

25<sup>th</sup>  
Annual Report  
2008 - 2009

JMD Telefilms Industries Ltd.



# JMD TELEFILMS INDUSTRIES LIMITED

## 25<sup>th</sup> Annual Report 2008 - 2009

### BOARD OF DIRECTORS

Kailash Prasad Purohit	Chairman & Managing Director
Jagdish Prasad Purohit	Wholetime Director
Pravin Sawant	Independent Director
Ashok Bothra	Independent Director & Compliance Officer

### REGISTERED OFFICE

105, Sagar Slopping Centre  
J. P. Road, Andheri (W)  
Mumbai-400 058.

### BANKERS

Axis Bank Limited  
Kotak Mahindra Bank  
HDFC Bank  
Union Bank of India

### AUDITORS

**M/s. Saral Kr. Ganguly**  
Chartered Accountant  
8, Strand Road,  
Kolkata - 700 001.

### REGISTRAR & SHARE TRANSFER AGENT

**Purva Sharegistry (India) Pvt. Ltd.**  
No. 9, Shiv Shakti Indl. Estate  
Gr. Floor, J. B. Boricha Marg  
Lower Parel, Mumbai-400 011.

### ANNUAL GENERAL MEETING

Date : 16th July 2009  
Time : 11.00 A.M.  
Venue : 105, Sagar Shopping Centre,  
J. P. Road, Andheri (W)  
Mumbai-400 058.

### C O N T E N T S

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Tel. 022-26773832, URL : [www.jmdtelefilms.com](http://www.jmdtelefilms.com), Email : [jmdtele@gmail.com](mailto:jmdtele@gmail.com)

**Members are requested to bring their copy of Annual Report at the time of Meeting**

**DIRECTORS' REPORT & MANAGEMENT DISCUSSIONS & ANALYSIS**

To The Members,

Your Directors have pleasure in presenting the Twenty Fifth Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2009.

(Rs. in Lacs)

<b>Financial Results</b>	<b>Year Ended 31.03.2009</b>	Year Ended 31.03.2008
Income	<b>6844.46</b>	5454.08
Profit before Tax & Extraordinary Items	<b>62.95</b>	29.86
Less : Provision for Taxation	<b>17.04</b>	7.19
Profit after Tax	<b>45.90</b>	22.67
Less : Extra Ordinary Items	<b>0.55</b>	4.27
Profit available for appropriation after adding to its Previous Years' b/f	<b>45.35</b>	38.45
<b>Appropriated as under :</b>		
Proposed Dividend @ 5%	<b>35.07</b>	12.09
Corporate Tax on above Dividend	<b>5.96</b>	2.05
Transfer to General Reserve	<b>1.00</b>	3.00
Balance carried forward to Next Year	<b>43.03</b>	39.71

**Dividend**

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2009 at 50 Paise (Fifty Paise) per share (i.e. 5 percent) on face value of shares of Rs. 10/- each, subject to approval of Members at the ensuing Annual General Meeting.

**Economic Scenario and Outlook**

The financial year 2008-09 was unparalleled, with the unfolding of an unprecedented financial crisis on Wall Street, Falling property prices, coupled with massive leveraging, sparked off the sub-prime crisis in the housing mortgage sector in the US. Due to tight integration of the financial markets across the world, this contagion has spread to the global banking sector. Finally, this has traversed from the financial to the real estate sector, and has participated into a global economic slowdown.

The Central Government of India and the Reserve Bank of India have announced fiscal and monetary measures to revive growth. The Government is seeking to boost through various stimulus packages by way of enhanced expenditure on infrastructure and through tax reductions. However, business confidence and economy may take a while to rebound due to the traditional lag effect associated with stimulus packages.

**Performance & Current Year Prospects**

Your Company is one of the leaders in the arena of Music Industry. The business has grown tremendously during the year under review thus the Company was able to bring back the confidence of its clients as well as investors. As members are aware, current financial year was a period of

recession though the same has not affected the business of the Company. During the year, the Company came out with its preferential issue of shares to non-promoters and these investors have shown their confidence in the Company. The Company has renovated its Recording Studio situated at Park Street as well as replaced old recording instruments with new one. Further the Company has bought copyright of "Arti" & "Tarun" brand which are well established in the territory of Rajasthan and are famous for its songs which are in Rajasthani language. In addition to that, the Company is in progress to acquire land for setup new Studios at different places of India.

The Company is hopeful of doing well in coming days and hope that both business and profit will shoot up and hence will be able to deliver more to its investors.

### **Business Segment**

Your Company offers its services to customers through industry practices in Music, both by way of recording as well as rental of studio to other Music Producers and Recorders. The Company has having its own Music Studio of around 1200 Sq. Ft., located at Park Street, one of the prominent area of Kolkata metro city. The studio is equipped with modern sound recording systems and hence delivers high quality music recorded Cassettes & CDs.

### **Risk & Concerns**

The risks that face the Company are the ones that face the industry today and these have mentioned periodically. These risks includes innovation of new mode of recorded instruments, change in instruments due to innovation of new technology and better equipments, chances of flop of one or more songs and bhajans, the Company chose to record and launch in markets. Others risks are client concentration risk, competitive risk and financial risk etc.

### **Overview**

The Company is planning to counter its challenges through focused marketing, tight control on liquidity and margins, cost effective sourcing of materials and services, improved quality of products through process automation & upgrading of sound recording equipments. The Company has also strengthened its presence in Music industry with improved quality and variety of its products.

### **Internal Control Systems and Adequacy**

JMD has developed adequate Internal Control Systems in place to ensure a smooth functioning of its business. The Control System provides a reasonable assurance of recording the transactions of its operations in all material aspects and of providing protection against misuse or loss of Company's assets.

The ICS and their adequacy are frequently reviewed and improved and are documented.

### **Material Development in Human Resources**

JMD's biggest assets are their employees. We are continuously working on innovative initiatives to attract, train, retain and motivate our employees. Our endeavors are driven by a strong set of values imbibed in us and policies that we abide by. Our constant goal, and indeed our biggest strength, is a healthy, happy and prosperous work environment for all our employees. Currently staff strength of the Company is 15 Employees including senior & junior category staff.

**Directors**

There is no change in composition of Board during the year under review.

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Pravin Sawant and Mr. Kailash Prasad Purohit are liable to retire and eligible, offers himself for re-appointments in the forthcoming Annual General Meeting.

Except Mr. Jagdish Prasad Purohit, brother of Mr. Kailash Prasad Purohit are interested in re-appointment of Mr. Kailash Prasad Purohit.

Further, none of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

**Auditors**

Auditors M/s. Saral Kumar Ganguly, Chartered Accountants, Kolkata holds the office until the conclusion of ensuing Annual General Meeting. Your Company has received certificate from the Auditors under section 224(1B) of the Companies Act, 1956 to the effect that their reappointment if made, will be within the limit prescribed.

The shareholders are requested to appoint the Auditors and fix their remuneration.

**Comments On Auditor's Report:**

The notes referred to in the Auditor's Report are self explanatory and as such they do not call for any further explanation as required under section 217(3) of the Companies Act, 1956.

**Public Deposits**

Your Company has not accepted any deposits from the Public during the year under review.

**Corporate Governance**

Your Company follows the principles of the effective corporate governance practices. The Clause 49 of Listing Agreement deals with the Corporate Governance requirements which every publicly listed Company has taken steps to comply with the requirements of the revised Clause 49 of the Listing Agreement with the Stock Exchange.

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Company's Auditors on Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in the Annual Report.

**Human Resources**

The Company takes pride in the commitment, competence and dedication shown by its employees in all areas of business. Various HR initiatives are taken to align the HR policies to the growing requirements of the business.

The Company has a structured induction process and management development programmes to upgrade skills of managers. Objective appraisal systems are in place for senior management system.

**Statutory Information**

The Company being basically in the media sector, requirement, regarding and disclosures of Particulars of conservation of energy and technology absorption prescribed by the rule is not applicable to us.

**Particulars of Employees**

People are the backbone of our operations. It is a matter of great satisfaction for our Company that our employees have been very supportive of the Company's plan. By far the employee's relations have been cordial through out the year.

