



22ND
ANNUAL REPORT
2011—2012

JAIN STUDIOS LIMITED

BOARD OF DIRECTORS

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

COMPANY SECRETARY

Mr. Satyendu Pattnaik

INTERNATIONAL GATEWAY

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

AUDITORS

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

STUDIO

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

REGISTERED OFFICE

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

BANKERS

Punjab National Bank
Syndicate Bank
UTI Bank
ICICI Bank

TWENTY SECOND ANNUAL REPORT 2011-2012

CONTENTS	Page No.
Notice	3
Directors' Report	7
Management Discussion and Analysis Report	12
Corporate Governance Report	14
Auditors' Report	26
Balance Sheet	29
Profit & Loss A/c	30
Notes to Financial Statements	32
Cash Flow Statement	45

NOTICE

NOTICE is hereby given that the 22nd Annual General Meeting of the members of Jain Studios Limited will be held on **Saturday, 29th Day of September 2012**, at Sharma Farms (Near Batra Farms), Green Meadows, Village Satbari, Mehrauli, New Delhi –110030, at 11.00 A.M. to transact the following business:-

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012, Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri M.D. Asthana, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri J.C. Jetli, who retires by rotation and being eligible, offers himself for re-appointment.
4. To Consider and if Thought fit to pass with or without modification the following resolution as an **Ordinary Resolution**:

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

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Sections 269 read with schedule XIII and all other applicable provisions, if any, of the companies Act, 1956 (including any statutory modification(s) or enactment(s) thereof for the time being in force) and subject to such sanctions and approvals as may be necessary, approval be and is hereby accorded to the re-appointment of Dr. J.K. Jain, as Chairman & Managing Director of the Company, w.e.f. 1st October 2012, at nil remuneration and terms and conditions given below for a period of three years:

- a. Provision for car for office use on Company's business.
- b. Reimbursement of Telephone expenses for official use and
- c. Reimbursement of Travelling expenses (both in India & foreign) for Company's business.

RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to alter or vary the terms and conditions of the said re-appointment in accordance with the applicable provisions and Schedule XIII of the Companies Act, 1956 or any modification or re-enactment thereof



JAIN STUDIOS LIMITED

for the time being in force and subject to such approvals if any and also to do all such acts, deeds and things as may be considered necessary or expedient to give effect to this resolution.

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

Place: New Delhi
Date: 13th August 2012

Satyendu Pattnaik
(Company Secretary)

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT OF PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
2. Members/Proxies should bring the enclosed attendance slip duly filled in, for attending the meeting, along with the Annual Report.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 27th September 2012 to 29th September 2012, both days inclusive.
4. Members who hold shares in dematerialized form are requested to bring their Client ID (Demat A/C No.) and DP ID numbers for easy identification of attendance at the meeting.
5. Members are requested to notify the change in their address, if any.
6. Members are requested to send their email ID for electronic communication.
7. All documents referred to in the accompanying Notice are open for inspection at the Registered Office of the Company during the office hours on all working days upto the date of Annual General Meeting between 11a.m. and 1.00 p.m.

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

ITEM NO. 5

I. General Information about the Company:

The Company was incorporated on 3rd January 1991 and obtained Certificate of Commencement of Business on 5th February 1991. It is in to the media Industry with the following nature of Business:

JAIN TV (Broadcasting and related activities) Production (Third party Video productions), JSL Cinema and Healthcare & related activities.

Due to heavy competition in the market, on clearing of the old outstanding term loans and interest

thereon very low profit margin and lack of arrangement and investment of funds in the business of the Company, the financial performance such as turnover of the Company for the F.Y. 2011-12 has not been increased up to the mark of satisfaction which ultimately create losses to the Organisation. However, in the coming years, steps are already in process to make the Company complete debt-free and implementation of some of its business proposals to generate more revenues and thereby the profits which has been detailed in the Directors' Report.

