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such Deferred Tax Assets can be realized. The tax effect is calculated on the accumulated timing difference at the year-end based on the tax rates and laws enacted or substantially enacted on balance sheet date.

**(iii) Fringe Benefit Tax:**

Tax on Fringe Benefit is measured as the specified rates on the value of Fringe Benefits in accordance with the provisions of the section 115 WC of the Income Tax Act, 1961. Accounting for the Fringe Benefit Tax is done as per the guidance note issued by ICAI.

**10. CONTINGENT LIABILITIES:**

Contingent liabilities are disclosed after careful evaluation of facts and legal aspects of the matter involved.

**(B) NOTES FORMING PART OF ACCOUNTS:**

1. As informed to us, the company has given advances for various activities to the parties in which Directors are interested but the activities for which advances are given are not completed. As informed by the management, no interest is to be charged on such advances.

2. Payment made to auditors:

Particular	Current year2007-08	Previous year2006-07
Audit Fees	75,000	40,000
Tax Audit Fees	25,000	-
Other Services	1,50,000	-
Total Amount	2,50,000	40,000

3. Balance confirmation of Debtors, Creditors and Loans and Advances are not received by the Company which are subject to adjustments, if any.

4. Additional Information required to be given pursuant to Part II of Schedule VI to the Companies Act, 1956 is as follows:

The company is in the business of production, distribution and exhibition of movies/animation/entertainment etc. which are not subject to any license and as such information regarding consumption of raw materials, production and sales is not applicable. Further the nature of business of the Company is such that the installed capacity is not quantifiable.

5. The following components give rise to timing difference, the tax effect of which have been recognized as Deferred Tax Assets and Liability.

Particulars	Deferred Tax Liability		Deferred Tax Assets	
	2007-08	2006-07	2007-08	2006-07
Carried Forward losses as per income tax up to accounting year 2006-07	-	-	-	2,31,401
Difference between the written down value of fixed assets as per books and as per income tax	29,02,986.33	3,10,780	-	-
Other Disallowances	-	-	56,15,114	-
Substantively enacted tax rate	33.99%	33.66%	33.99%	33.66%
Tax effects of timing differences	9,86,725	1,04,609	19,08,577	77,890

#### 6. Earnings Per Share:

The earnings per share is calculated by dividing the profit after tax by weighted average no. of share outstanding for basic and diluted EPS.

Sr.no	Particulars	2007-08	2006-07
a.	Profit after tax as per the Profit and Loss account	22,63,520	29,089
b.	Weighted Average no. of share outstanding during the year (Nos.) Baic and Diluted	47,82,100	47,82,100
c.	Nominal value of equity share (Rs.)	10	10
d.	Earning per share (Rs.)-Basic and Diluted	0.47	0.01

#### 7. Related party Disclosure:

As required by accounting standard: As 18 "Related Parties Disclosures" issued by the institute of chartered Accountants of India are as under:

(a) List of related parties with whom transaction have taken place during the year and relationship.

Sr no.	Name of Related parties	Relationship
1.	Apurva M. Shah	Key Management Personnel
2.	Raman Trikha	Key Management Personnel
3.	True Blue Enterprises	Director is Partner

(b) Transaction with Related parties during the year

Sr no.	Nature of Transaction	2007-08	2006-07
1.	Managerial Remuneration	5,50,000	1,08,000
2.	Rent Exp.	3,60,000	90,000
3.	Unsecured Loan Taken	88,16,288	37,00,000

(c) Outstanding Balance as on 31/3/2008.

Sr no.	Name of the director/concern	2007-08	2007-08	2006-07	2006-07
		Outstanding	Max.	Outstanding	Max.
1.	Hillcrest Informatics Ltd.	39,06,000	39,06,000	39,06,000	64,06,000
2.	True Blue Enterprise	3,39,184	3,60,000	34,804	58,864
3.	Apurva M. shah	58,86,288	68,10,000	15,00,000	16,00,000
4.	Raman Trikha	29,30,000	29,30,000	22,00,000	22,00,000

#### 8. Remuneration to Directors:

Sr no.	Particulars	2007-08	2006-07
a.	Salary	5,50,000	1,08,000
b.	Commission	-	-
c.	Others	-	-

**9. Expenditure in foreign currency on account of:**

Particular	2007-08	2006-07
Expenses	Nil	Nil

**10. Earning in foreign currency on account of:**

Particular	2007-08	2006-07
Expenses	Nil	Nil

**11. Segment Reporting:**

The entire operation of the company relates to only one segment viz. Animation Movie/ Entertainment Production. As such, there is no separate reportable segment under Accounting Standard – AS 17 on Segment Reporting.

12. a. There are no dues to small scale industries undertaking outstanding for more than 30 days, the information regarding the small scale undertaking has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditor.

b. Under the Micro, Small and Medium Enterprises Development Act, 2006, which came into force on October 2, 2006, certain disclosures are required to be made relating to Micro, Small and Medium Enterprises. The Company is in the process of compiling relevant information from its supplier about their coverage under the Act. Since the relevant information is not readily available, no disclosure has been made in the accounts.

**13. Contingent Liabilities:**

Sr. no.	Particulars	As at 31 <sup>st</sup> March, 2008	As at 31 <sup>st</sup> March, 2007
a.	Claims against the Company not acknowledged as Debts	Nil	Nil
b.	Guarantees given by bank on behalf of the Company	Nil	Nil
c.	Letters of Credit given by Bank on behalf of the Company	Nil	Nil
d.	Legal Suits filed against the Company (having monetary implication)	Nil	Nil

14. Previous year's figures have been regrouped wherever necessary to make them comparable with those of current years.

As per our attached report of even date.