The information as required by provisions of section 217(2A) of the Companies Act, 1956 read with the companies (Particular of employees) amendments rules, 1988 is reported to be NIL.

Particulars under section 217 (1) (e) of the Companies Act, 1956

The Company is engaged in the business of media products hence the information regarding conservation of energy, Technology Absorption, Adoption and innovation, the information required under section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Board of Directors) Rules 1988, is reported to be Nil.

The Company has not earned or used foreign exchange earnings/outgoings during the year under review.

**Directors Responsibility Statement**

Pursuant to Section 217 (2AA) of the Companies (Amendment) Act, 2000 the Directors confirm that:

1. In the preparation of the Annuals Accounts, for the year ended 31st March 2009, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;
2. The Directors had adopted 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 profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

**Appreciation**

The Board of Directors wishes to convey their appreciation to all the Company's employees for their performance and continued support. The Directors would also like to thank all the Shareholders, Consultants, Customers, Vendors, Bankers, Service Providers, and Governmental and Statutory Authorities for their continued support.

Kolkata, June 2, 2009

By order of the Board  
For **JMD Telefilms Industries Limited**

Registered Office :  
105, Sagar Shopping Center, J. P. Road  
Andheri (W), -Mumbai-400 058.

**Kailash Prasad Purohit**  
Chairman & Managing Director

## ANNEXURE TO THE DIRECTORS' REPORT

### CORPORATE GOVERNANCE

Your Company has complied, in all material respects, with features of Corporate Governance Code as per Clause 49 of the Listing Agreement with the Stock Exchange.

A report on the implementation of the Corporate Governance Code of the Listing Agreement by the Company is furnished below.

The Certificate of Corporate Governance from the Statutory Auditors of the Company confirming compliance of the conditions of Corporate Governance is annexed hereto.

### BOARD OF DIRECTORS

#### Composition of Directors

The constitution of the Board is in conformity with the provisions of Clause 49 of the listing Agreement of the Stock Exchange. The Board consists of five Directors out of which three members are Independent Directors.

The Board of Directors met 10 times on 4th May, 30th June, 18th July, 31st July, 16th August, 31st October and 22nd December in year 2008 and on 20th January, 30th January & 2nd February in the year 2009 during the financial year 2008-2009.

Details of Composition of Board, category of the Directors and their attendance at Board Meetings and last Annual General Meeting, number of other directorship are given below :-

Name	Designation	Board Meetings Attended	Whether Attended AGM	Committee Membership	Committee Chairmanship	No. of Directorship in other Public Ltd. Co.
Kailash Prasad Purohit	Chairman & Managing Director	10	Yes	2	Nil	2
Jagdish Prasad Purohit	Whole time Director	10	Yes	1	Nil	4
Pravin Sawant	Independent Director	10	Yes	2	2	Nil
Ashok Bothra	Independent Director	10	Yes	3	1	1

### AUDIT COMMITTEE

The Audit Committee consists of two Independent Directors & the Managing Director. All members of the Audit Committee are financially literate and they have accounting or related financial management expertise.

The primary purpose of the Audit Committee is to assist the Board of Directors (the "Board") of JMD Telefilms Industries Ltd., (the "Company") in fulfilling its oversight responsibilities with respect to (a) the accounting and financial reporting processes of the Company, including the integrity of the audited financial results and other financial information provided by the Company to its stockholders, the public, any stock exchange and others, (b) the Company's compliances with legal and regulatory requirements, (c) the Company's independent auditors' qualification and independence, (d) the audit of the Company's Financial statements, and the performance of the Company's internal audit function and its Independent Auditors.

### Authority and Responsibilities

The Audit Committee reviews the Company's financial reporting process, disclosure of accounting treatment, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter, disclosure norms, internal control systems, risk management policies, accounting policies and practices, ensuring the quality and appropriateness of the Company's accounting and financial disclosures as well as quarterly/half yearly financial statements. It recommends appointment of Statutory Auditors fixes audit fees and reviews internal control systems, 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, scope for observations of the auditors and adequacy of the internal audit function, discussion with internal auditors any significant findings and follow up there on etc.

In addition to the above, Audit Committee reviews the followings :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor.

The members of Audit Committee met four times on - 30th June, 31st July and 31st October in year 2008 & on 30th January 2009 during the financial year ended on 31st March 2009.

Name	Number of Meetings Held	Meetings Attended
Kailash Prasad Purohit	4	4
Ashok Bothra	4	4
Pravin Sawant*	4	4

\*Chairman of Committee



**REMUNERATION COMMITTEE**

Since the Company does not have remuneration Committee (constitution of which is a non-mandatory requirement), the details pertaining to the same are not provided

**Details of Remuneration paid to Directors**

The payment of salary to Directors was Nil during the financial year 2008-2009.

No Stock option has been allotted to any of the Directors during the financial year 2008-2009.

None of the Independent Directors holds any shares in their name or in the name of their relatives.

**Share Transfer Committee**

The Board of Directors has constituted Share Transfer Committee under the Chairmanship of Mr. Pravin Sawant; whole time Director with two other Independent Director namely Mr. Kailash Prasad Purohit & Mr. Ashok Bothra.

The members of Share Transfer Committee met four times on 30th June, 31st July and 31st October in year 2008 & on 30th January 2009 during the financial year ended on 31st March 2009.

Name	Number of Meetings Held	Meetings Attended
Mr. Kailash Prasad Purohit	4	4
Mr. Ashok Bothra	4	4
Mr. Pravin Sawant*	4	4

\*Chairman of Committee

**INVESTOR GRIEVANCE COMMITTEE**

The Board of JMD Telefilms Limited has constituted a Committee of Directors, which inter-alia also functions as "Shareholders/Investors" Grievance Committee, consisting of three members, chaired by a Non-Executive, Independent Director. The Committee meets once a month and inter-alia, deals with various matter relating to:

- ☞ Transfer/transmission/transposition of shares;
- ☞ Consolidation/splitting of shares/folios;
- ☞ Issue of Share Certificates for lost, sub-divided, consolidated, rematerialize, defaced etc;
- ☞ Review of Shares dematerialized and all other related matters; and
- ☞ Investors' grievances and redressal mechanism and recommend measures to improve the level of Investor Services.

The Share Department of the Company and the Registrar and Share Transfer Agent, Purva Sharegistry India Pvt. Ltd. attend to all grievances of the shareholders and investors received directly or through SEBI, Stock Exchanges and Registrar of Companies etc.

The Minutes of Shareholders'/Grievances Committee are noted by the Board of Directors at the Board Meetings.

Continuous efforts are made to ensure that grievances are more expeditiously redressed to the complete satisfaction of the investors. Shareholders are requested to furnish their telephone numbers and email addresses to facilitate prompt action.

#### Compliance Officer

The Company has appointed Mr. Ashok Bothra, Non-Executive Director as a Compliance Officer within the meaning of Listing Agreement.

#### Composition of Committee and Meetings attended

During the year, twelve meetings of the Committee of Directors were held on April 1, May 2, June 2, July 1, August 1, September 1, October 1, November 1, and December 1 in year 2008 and on January 6, February 2 and March 2 in year 2009.

Brief Details of Names, Position, Category and meeting attended by Members of Committee is as follows:

Name	Position	Category	Meetings Attended
Mr. Ashok Bothra*	Chairman	Independent, Non-Executive	12
Mr. Pravin Sawant	Member	Independent, Non-Executive	12
Mr. Kailash Prasad Purohit	Member	Promoter, Executive	12

\*Chairman of Committee

#### Details of Shareholders' Complaints

During the year the Company did not receive any complaint from any of the share holder and there was no pending complaint at the close of the financial year.

#### GENERAL BODY MEETINGS

Location & time for the last three Annual General Meetings :

Annual General Meeting	Date & Time	Venue
24th Annual General Meeting	18th September 2008, 10.30 AM	105, Sagar Shopping Center, J. P. Road, Andheri (W), Mumbai-400 058.
23rd Annual General Meeting	18th September 2007, 11.00 AM	14, Popat wadi, 1st floor, Kalbadevi Road, Mumbai-400 002.
22nd Annual General Meeting	29th September 2006, 10.30 AM	14, Popat wadi, 1st floor, Kalbadevi Road, Mumbai-400 002.