II. Information about Dr. J.K. Jain, Managing Director:

Dr. J.K. Jain was re-appointed as Managing Director of the Company for a period of three years, w.e.f. 01.10.2009 at a remuneration of Rs.5,00,000/- p.m. only with the approval of the Remuneration Committee, members of the Company at 19th Annual General Meeting held on 30.09.2009 and of the Central Government. The term of his appointment will be expired on 30.09.2012.

He is having more than 42 years of experience in Media Industry, Telecom Industry, Healthcare Divisions, Medical Centers and other related Organizations. Dr. J.K. Jain has been the driving force in implementation of various initiatives and strategies, which safeguards the Company in many adversities. Dr. J.K. Jain always has been a key resource for the Board of Directors of the Company. He is in-charge of the overall affairs of the Company including its expansion and diversification of projects, subject to the superintendence, control and direction of the Board of Directors of the Company. Dr. J.K. Jain is recognized as a leader and pioneer in the media industry. In view of the overall responsibility being taken and taking into consideration his overall knowledge and experience in different fields your Board of Directors of the Company consider that his appointment will be in the interest of the Company and accordingly, it has been proposed to re-appoint Dr. J.K. Jain as Chairman & Managing Director of the Company w.e.f. 01.10.2012, for a period of three years. Taking into consideration the present financial position of the Company, Dr. J.K. Jain voluntarily has not opted for remuneration for his re-appointment as Managing Director of the Company. However, in future, when the financial position of the company improves, then the Board will be think for the remuneration to be paid to the Managing Director.

Dr. J.K. Jain, Managing Director of the Company is the husband of Dr. (Mrs.) Ragini Jain, Promoter Director of the Company.

Your Directors recommend the resolution as set out in the Item No. 5, for your approval.

Save and except Dr. J.K. Jain and Dr. (Mrs.) Ragini Jain, none of the Directors is in any way concerned or interested in this resolution. This may also be treated as a memorandum issued pursuant to Section 302 of the Companies Act, 1956.

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

Place : New Delhi
Date : 13th August 2012

Satyendu Pattnaik
(Company Secretary)



JAIN STUDIOS LIMITED

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

(In pursuance to Clause 49 of the Listing Agreement)

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

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

2. Shri J.C. Jetli, Non-Executive and Independent Director

Date of Birth	17.05.1933
Expertise in Specific Functional Area	Shri J.C. Jetli is a retired I.A.S officer, who serve under the Government of Bihar in various responsible position such as S.D.O., Under secretary, Joint Registrar Cooperative Department, District Magistrate, Divisional Commissioner, Commissioner of Commercial Taxes and Ex-officio Finance Secretary, Chairman of Bihar State Electricity and also held various position under Government of India, i.e. Deputy Secretary, Director, Managing Director of National Textile Corporation, Joint Secretary, Additional Secretary, Secretary etc. He was also the Chairman of Damodar Valley Corporation, Kolkata for a period of five and half years.
Directorship in other Companies	NIL
Committee Position	Chairman of the Shareholders' Grievance Committee, Member of the Audit Committee and Remuneration Committee of Jain Studios Ltd.
Shareholding in the Company	NIL

DIRECTORS' REPORT

Dear Shareholders,

We are pleased to present the Twenty Second Annual Report of Jain Studios Limited together with Audited Financial Statements and Auditor's Report for the Financial Year ended as on 31st March 2012. The Financial Highlights for the year under review are given below:

	(Rs. In Lakh)	
Financial Results	2011-12	2010-11
Total Income	1248.71	1194.92
Profit/ (Loss) before Interest, Depreciation, Exceptional Items and Tax	(267.92)	(572.59)
Interest	112.79	278.46
Profit / (Loss) after Interest but before Depreciation, Exceptional items and Tax	(380.71)	(851.05)
Depreciation	96.92	99.67
Profit / (Loss) before Exceptional Items and Tax	(477.63)	(950.72)
Exceptional Items (Income)	-	1120.59
Exceptional Items (Expenses)	10.74	184.61
Profit / (Loss) before Tax	(488.37)	(14.74)
Provision for Taxation (Including Current Tax, FBT, Deferred Tax & MAT Credit entitlement)	(162.87)	(65.88)
Profit / (Loss) after tax	(325.50)	51.14
Balance b/f from previous year	(2604.94)	(2656.08)
Net profit/ (Loss) & Carried to Balance sheet	(2930.44)	(2604.94)