For and on behalf of the Board of Directors

For **P.N. Jhamar & Company**  
Chartered Accountants

For **Koffee Break Pictures Limited**

Sd/-  
**Pankaj N. Jhamar**  
Proprietor

Sd/-  
**Apurva M. Shah**  
Managing Director

Sd/-  
**Kshitij K. Sheth**  
Director

Sd/-  
**Hitesh N. Kawa**  
Director

Date : 30/06/2008  
Place : Mumbai

Date : 30/06/2008  
Place : Mumbai

**KOFFEE BREAK PICTURES LIMITED**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2008**

PARTICULARS	March 31,2008	March 31,2007
<b>A. Cash Flow From Operating Activities :</b>		
Net Profit before Taxes	404,949	348,173
Add: Depreciation	2,018,777	224,803
Add: Loss on sale of Shares	121,042	-
Less: Other Income	(193,167)	-
Add: Interest paid	395,115	-
Sundry Debtors Creditors Written off	(799,759)	-
<b>Operating Profit Before Working Capital Changes</b>	<b>5,946,957</b>	<b>572,976</b>
Adjustment for :		
(Increase) / Decrease in Trade and Other receivable	1,367,919	(2,388,438)
(Increase) / Decrease in Inventories	(5,566,863)	(6,158,881)
Increase / (Decrease) in Trade Payble	9,344,442	5,197,398
Tax Paid	(3,090,000)	(82,464)
<b>Cash Generated from Operation</b>	<b>2,055,498</b>	<b>(3,432,385)</b>
<b>Net Cash Flow From Operating Activities</b>	<b>8,002,455</b>	<b>(2,859,409)</b>
<b>B. Cash Flow From Investing Activities:</b>		
Purchase of fixed Assets	(12,260,390)	(1,164,882)
Investment in shares (Net)	(3,034,647)	(19,300)
Interest & Dividend Received	193,167	-
Loss on sale of Investments	(121,042)	-
<b>Net Cash used in Investing Activities</b>	<b>(15,222,912)</b>	<b>(1,184,182)</b>
<b>C. Cash Flow from Financing Activities</b>		
Issue of Equity Shares	-	-
Increase in Secured Loan	3,008,356	2,612,098
Increase in Unsecured Loan	4,016,288	4,800,000
Interest Paid	(395,115)	-
<b>Net Cash Flow from Financing Activities</b>	<b>6,629,529</b>	<b>7,412,098</b>
<b>Increase in cash and cash Equivalents</b>	<b>(590,928)</b>	<b>3,368,507</b>
<b>Cash and Equivalents as at 1/4/2007</b>	<b>3,850,245</b>	<b>481,738</b>
<b>Cash and Equivalents as at 31/3/2008</b>	<b>3,259,317</b>	<b>3,850,245</b>

As per our attached report of even date.

For P.N. Jhamar & Company  
Chartered Accountants

For Koffee Break Pictures Limited

Sd/-  
Pankaj N. Jhamar  
Proprietor

Sd/-  
Apurva M. Shah  
Managing Director

Sd/-  
Kshitij K. Sheth  
Director

Sd/-  
Hitesh N. Kawa  
Director

Date : 30/06/2008  
Place : Mumbai

Date : 30/06/2008  
Place : Mumbai



**KOFFEE BREAK PICTURES LIMITED**

Regd Office: 704-705, Silver Oak, Nr. Mahalaxmi Char Rasta, Paldi, Ahmedabad-380006.

**ATTENDANCE SLIP**

Shareholders attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the 16<sup>th</sup> Annual General Meeting of the Company at Cultural Centre Hall, BCA Charitable Trust, Nr. Chandra Nagar Bus Stand, Narayan Nagar Road, Paldi, Ahmedabad - 380007 on Tuesday, the 30<sup>th</sup> September, 2008 at 4.00 p.m.

\_\_\_\_\_  
Name of the Shareholder

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Folio No.

\_\_\_\_\_  
(Full name of Proxy)

Note: No Duplicate Attendance Slip will be issued at the meeting hall. You are requested to bring your copy of Annual Report to the Meeting.

**KOFFEE BREAK PICTURES LIMITED**

704-705, Silver Oak, Nr. Mahalaxmi Char Rasta, Paldi, Ahmedabad-380006.

**PROXY FORM**

I/We.....of..... in the district of ..... being a member/members of the above named Company hereby appoint ..... of ..... in the district of..... or failing him ..... of ..... In the district of ..... as my / our proxy to vote for me/us on my our behalf at the 16<sup>th</sup> ANNUAL GENERAL MEETING of the Company to be held at 704-705, Silver Oak, Nr. Mahalaxmi Char Rasta, Paldi, Ahmedabad-380006, on Tuesday, the 30<sup>th</sup> September, 2008, and at any adjournment thereof.

Signed this..... day of ....., 2008.

Reg. Folio No.....

No. of Shares .....



REVENUE STAMP

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not less than 48 hours before the meeting.

India's first ever 100% Vegetarian Animated  
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pictures

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this movie is for you.

the **greenchic**™

Conceived, Written  
& Directed By  
**SUDHIR**

....Finding Dad

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