#### Special Resolution Passed at last three Annual General Meetings:

During the financial year 2005-06, Special Resolutions have been passed seeking shareholders approval for appointment of Mr. Pravin Sawant and Mr. Ashok Bothra as full time Director who have been appointed as Additional Directors of the Company during that year. The Special Resolution has also been passed to incorporate Depositories Act 1996 in Memorandum & Articles of Association. However in financial year 2006-07 and financial year 2007-08, no Special Resolution has been passed in either of Annual General Meetings.

**Passing of Resolution by Postal Ballot:**

During Financial Year 2008-09, Special Resolutions have been passed through Postal Ballot Rules to enhance Authorized Capital and to incorporate enhanced Authorized Capital in Memorandum & Articles of Association. A Special Resolution has also been passed to issue 50,00,000 Equity Shares at a price of Rs. 17/- per Share to Non-Promoter Group. Notice has been sent to the Members of the Company seeking their consent for said Special Resolutions. On the day of Results, these Resolutions have been passed with requisite majority wherein out of 47 Shareholders, 20 Shareholders together holding 2009440 Equity Shares have been voted in favour of Resolution and no Shareholder has been voted against these Resolutions. Mr. Vijay Kumar Mishra, Practicing Company Secretary has been appointed as Scrutinizer who has conducted the entire process and has forwarded his report and result to the Management of Company and the same has been announced in Board Meeting at Registered Office of the Company.

At the forthcoming Annual General Meeting, there is no item on the agenda that needs approval by Postal Ballot.

**Extra-Ordinary General Meeting**

No Extra-Ordinary General Meeting was held by the Company during the financial year ended 31st March 2009.

**Subsidiaries**

The Company does not have any material non-listed Indian subsidiary whose turnover or net worth (i.e. paid-up capital and free reserves) exceeding 20% of the consolidated turnover or networth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

**Insider Trading**

The Securities and Exchange Board of India (SEBI) has over the years introduced various amendments to the Insider Trading Regulations of 1992 which ordain new action steps by corporate and other market intermediaries for the purposes of prevention of Insider Trading.

Pursuant to the above requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company has adopted a 'Code of Conduct' for Prevention of Insider Trading (The Code) with effect from October 1, 2002. The Code is applicable to all Directors and such Designated Employees who are expected to have access to unpublished price sensitive information relating to the Company. The Compliance Office has been appointed for monitoring adherence to the said Regulations.

**Disclosures**

- (a) There are no transactions with related parties i.e. with Promoters, Directors, Management, Subsidiaries or Relatives that may have potential conflict of interest with the Company at large.
- (b) There has been no instance of non-compliance by the Company on any matter related to Capital Markets and hence the question of penalties or strictures being imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority does not arise.

- (c) In Compliance with the Securities & Exchange Board of India (Prohibition of Insider Trading Regulations, 1992) as amended till date, on Prohibition of Insider Trading, the Company has a comprehensive Code of Conduct and the same is being strictly adhered to by its management, staff and relevant business associates. The code expressly lays down the guidelines and the procedure to be followed and disclosures to be made, while dealing with shares of the Company and cautioning them on the consequences of non-compliance thereof. However whistle blower policy has not been formed during the year under review. Further, we affirm that no personnel has been denied access to the Audit Committee.
- (d) Secretarial Audit :- A qualified Practicing Company Secretary carried out Secretarial Audit on quarterly basis to reconcile the total admitted capital with Central Depository Services (India) Ltd. (CDSL) and National Securities Depository Ltd. (NSDL) and the total issued and listed capital. The secretarial audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

#### **Disclosures on Non-Mandatory Requirements**

The Company has adopted/complied with the following non-mandatory requirements as prescribed in Annexure I D to Clause 49 of Listing Agreement with the Stock Exchange :-

- a) None of the Independent Directors on the Board of the Company has served for the tenure of exceeding nine years. The Company has ensured that the person who is being appointed as an Independent Director has the requisite qualifications and experience which would be of use to the Company and which in the opinion of the Company would enable him to contribute effectively to the Company in his capacity as an Independent Director.
- b) The Company has not setup Compensation and Remuneration Committee.
- c) We publish our quarterly results and half yearly results in widely circulated newspapers whereas we did not send half yearly results to any of shareholders.
- d) The financial statements of the Company are unqualified.
- e) The Company has not adopted a Whistle Blower Policy till date.

#### **Means of Communications**

- ☞ The Company regularly provides information to the Stock Exchanges as per the requirements of the listing Agreement.
- ☞ The Quarterly/Half Yearly/Nine Months & Annual Results have been submitted to Bombay Stock Exchange Ltd. and published in the leading English Newspapers i.e. Financial Express and in vernacular language Newspaper i.e. Mahanayak.
- ☞ Company is not yet started to post its Quarterly Results/Half Yearly/ Nine Months & Annual Results on its website.
- ☞ Official News releases are also yet to be posted on its website.
- ☞ No formal representations were made to Institutional Investors or Analysts during the year under review.
- ☞ Management Discussion and Analysis forms part of the Annual Report will be posted to the shareholders of the Company.

**General Shareholder Information**

Detailed information in this regard is provided in section "Shareholders Information" which forms part of this Annual Report.

**Shareholders' Information****a. Next Annual General Meeting**

The information regarding 25th Annual General Meeting for the financial year ended on 31st March 2009 is as follows :-

Date : 16th July, 2009  
 Time : 11.00 A.M.  
 Venue : 105, Sagar Shopping Centre, J. P. Road, Andheri (W),  
 Mumbai - 400 058.

**b. Financial Calendar** : 1st April to 31st March.

**c. Future Calendar** :

Subject Matter	Date
Financial Reporting of 1st Quarter ended on 30th June 2009	31st July, 2009
Financial Reporting of 2nd Quarter ended on 30th September 2009	30th October, 2009
Financial Reporting of 3rd Quarter ended on 31st December 2009	29th January 2010
Financial Reporting of 4th Quarter ended on 31st March 2010	30th April 2010
Date of Annual General Meeting	During August 2010

**d. Date of Book Closure** : July 10 to July 16, 2009. (Both days inclusive)

**e. Dividend Payment** : The Board of Directors are pleased to recommend the payment of Dividend 0.50 Paise per Equity Share of Rs. 10/- each (i.e. 5 Percent of paid-up Capital) Subject to approval of Shareholders) to be paid within the prescribed time period. This Dividend, if approved at the Annual General Meeting, shall be paid to all eligible Members whose names appear on the Register of Members on July 16, 2009.

**f. Listing of Shares** : Bombay Stock Exchange Ltd.

**g. Custody Charges & Listing Fees** : Annual Custody Charges to NSDL & CDSL and Annual Listing Fees for Financial year 2008-2009 have been paid.

**h. Stock Code & ISIN Code** : 511092 on BSE  
 : INE047E01015 on CDSL & NSDL

**i. Market Price Data :**

Month	Price on BSE (Rs.)		BSE Sensitive Index	
	High	Low	High	Low
April 2008	-	-	17,480.74	15,297.96
May 2008	-	-	17,735.70	16,196.02
June 2008	-	-	16,632.72	13,405.54
July 2008	-	-	15,130.09	12,514.02
August 2008	-	-	15,579.78	14,002.43
September 2008	-	-	15,107.01	12,153.55
October 2008	16.65	15.85	13,203.86	7,697.39
November 2008	-	-	10,945.41	8,316.39
December 2008	16.60	16.60	10,188.54	8,467.43
January 2009	20.10	16.40	10,469.72	8,631.60
February 2009	26.85	21.10	9,724.87	8,619.22
March 2009	63.95	28.15	10,127.09	8,047.17

**j. Registrar & Share Transfer Agent.**

M/s. Purva Shareregistry (India) Pvt. Ltd. has been appointed as Registrar & Share Transfer Agent for all work relating to Shareregistry in terms of both physical and electronic mode. All transfer, transmission, request related to correspondence/queries, intimation of change of address etc. should be addressed to our RTA directly at the following Address:

M/s. Purva Shareregistry (India) Pvt. Ltd. No. 9, Shiv Shakti Indl. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011. Tel : 022-23016761

**k. Share Transfer Systems**

The Share transfer is processed by the Registrar & Share Transfer Agent, Purva Shareregistry (India) Pvt. Ltd. and approved by Share Transfer Committee, if the documents are complete in all respects, within 21 days from the date of lodgment.