Performance

During the year under review, the total income (excluding the exceptional income) of your Company was Rs. 1248.71 Lakh as compared to Rs. 1194.92 Lakh in the previous F.Y. 2010-11. The exceptional income for the year under review was nil as compared to Rs. 1120.59 Lakh in the previous F.Y. 2010-11. The Loss before Tax for the year under review was

Rs. 488.37 Lakh as compared to Loss before Tax of Rs. 14.74 Lakh in the previous year. The Net Loss for the year under review was Rs. 325.50 Lakh as compared to Net Profit of Rs. 51.14 Lakh in the previous year.

Dividend

In view of the brought forward losses and lack of



JAIN STUDIOS LIMITED

adequate profits in the current year, your Directors have been unable to recommend any dividend.

Business Operations Overview & Future Outlook.

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

1. Television (Marketing, Production & Broadcasting)
2. Teleport
3. Others including Production and Distribution of Cinema Photographic Film (s) and Mobile Healthcare.

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

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

The Company is in the verge of concluding the settlement reached with Stressed Assets Stabilization Fund (SASF) and some balance statutory dues. Further, Company is also in the process of reviving its existing "JAIN Satellite Television" and Broadcasting business activities. The Company is also in talks with various consultants and possible partners to find ways to recognize its investments to achieve better shareholders' value.

Fixed Deposits

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

Directors

In terms of the provisions of Companies Act, 1956 and the Articles of Association of the Company, Shri M.D Asthana and Shri J.C.Jetli, Directors of the Company retires by rotation and being eligible, offers themselves for re-appointment as non-executive Directors. Ms. Tanuja Joshi resigned from the post of Directorship w.e.f. 30.01.2012.

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

With reference to OTS arrived with Stressed Assets Stabilization Fund (SASF) by the Company, Rs. 9.00 Crore has been paid in cash to SASF out of agreed OTS amount of Rs.11.00 Crore in cash. 50,00,000 equity shares of Rs.10/- each fully paid up at par of the Company amounting to Rs. 5.00 Crore has been allotted on 23.04.2012 to SASF as part of the OTS arrived with SASF.

Issue of Equity shares and Warrants to the Promoters of the Company.

60,50,000 equity shares of Rs. 10/- each fully paid up of the Company at a premium of Rs. 2.50/- each per share and 51,50,000 Warrants of Rs. 10/- each convertible into equivalent number of equity shares of Rs.10/- each at premium of Rs.2.50/- each per share issued and allotted to Dr. Jinendra Kumar Jain (Promoter of the Company) on 23.04.2012 against consideration of Rs. 7,56,25,000/- and Rs.1,60,93,750/- (at least 25% of warrant money required to be received before allotment of warrants) respectively which was utilized by the Company to pay major part of the agreed OTS amount to SASF and clearing of some outstanding statutory dues of the Company.

Listing Application

Listing Application alongwith necessary documents and certificates filed with BSE and NSE for listing of 60,50,000 equity shares of Rs. 10/- each fully paid up of the Company at a premium of Rs. 2.50/- each per share allotted to Dr. Jinendra Kumar Jain (Promoter of the Company) and 50,00,000 equity shares of Rs.10/- each fully paid up at par of the Company allotted to SASF respectively. With reference to our said listing applications, BSE vide their letter dated 30.07.2012 has given the listing approval. But trading permission will be granted by BSE subject to obtaining of listing approval from NSE and some other formalities with NSDL & CDSL.

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

Company had allotted 38,00,000 and 15,00,000 equity shares on 25.08.2005 and on 25.02.2006 respectively to the Indian Promoter Group

Companies against the conversion of 53,00,000 share warrants allotted on 26.08.2004. Thereafter, Company got the in-principle approval from BSE for listing of said shares vide their letter dated 26.05.2008 with the condition of in-principle approval from NSE also. However, NSE did not grant any listing and trading permission of said 53,00,000 shares allotted by the Company on preferential basis due to certain lapses of erstwhile SEBI (DIP) Guidelines.