**l. Shareholding Pattern as on 31st March 2009**

Categories	No. of Shares	% of Shareholding
Promoters, Directors & Relatives & Person acting in concert	1250000	17.82
Indian Bank / Mutual Funds	0	0
NRI/OCBS	0	0
Private Corporate Bodies	170104	2.42
Indian Public	5594496	79.76
<b>Total .....</b>	<b>7014600</b>	<b>100.00</b>

**m. Categories of Shareholders as on 31st March 2009.**

Category	No. of Share Holders	% of Share Holders	No. of Shares Held	% of Share Holding
Individuals	117	90.70	5594496	79.76
Non-Resident Indians	0	0.00	0	0.00
Body Corporate	11	8.53	170104	2.42
Local Mutual Funds	0	0.00	0	0.00
Promoters	1	0.77	1250000	17.82
Total ...	129	100.00	7014600	100.00

**n. Dematerialization of Shares & Liquidity**

The Company's Equity Shares are in Demat trading segment and the Company had established connectivity with both NSDL & CDSL by signing the necessary agreements.

**Procedures for dematerialization / rematerialization of Equity Shares:-**

Shareholders seeking demat / remat of their shares need to approach their Depository Participants (DP) with whom they maintain a demat account. The DP will generate an electronic request and will send the physical share certificates to Registrar and Share Transfer Agents of the Company. Upon receipt of the request and share certificates, the Registrar will verify the same. Upon verification, the Registrar will request NSDL/CDSL to confirm the demat request. The demat account of the respective share holder will be credited with equivalent number of shares. In case of rejection of the request, the same shall be communicated to the shareholder.

In case of remat, upon receipt of the request from the shareholder, the DP generates a request and verification of the same is done by the Registrar. The Registrar then requests NSDL or CDSL to confirm the same. Approval of the Company is being sought and equivalent numbers of shares are issued in physical form to the shareholder. The share certificates are dispatched within one month from the date of issue of Shares.

The Shares of Company are traded under "B" category on Bombay Stock Exchange Ltd. 8.51% of the Company's Equity Share Capital held under Public category has been dematerialized up to 31st March 2009 which included 50,00,000 Shares or 71.28% of Equity Shares issued on Preferential basis on 20th January 2009 and have been issued in Physical Mode under lock-in for 1 Year from the date of allotment.

**o. Unclaimed Dividend**

Pursuant to Section 205C of the Companies Act, 1956, Dividends that are unpaid/unclaimed for a period of seven year from the date of they became due for payment are required to be transferred by the Company to the Investor Education and Protection Fund (IEPF) administered by the Central Government.

Members who have so far not en-cashed their dividend warrants are requested to write to the Company/Registrar to claim the same, to avoid transfer to IEPF. Members are advised that no claims shall lie against the said fund or the Company for the amounts of dividend so transferred to said Fund.

**p. Nomination**

Individual Shareholders holding shares singly or jointly in physical form can nominate a person in whose name the shares shall be transferable in case of death of the registered shareholder(s). Nomination facility in respect of shares held in electronic form is also available with the depository participants as per the bye-laws and business rules applicable to NSDL and CDSL. Nomination forms can be obtained from the Company's Registrar and Share Transfer Agent.

**q. Listing Fees & Annual Custodial Fees**

The Company has paid the Annual Listing Fees for year 2009-10 to Bombay Stock Exchange Ltd. Annual Custodial Fees to both the Depositories for the year 2009-10 have also been paid.

**r. Brief Resume of the Directors Seeking Re-Appointment**

☞ Mr. Kailash Prasad Purohit, Age 48, B. Com., LLB is having vast experience in the area of Sound Recording and Marketing of Music Cassettes, CD, VCD, DVD and related products. Before joining Board of JMD Telefilms Industries Ltd., he was managing Sound Recording Studio and was well established proprietary concern in Music Industries. Beside this he is a well known signer and has sung more than 100 Songs, particularly in Rajasthani Language in his own voice and the same has responded well by Audience. He is in these businesses since last 28 years. He is a Managing Director of the Company and is holding 12,50,000 Equity Shares in his name whereas no share has been held in the name of his relatives in Company.

**As on 31st March 2009, he is on the Board of Directors of the following Companies.**

**Sr. No. Name of the Company**

1. Unisys Softwares & Holding Industries Ltd.
2. Warner Multimedia Limited
3. Jaiambe Cassettess Pvt. Ltd.
4. Neha Cassettess Pvt. Ltd.
5. Gobaj Commercial Pvt. Ltd.
6. Rohtang Commercial Pvt. Ltd.
7. JMD Sounds Limited
8. Gopikar Supply Pvt. Ltd.
9. Subhchintak Vyapaar Pvt. Ltd.

☞ Mr. Pravin Sawant, Age 38, Graduate, is having vast experience in the Capital & Money Market and related activities and is in this arena since last 16 years. He is Independent Director of the Company.

As on 31st March 2009, he is not among Board of Directors in any other Company nor is he holding any shares of the Company in the name of himself or relatives.

**s. Details on use of Public Funds Obtained in the last three years :**

Rs. 8.50 Crore have been raised through Preferential Issue of Equity Shares to Non-Promoters during the financial year under review. Out of Rs. 8.50 Crore, Rs. 2.75 Crore have been utilized as



an Advance for Setting up Studio as well as Renovation of existing Recording Studio, Rs. 3.10 Crore have been utilized as an Advance for Purchase of Music, Audio & Video Rights, Rs. 1.75 Crore have been invested in Mutual Fund and Bank Fixed Deposits and Rs. 90 Lacs have been paid for Purchase of Computers & Accessories as well as Purchase of Music Album

**t. Investors Correspondence**

Shareholders can contact the following Officials for secretarial matters of the Company :-

Mr. Ashok Bothra - [jmdtele@gmail.com](mailto:jmdtele@gmail.com)

**u. Outstanding GDRs./ADRs/Warrants or any convertible instruments, conversion data likely impact on Equity :**

Not Applicable.

**v. Code of Conduct**

The Board of Directors of the Company has laid down Code of Conduct for Directors and for Senior Management & Employees. All Board Members and Senior Management have affirmed compliance with the Code of Conduct for the year under review. Declaration to this effect signed by the Managing Director & Chief Executive Officer is annexed to this report.

**w. Location of Sound Recording Studio**

75-C, Park Street, Basement, Kolkata-700 016, Telephone : 2229 9198 / 5359

**x. Address for Correspondence**

105, Sagar Shopping Centre, J. P. Road, Andheri (W),

Mumbai - 400 058, Telfax : 2677 3832

Website: [www.jmdtelefilms.com](http://www.jmdtelefilms.com), Email: [jmdtele@gmail.com](mailto:jmdtele@gmail.com)

## CHAIRMAN & MANAGING DIRECTOR'S DECLARATION ON CODE OF CONDUCT

As required by Clause 49 of Listing Agreement, the Managing Director and CEO's Declaration for Code of Conduct is given below:

To

The Members of

JMD Telefilms Industries Limited

- (a) They have reviewed financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
  - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's 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 controls, 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 the Audit committee
  - (i) significant changes in internal control over financial reporting during the year;
  - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the 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.

For **JMD Telefilms Industries Ltd.**

**Kailash Prasad Purohit**  
Chairman & Managing Director

## SECRETARIAL COMPLIANCE REPORT FOR THE YEAR ENDED 31ST MARCH 2009

To

The Board of Directors,  
JMD Telefilms Industries Limited  
Mumbai.

We have examined the registers, records and papers of M/s. JMD Telefilms Industries Limited as required to be maintained under the Companies Act, 1956, (hereinafter referred to as "The Act"), the rules made thereunder and also the provisions contained in the Memorandum of Association and Articles of Association of the Company for the year ended 31st March 2009.

On the basis of our examination as well as information and explanations furnished by the Company and the records made available to us, we report that:

1. Equity Shares of the Company are listed on Bombay Stock Exchange Ltd. (BSE)
2. All the requisite registers and other records required under the Act and the Rules made thereunder have been maintained in accordance with the requirements of the Act.
3. All the requisite forms, returns and documents have been filed with the Registrar of Companies and other authorities as required under the Act and Rules made thereunder.
4. All the requirements of the Act relating to the meetings of the Directors, Shareholders and Committees of the Board as well as relating to maintenance of the minutes of the proceedings there at have been complied with.
5. The Board of Directors of the Company is duly constituted.
6. The Directors have disclosed their interest in other firms/companies to the Board of Directors pursuant to the provisions of Section 299 of the Companies Act, 1956.
7. The Company has issued 50,00,000 Equity Shares on Preferential basis on the price of Rs. 17/- per Share to the non-promoters group and have been complied with all the provisions of various regulations in this regard.
8. Share Certificates have been delivered to the transferee within Applications for transfer and transmissions of the Shares have been registered within the prescribed for this purpose.
9. The provisions of Companies Act, 1956, relating to declaration and payment of Dividend have been complied with.
10. The amounts borrowed by the Company from Banks/Bodies Corporate are within the borrowing limits of the Company. There are no borrowings which are outstanding as on March 31, 2009.
11. Necessary approval of Directors, Shareholders, Central Government and other authorities, wherever applicable and required under the Companies Act, 1956, have been obtained.
12. The Company has altered its Memorandum of Association & Articles of Association to the tune of increased in Authorized Capital however no changes have been made elsewhere in Memorandum of Association & Articles of Association.

Place : Kolkata  
Date : June 2, 2009

For **M/s. Saral Kumar Ganguly**  
Chartered Accountants

**Saral Kumar Ganguly**  
Proprietor

## AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of JMD Telefilms Industries Ltd.

We have examined the compliance of the conditions of Corporate Governance by JMD Telefilms Industries Ltd. (The Company) for the year ended 31st March 2009 as stipulated in Clause 49 of the Listing Agreement of the said Company with all stock exchanges where the Shares of Company are listed.

The compliance of the conditions of Corporate Governance is the responsibility of the Company's management. Our examination was limited to the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statement of the Company.

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievances 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 the management has conducted the affairs of the Company.

Place : Kolkata  
Date : June 2, 2009

For **M/s. Saral Kumar Ganguly**  
Chartered Accountants

**Saral Kumar Ganguly**  
Proprietor

## AUDIT REPORT

We have audited the attached Balance Sheet of JMD Telefilms Industries Limited as at 31st March 2009 and also the Profit & Loss Account for the year ended on that day annexed hereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have conducted our audit in accordance with auditing standards generally accepted in India. Those standards required 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 included 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.

- a. As required by the Companies (Auditors' Report) Order, 2003 issued by the Department of Company Affairs in terms of Section 227 (4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matter specified in the said Order to the extent applicable;
- b. Further to our comments in the annexure referred to in paragraph 1 above -
  - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - ii. In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
  - iii. The Balance Sheet, Profit & Loss Account and the 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 together with notes of accounts dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act 1956.
  - v. On the basis of written representations received from the Directors, as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March 2009 from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act 1956;
  - vi. In our opinion and to the best of our information and according to the explanations given to us, the said accounts, give the information required by the Companies Act 1956, and give a true and fair view in conformity with the accounting principles generally accepted in India :-
    1. in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2009;
    2. in the case of the Profit and Loss Account, of the Profit for the year ended on that date;
    3. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Place : Kolkata  
Date : June 2, 2009

For **M/s. Saral Kumar Ganguly**  
Chartered Accountants

**Saral Kumar Ganguly**  
Proprietor

**ANNEXURE TO THE AUDITORS' REPORT**

(Referred to in Paragraph 1 of our report of even date)

1.
  - (a) The Company has maintained proper books of records showing full particulars including quantitative details and situations of fixed assets.
  - (b) As per the information and explanations given to us, the Company has carried out physical verification of fixed assets during the year. In our opinion, the frequency of such verification is reasonable.
  - (c) In our opinion and according to the information and explanation given to us, the Company has not made any substantial disposal during the year.
  - (d) The procedure of physical verification of stock & securities followed by management are reasonable and adequate in relation to the size of the Company nature of its business.
  - (e) The Company has maintained proper record of Inventories. No discrepancies noticed on physical verification of Investments as compared to the books & records.
2. The Company does not have any inventories. Accordingly the Clause 4(ii) of the Companies, (Auditors' Report) Order 2003 is not applicable.
3.
  - (a) According to the information and explanation given to us and on the basis of records furnished before us, the Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
  - (b) In view of above, Clause 4(iii)(a),(b),(c) and (d) of Companies (Auditors' Report) Order, 2003 are not applicable.
  - (c) According to the information and explanation given to us and on the basis of records furnished before us for the verification, the Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under section 301 of the Act.
  - (d) In view of above, clause 4(iii)(e), (f) and (g) of Companies (Auditors' Report) Order, 2003 are not applicable.
4. In our opinion and according the information & explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of business with regard to purchase and sales. During the course of our Audit, we have not observed any continuing failure to correct major weakness of internal audit.
5.
  - (a) In our opinion and according the information & explanations given to us, the particulars of contract or arrangements that were required to be entered in the register maintained under Section 301 of the Companies Act 1956 have been so entered in the said register.
  - (b) In respect of transactions entered exceeding the value of five lacs in the register maintained in pursuance of Section 301 of the Companies Act 1956, according to information and explanation given to us, the transactions made pursuance of such

contracts or arrangements have been made at prices which are prima-facie reasonable having regard to prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public hence Clause 4(vi) of Companies (Auditors' Report) Order 2003 is not applicable.
7. The Company has appointed a firm of Chartered Accountants, to carry out internal audit functions, on broadly reviewing the Audit Reports furnished before us and information and explanation given to us by the management, we are of the opinion that the Internal Audit is commensurate with the size of the Company and the nature of business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act 1956 in respect of products dealt with by the Company.
9. (a) In our opinion and according to the information and explanations given to us, undisputed statutory dues including Provident Fund, Investors' Education & Protection Fund, Employees State Insurance Scheme, Income Tax, Sales Tax, Wealth Tax, Custom Duty, Excise Duty, CESS and any other statutory dues have been regularly deposited in time during the year with appropriate authorities and there are no undisputed statutory dues payable for a period of six months from the date they became payable as at 31st March 2009.  
  
(b) According to the information and explanation given to us there are no disputes pending before the authorities in respect of Sales Tax, Income Tax, Custom Duty and CESS.
10. The Company does not have accumulated losses as at the end of financial year and has not incurred cash losses in the current financial year and in the immediate preceding financial year.
11. According to the records made available to us and information and explanation given to us by the management, the Company has not defaulted in repayment of any dues to financial institutions or banks.
12. According to the information and explanations given to us, the Company has not granted any loans & advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not chit fund, nidhi, mutual fund and societies and accordingly clause 4(xiii) of Companies (Auditors' Report) Order, 2003 is not applicable.
14. In our opinion and according to the information and explanations given to us, the Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The Shares, Securities, Debentures and Other Investments are held in the name of the Company.
15. In our opinion and according to the information and explanations given to us, the Company has not given guarantees for loans taken by others from Banks & Financial Institutions. Accordingly Clause 4(xv) of Companies (Auditors' Report) Order, 2003 is not applicable.
16. In our opinion and according to the information and explanations given to us, the Company has not obtained any Term Loan. Accordingly Clause 4(xvi) of Companies (Auditors' Report) Order, 2003 is not applicable.
17. According to the information and explanations given to us and on the basis of and overall

examination of the Balance Sheet of the Company, no funds raised on short term basis have been utilized for long term investment and vice versa.

18. During the period, the Company has made allotment of shares on preferential basis. The allotment and the pricing of the shares have been made in accordance with guidelines laid down in this regard by SEBI and hence prices at which these have been issued, are prima-facie, prejudicial to the interest of the Company.
19. During the period, the Company has not issued any debentures. Accordingly Clause 4(xix) of Companies (Auditors' Report) Order, 2003 is not applicable.
20. The Company has not raised any money through a Public Issue during the year under Audit. Accordingly Clause 4(xx) of Companies (Auditors' Report) Order, 2003 is not applicable.
21. During the course of examination of the books and records of the Company, carried out in accordance with generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the Company noticed or reported during the period nor we have been informed of such instances by the management.

Place : Kolkata

Date : June 2, 2009

For **M/s. Saral Kumar Ganguly**  
Chartered Accountants

**Saral Kumar Ganguly**  
Proprietor



## BALANCE SHEET AS AT MARCH 31, 2009

	Schedule	31.3.2009 Rupees	31.3.2008 Rupees
<b>SHARE CAPITAL</b>			
Share Premium A/c	1	70,146,000	20,146,000
Profit & Loss A/c	2	5,592,383	5,160,860
		<b>138,238,383</b>	<b>52,806,860</b>
<b>Loan Funds</b>			
secured Loan	3	660,142	312,779
<b>TOTAL</b>		<b>138,898,525</b>	<b>53,119,639</b>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>	4		
Gross Block		37,472,683	32,825,389
Less : Depreciation		2,664,757	1,259,857
Net Block		<b>34,807,926</b>	<b>31,565,532</b>
<b>Investments</b>	5	11,604,220	4,201,942
<b>Current Assets, Loans &amp; Advances</b>	6		
Stock in Trade		25,931,500	17,743,500
Cash & Bank Balance		15,495,403	700,485
Sundry Debtors		1,479,275	-
Loans & Advances		60,629,181	4,103,326
		<b>103,535,359</b>	<b>22,547,311</b>
<b>Less : Current Liabilities &amp; Provisions</b>	7		
Sundry Creditors & Advances Recd		5,650,146	3,008,550
Liabilities & Provisions		5,861,834	2,186,596
		<b>11,511,980</b>	<b>5,195,146</b>
<b>Net Current Assets</b>		<b>92,023,379</b>	<b>17,352,165</b>
<b>MISCELLANEOUS EXPENDITURE</b>			
(To the extent not written off or adjusted)			
Deferred Revenue Expenditure		463,000	-
<b>TOTAL</b>		<b>138,898,525</b>	<b>53,119,639</b>
Notes forming part of the accounts & Significant Accounting Policies	14		

As per our report of even date

For **M/s. Saral Kumar Ganguly**  
Chartered Accountants**Kailash Prasad Purohit**  
Director**Saral Kumar Ganguly**  
Proprietor**Jagdish Prasad Purohit**  
DirectorPlace : Kolkata  
Date : June 2, 2009**Pravin Sawant**  
Director

## PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2009

	Schedule	31.3.2009 Rupees	31.3.2008 Rupees
<b>INCOME</b>			
Sales & Operational Income	8	683,573,212	545,407,649
Other Income	9	872,847	105,233
		<u>684,446,059</u>	<u>545,512,882</u>
<b>EXPENDITURE</b>			
Cost of Sales	10	674,422,212	540,436,483
Sales & Distribution Expenses	11	50,749	-
Personnel Expenses	12	1,320,032	855,300
Administrative & Other Expenses	13	953,530	705,247
Depreciation	4	1,404,900	529,696
		<u>678,151,423</u>	<u>542,526,726</u>
<b>Profit before Tax</b>		<b>6,294,636</b>	2,986,156
Less : Prior Period Adjustments		55,329	427,344
Provision for Taxation		1,662,075	718,786
Provision for F.B.T		42,343	-
<b>Profit after Tax</b>		<b>4,534,889</b>	1,840,026
Less : Proposed Dividend		3,507,300	1,208,760
Less : Tax on Dividend		596,066	205,000
		<u>431,523</u>	426,266
Transfer to General Reserve		100,000	300,000
		<u>331,523</u>	126,266
Profit brought forward from previous year		3,971,110	3,844,844
<b>Profit carried to Balance Sheet</b>		<b>4,302,633</b>	3,971,110
Notes forming part of the accounts & Significant Accounting Policies	14		

As per our report of even date

For **M/s. Saral Kumar Ganguly**  
Chartered Accountants

**Kailash Prasad Purohit**  
Director

**Saral Kumar Ganguly**  
Proprietor

**Jagdish Prasad Purohit**  
Director

Place : Kolkata  
Date : June 2, 2009

**Pravin Sawant**  
Director

SCHEDULES TO ACCOUNTS	31.03.2009	31.03.2008
	Rupees	Rupees
<b>SCHEDULE 1</b>		
<b>SHARE CAPITAL</b>		
<b>Authorised</b>		
71,00,000 Equity Shares of Rs.10/- each (Previous year)		
21,00,000 Equity Shares of Rs. 10/- each)	<u>71,000,000</u>	<u>21,000,000</u>
<b>Issued, Subscribed &amp; Paid-up</b>		
70,14,600 Equity Shares of Rs. 10/- each (Previous		
year 20,14,600 Equity Shares of Rs. 10/- each)	<u>70,146,000</u>	<u>20,146,000</u>
	<u>70,146,000</u>	<u>20,146,000</u>
<b>SCHEDULE 2</b>		
<b>RESERVES &amp; SURPLUS</b>		
<b>Profit &amp; Loss Account</b>		
General Reserve	1,289,750	1,189,750
Profit & Loss Account - Balance	3,971,110	3,844,844
Add : Transfer from Profit & Loss Account	<u>331,523</u>	<u>126,266</u>
	<u>5,592,383</u>	<u>5,160,860</u>
<b>SCHEDULE 3</b>		
<b>LOAN FUNDS</b>		
<b>Secured Loan</b>		
From Bank (against Vehicle)	<u>660,142</u>	<u>312,779</u>
	<u>660,142</u>	<u>312,779</u>

## SCHEDULE 4

## FIXED ASSETS

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK	
	As at 01.04.2008	Additions Adjustments	For the Year	As at 31.03.2009	As at 01.04.2008	For the Year	As at 31.03.2009	As at 31.03.2009	As at 31.03.2008
Air Conditioner	11,469	-	-	11,469	6,852	642	7,494	3,975	4,617
Brand Rights	29,479,103	-	-	29,479,103	-	-	-	29,479,103	29,479,103
Computers & Accessories	1,690,000	3,679,520	-	5,369,520	533,459	1,055,848	1,589,307	3,780,213	1,156,541
Furniture & Fixtures	171,652	-	-	171,652	110,794	8,465	119,259	52,393	60,858
Generator	10,769	57,710	-	68,479	5,734	8,728	14,462	54,017	5,035
Motor Car	541,239	910,064	-	1,451,303	54,124	279,436	333,560	1,117,743	487,115
Office Equipments	23,340	-	-	23,340	12,190	1,551	13,741	9,599	11,150
Studio Equipments	897,817	-	-	897,817	536,704	50,230	586,934	310,883	361,113
<b>TOTAL</b>	<b>32,825,389</b>	<b>4,647,294</b>	<b>-</b>	<b>37,472,683</b>	<b>1,259,857</b>	<b>1,404,900</b>	<b>2,664,757</b>	<b>34,807,926</b>	<b>31,565,532</b>
Previous Year	102,805,047	541,239	70,520,897	32,825,389	730,161	529,696	1,259,857	31,565,832	102,074,886

## SCHEDULE 5

## INVESTMENTS

(Quoted, Valued at Cost)

Particulars	As on 31.03.2009		As on 31.03.2008	
	Quantity	Value	Quantity	Value
Ashok Leyland	15,000	271,176	-	-
DB (International) Stock Brokers Ltd.	7,187	891,161	7,187	891,162
IFCI Limited	1,000	19,533	-	-
ITC Limited	-	-	1,000	229,640
Jayaswal Neco Industries Ltd.	1,500	82,625	2,000	82,626
Lupin Limited	600	386,953	-	-
NTPC Limited	2,500	553,672	2,000	461,797
Reliance Petroleum Ltd.	5,000	816,105	8,000	1,658,557
Sangui Media Limited	55,000	1,265,000	-	-
Shipping Corporation Ltd.	1,250	140,228	500	100,394
Tata Tele (Maharashtra) Ltd.	2,000	77,767	2,000	77,767
<b>Total (a) ....</b>		<b>4,504,220</b>		<b>3,501,942</b>
<b>Mutual Funds</b>				
DSP Merlinch Opportunity Fund		100,000		100,000
Tata Mutual Fund		200,000		200,000
Realince Mutual Fund		300,000		300,000
ABN AMRO Mutual Fund		-		100,000
DSP Blank Rock Mutual Fund		1,000,000		-
Birla Sunlife Mutual Fund		1,500,000		-
ICICI Prudentiial Mutual Fund		4,000,000		-
<b>Total (b) ....</b>		<b>7,100,000</b>		<b>700,000</b>
<b>Total Investments (a+b)</b>		<b>11,604,220</b>		<b>4,201,942</b>

SCHEDULES TO ACCOUNTS	31.03.2009 Rupees	31.03.2008 Rupees
<b>SCHEDULE 6</b>		
<b>CURRENT ASSETS, LOANS &amp; ADVANCES</b>		
<b>Inventories</b>		
(Valued to be taken & Certified by Management)		
Stock-in-trade	<u>25,931,500</u>	<u>17,743,500</u>
	<u>25,931,500</u>	<u>17,743,500</u>
<b>Sundry Debtors</b>		
<b>(Unsecured, Considered Good)</b>		
Outstanding for more than six months	-	-
Other Debtors	<u>1,479,275</u>	-
	<u>1,479,275</u>	-
<b>Cash &amp; Bank Balances</b>		
Cash Balancé	562,155	211,053
Fixed Deposit (With Scheduled Banks)	11,110,711	-
Balance with Scheduled Bank in Current A/c	<u>3,822,537</u>	<u>489,432</u>
	<u>15,495,403</u>	<u>700,485</u>
<b>Loans And Advances</b>		
<b>(Unsecured, Considered Good)</b>		
Sundry Loans	-	1,520,501
Security Deposit & Advances	21,000	1,521,000
Advance Tax Payment	1,150,000	300,000
Tax deducted at Source	958,181	761,825
Advance Against Music Album	31,000,000	-
Advance Against Studio	<u>27,500,000</u>	-
	<u>60,629,181</u>	<u>4,103,326</u>
Total .....	<u>103,535,359</u>	<u>22,547,311</u>
<b>SCHEDULE 7</b>		
<b>CURRENT LIABILITIES &amp; PROVISIONS</b>		
Sundry Creditors for Business	-	2,761,878
Royalty Recd. In Advance	5,509,850	-
Sundry Creditors for Expenses & Others	<u>140,296</u>	<u>246,672</u>
	<u>5,650,146</u>	<u>3,008,550</u>
<b>Liabilities &amp; Provisions</b>		
For Dividend Payment to Shareholders	3,507,300	1,208,760
Un-Claimed Dividend	54,050	54,050
For Dividend Tax	596,066	205,000
For Income Tax	1,662,075	718,786
For Fringe Benefit Tax	<u>42,343</u>	-
	<u>5,861,834</u>	<u>2,186,596</u>
Total .....	<u>11,511,980</u>	<u>5,195,146</u>
<b>SCHEDULE 8</b>		
<b>SALES &amp; OPERATIONAL INCOME</b>		
Sale of Goods	677,952,662	542,143,262
Income from Royalties	4,975,000	2,700,000
Studio Rent Recd.	<u>645,550</u>	<u>564,387</u>
	<u>683,573,212</u>	<u>545,407,649</u>

SCHEDULES TO ACCOUNTS	31.03.2009 Rupees	31.03.2008 Rupees
<b>SCHEDULE 9</b>		
<b>OTHER INCOME</b>		
Income from Mutual Fund Investments	-	79,413
Short Term Gain on Securities & Commodities	696,924	-
Dividend Received	38,952	-
Interest on FDR	110,711	-
Other Interest Recd.	26,260	25,820
	<u>872,847</u>	<u>105,233</u>
<b>SCHEDULE 10</b>		
<b>COST OF SALES</b>		
Opening Stock	17,743,500	17,173,500
Add : Purchases	674,422,212	540,436,483
Add : Audio/ Video Recording Cost	8,188,000	570,000
Less : Closing Stock	25,931,500	17,743,500
	<u>674,422,212</u>	<u>540,436,483</u>
<b>SCHEDULE 11</b>		
<b>SALES &amp; DISTRIBUTION EXPENSES</b>		
Coolie & Cortage Expenses	14,844	-
Freight Outward Expenses	22,955	-
Sales Promotion & Commission Paid	12,950	-
	<u>50,749</u>	<u>-</u>
<b>SCHEDULE 12</b>		
<b>PERSONNEL EXPENSES</b>		
Salary & Other Allowances to Employees	1,285,200	840,000
Staff Welfare Expenses	34,832	15,300
	<u>1,320,032</u>	<u>855,300</u>
<b>SCHEDULE 13</b>		
<b>ADMINISTRATIVE EXPENSES</b>		
Printing & Stationery	35,390	23,215
Postage, Telephone & Mobile Expenses	60,030	4,260
Travelling & Conveyance Expenses	95,075	73,630
Studio Maintenance Charges	109,289	43,832
Electricity Expenses	54,915	-
Subscription & Donation	15,100	-
Advertisement	36,403	6,225
Office & Misc. Expenses	49,490	28,017
Motor Car Expenses	140,562	60,760
Service Tax & VAT	-	42,980
Auditors' Remuneration	22,400	16,800
Interest Paid	-	47,714
Bank Charges & Comm.	18,678	53,951
Rent Paid	100,000	76,560
Legal & Professional Fees	45,000	23,000
Stock Exchange Listing Fees & Depository Fees	113,519	173,500
RTA Fees & Insurance	57,679	30,803
	<u>953,530</u>	<u>705,247</u>

**SCHEDULE 13****ACCOUNTING POLICIES & NOTES FORMING PART OF THE ACCOUNTS****Significant Accounting Policies General**

1. Accounting Policies not specifically referred to otherwise are in consonance with generally accepted accounting principles.
2. Expenses and Income considered payable and receivable respectively are accounted for on accrual basis.
3. In the opinion of the Board, the Current Assets, Loans and Advances are approximately of the value stated if realized in the ordinary course of business. The provisions of all known liabilities are adequate and not in excess of the amount reasonably necessary.

**Fixed Assets**

4. Fixed Assets are stated at cost less Depreciation, cost comprises the purchases price and other attributable costs. Depreciation on assets is provided on written down value method as per rates prescribed in Schedule XIV to the Companies Act 1956.

**Depreciation**

5. Depreciation on Fixed Assets has been provided for on Diminishing Balance Method at rated specified in schedule XIV of the Companies Act 1956. Depreciation on Assets purchased/sold during the year has been provided for on pro-rata basis.

**Inventories**

6. Inventories of Work-in-Progress, Raw Materials, Stores and Spares and Finished Goods are valued at cost and the same is done on FIFO basis. Stock of Shares is valued at cost.

**Investments**

7. Investments are valued at cost.

**Revenue Recognition**

8. Income is accounted on accrual basis except Dividend.

**Gratuity**

9. None of the Employee has completed the service period to become eligible for payment of gratuity.

**Contingent Liabilities**

10. Contingent Liabilities not provided for : Nil

**Others**

11. None of the Raw Materials, Stores, Spares and Components consumed or purchased during the year have been imported.
12. None of the Earnings / Expenditures is in Foreign Currency.



13. Balance of Debtors, Creditors, Deposits, Loans and Advances are subject to confirmation.
14. In the opinion of the Board, the Current Assets, Loans & Advances are approximately of the value stated if realized in the ordinary course of business. The provision for depreciation and all known liabilities are adequate and not in excess of the amounts reasonably necessary.
15. Investments of the Company have been considered by the management to be of a long term nature and hence they are long term investments and are valued at cost of acquisitions.

#### Segment Report

16. Segment reporting as defined in Accounting Standard 17 is not applicable as the Company is primarily engaged in Trading of Audio / Video Products and in the business of Sound Recording. As informed to us, there are not separate segment within the Company as defined as 17 (Segment Report).

#### Related Party Transactions

17. Sum of Rs. Nil has been paid to related party during the financial year under review.

#### Differed Tax on Income

18. Differed Tax Asset (Net) for the year ended 31st March 2009 amounts to Rs 4,63,000/-
19. Remuneration to Auditors

Particulars	31.03.2009	31.03.2008
Remuneration to Auditors for Audit Purpose	22,400	16,800

#### Earning per Equity Share

20.

Particulars	Unit	31.03.2009	31.03.2008
Net Profit after Tax available for Share holders	Rs.	45,34,889	18,40,026
No. of Equity Shares	No.	70,14,600	20,14,600
Basis & Diluted Earning Per Share (Rs.)	Rs.	0.64	0.91

21. Previous years' figures have been regrouped, rearranged wherever necessary to make them comparable with those of current year.

As per our report of even date

For **M/s. Saral Kumar Ganguly**  
Chartered Accountants

**Kailash Prasad Purohit**  
Director

**Saral Kumar Ganguly**  
Proprietor

**Jagdish Prasad Purohit**  
Director

Place : Kolkata  
Date : June 2, 2009

**Pravin Sawant**  
Director

## Statement of Cash Flow Annexed to the Balance Sheet as at 31st March, 2009

	Rs. in Lacs	
	31.03.2009	31.03.2008
<b>A. Cash Flow from Operating Activities</b>		
<i>Net Profit before tax and extraordinary Items</i>	<b>6,294,636</b>	2,986,156
<i>Adjustments for</i>		
Depreciation	1,404,900	529,696
Adjustments for Increase/or Reduction in Share Premium	35,000,000	(60,000,000)
<i>Operating profit before working capital changes</i>	<b>42,699,536</b>	(56,484,148)
<i>Adjustments for Capital Changes</i>		
Inventories	(8,188,000)	(570,000)
Decrease (Increase) in Trade and other Receivables	(1,479,275)	163,883,092
Loans & Advances	(56,525,855)	18,568,129
Trade Payable and Provisions	6,316,834	(225,733,308)
<i>Cash Generated from operations</i>	<b>(59,876,296)</b>	(43,852,087)
<b>Net Cash From Operating Activities</b>	<b>(17,176,760)</b>	(100,336,235)
<b>B. Cash Flow From Investing Activities</b>		
Purchase/Sale/Adj. of Fixed Assets	(4,647,294)	69,979,658
Investments	(7,402,278)	30,572,558
<i>Net Cash from Investing Activities</i>	<b>(12,049,572)</b>	100,552,216
<b>C. Cash Flow From Financing Activities</b>		
Unsecured Loan	347,363	312,779
Deffered Revenue Expenditure	(463,000)	-
Increase of share capital	50,000,000	-
Proposed Dividend	(3,507,300)	(1,208,760)
Income Tax & Dividend Tax	(2,300,484)	(923,786)
Extraordinary Items	(55,329)	(427,344)
	<b>44,021,250</b>	(2,247,111)
<i>Net Cash used in Financing Activities</i>	-	
<i>Net Increase in Cash &amp; Cash Equivalents</i>	14,794,918	(2,031,130)
<i>Opening Balance of Cash &amp; Cash Equivalents</i>	700,485	2,731,615
<i>Closing Balance of Cash &amp; Cash Equivalents</i>	15,495,403	700,485

For and on behalf of the Board

Kailash Prasad Purohit

Chairman &amp; Managing Director

Kolkata, June 2, 2009

We have verified the attached Cash Flow Statement of JMD Telefilms Industries Limited, derived from Audited Financial Statements and the books and records maintained by the Company for the year ended on 31st March 2009 and found the same in agreement therewith.

For M/s. Saral Kumar Ganguly  
Chartered Accountants

Saral Kumar Ganguly  
Proprietor

Kolkata, June 2, 2009

**STATEMENT PURSUANT TO PART IV OF SCHEDULE VI  
TO THE COMPANIES ACT, 1956**

**Balance Sheet Abstract and Company's General Business Profile**

**I Registration Details**

Registration No.	:	33180
State Code No.	:	11
Balance Sheet Date	:	31.03.2009

**II Capital raised during the year**

Public Issue	:	Nil
Right Issue	:	Nil
Bonus Issue	:	Nil
Private Placement	:	50000

**III Position of Mobilisation and Deployment of Funds (Amount in Rs. in Thousands)**

Total Liabilities	:	138899
Total Assets	:	138899

**Sources of funds**

Paid-up Capital	:	70146
Reserves & Surplus	:	68092
Secured Loans	:	Nil
Unsecured Loans	:	660

**Application of funds**

Net Fixed Assets	:	34808
Investments	:	11604
Net Current Assets	:	92023
Accumulated losses	:	Nil

**IV Performance of Company (Amount in Rs. in Thousands)**

Turnover	:	684446
Total Expenditure	:	678151
Profit before taxes	:	6295
Profit after taxes	:	4535
Earning Per Share	:	0.65
Dividend rate	:	5%

**V Generic Names of Three Principal Products/Services of the Company**

Product Description	Item Code No.
Music Recording	N.A.
Trading of Audio / Video Items	N.A.
Trading of Softwares	N.A.

## NOTICE

Notice is hereby given that the Twenty Fifth Annual General Meeting of the members of **JMD Telefilms Industries Limited** will be held on Thursday, the 16th day of July, 2009 at 11.00 A.M. at 105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058 to transact the following businesses as :

### ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2009.
2. To declare dividend.
3. To appoint Director in place of Mr. Pravin Sawant, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Director in place of Mr. Kailash Prasad Purohit, who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

### Notes :

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 10th July 2009 to 16th July 2009 (both days inclusive).
3. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
4. Members are requested to intimate change in their address immediately to M/s Purva Shareregistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at No. 9, Shiv Shakti Indl. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.
5. Members are requested to bring copies of Annual Report to the Annual General Meeting.
6. Members holding shares in the same set of names under different folios are requested to apply for consolidation of such folio along with relevant Share Certificates to M/s Purva Shareregistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above.
7. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
8. Members are requested to send their queries in regard to the accounts atleast 10 days in advance to the Registered Office of the Company.
9. Members are requested to quote Folio Number/Client ID in their correspondence.
10. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Listing Fees for the financial year 2008-2009 have been paid to Bombay Stock Exchange Ltd.

Kolkata, June 2, 2009

Registered Office :  
105, Sagar Shopping Center, J. P. Road  
Andheri (W), Mumbai-400 058.

By order of the Board  
For **JMD Telefilms Industries Limited**

**Kailash Prasad Purohit**  
Chairman & Managing Director

# JMD Telefilms Industries Limited

105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058.

## PROXY FORM

I/We \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ being member/members of the above named Company, hereby appoint \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ or failing him \_\_\_\_\_ resident of \_\_\_\_\_ in the district of \_\_\_\_\_ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, the 16th day of July 2009 at 11.00 A.M., at Registered Office of the Company at 105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058 and any adjournment thereof.

Registered Folio No./DP-Client ID \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signed on this \_\_\_\_\_ day of \_\_\_\_\_ 2009.

Signed by the said \_\_\_\_\_

Signature of Proxy \_\_\_\_\_

Attested by Shareholder \_\_\_\_\_

Affix Revenue Stamp
---------------------------

# JMD Telefilms Industries Limited

105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058.

## ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting of the Company held on Thursday, the 16th day of July 2009 at 11.00 A.M, at Registered Office of the Company at 105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058.

Name of Shareholder/s \_\_\_\_\_

Father/Husband's Name \_\_\_\_\_

Name of Proxy or Company Representative \_\_\_\_\_

Registered Folio No. / DP-Client ID \_\_\_\_\_ No. of Shares held \_\_\_\_\_

Signature of the Shareholder(s) or Proxy or Company Representative \_\_\_\_\_

**No gift of any nature will be distributed at the Annual General Meeting**

Book Post

To,

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If Undelivered please return to:

**JMD Telefilms Industries Ltd.**

105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058.  
Tel: 022-26773832 • Email: [jmdtele@gmail.com](mailto:jmdtele@gmail.com) • URL: [www.jmdtelefilms.com](http://www.jmdtelefilms.com)