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

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

Hence it was proposed by the Board for reduction of the unlisted 53,00,000 Equity Shares of Rs. 10/- each, issued at a premium of Rs.9/- each, by paying off/ returning the entire paid up share capital on the unlisted 53,00,000 (Fifty Three Lac) Equity Shares of Rs. 10/- each fully paid up, to those allottees, who had subscribed to the said preferential allotment of 53,00,000 equity shares made by the Company and thereby extinguishing all those shares. Further, apart from above, it was proposed to issue upto 4,77,000 (Four Lac Seventy Seven Thousand) Redeemable Preference Shares of Rs.100/- each fully paid up at par in one or more tranches to these allottees against and in proportion to the share premium amount received by the Company @ Rs.9/- each per share (53,00,000 equity shares) from these allottees. The said resolutions were approved by the shareholders of the Company at their last AGM held on 30th September 2011.

Company has received NOC from NSE, BSE and part creditor(s) of the Company for filing of Scheme of Arrangement relating to Re-Organisation and Reduction of share capital with the Hon'ble High court of Delhi pursuant to Section 391 and other applicable provisions of the Companies Act, 1956. Shortly, the said petition shall be filed with the Hon'ble High Court of Delhi.

Directors' Responsibility Statement

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

- i) that in the preparation of the Annual Accounts for the Financial Year ended 31st March, 2012, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for the year under review;
- iii) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- iv) that the Directors have prepared the Annual Accounts for the Financial Year ended 31st March, 2012 on a 'going concern' basis.

Particulars of Energy, Technology and Foreign exchange

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

Earnings in foreign	:	Rs.11.51 Lakh
exchange		
(Realisation basis)		
Expenditure in foreign	:	Rs.10.74 Lakh
exchange		
(Accrual basis)		

Personnel and Particulars of Employees

The industrial relations with the workers and staff of the Company remained cordial throughout the year. There was unity of purpose among all levels of employees, continuously striving for improvement in

work practices and productivity. Training and development of employees continue to be an area of prime importance. Pursuant to section 217 (2A) of the Companies Act, 1956, read with the Companies

(Particulars of Employees) Rules, 1975, as amended on 2011, a statement containing list of employee(s) and details of the remuneration is given herein below:

S.No	Name	Designation	Remuneration Received (Rs.)	Qualification	Exp	Age	Date of Commence-ment	Particulars of Last Employment
1.	Dr. J.K. Jain	Chairman and Managing Director	60,00,000/-	M.B.B.S, MS,F.I.C.S	42 yrs.	66 yrs.	01.10.1999*	Industrialist

*Terms of Appointment

Dr. J.K. Jain was appointed as Managing Director of the Company for a period of five years w.e.f. 01.10.1999. Thereafter, he re-appointed as Managing Director of the Company by the Board of Directors at their meeting held on 26th August 2004 for a period of five years w.e.f. 01.10.2004 with the approval of members of the Company and of the Central Government. Remuneration of Dr. J.K. Jain, Chairman & Managing Director of the Company was revised @ Rs. 5.00 Lac per month w.e.f. 01.04.2007 with the approval of the members of the Company and of the Central Government. Further, he re-appointed as Chairman & Managing Director of the Company at the remuneration of Rs.5.00 Lac per month for a period of three years w.e.f. 01.10.2009 with the approval of shareholders of the Company and Central Government.

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

No. of equity shares of Jain Studios Ltd. held by Dr. J.K. Jain as on 31.03.2012 are 2,00,100, which constitutes 1.39% of the paid up share capital of the Company.

Auditors

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

Auditors' Report

The Notes to the Financial Statements bearing nos. 2.5, 2.9, 2.13, 2.18(a) & 2.32 referred to in the Auditors' Report para vi (a) to para vi (c) of point no. 2 and item nos. i (b), iv, vii, ix (a) & (b) and xi of the Annexure to the Auditors' Report, in italics are self explanatory and therefore do not call for any further explanation u/s 217(3) of the Companies Act' 1956, except item no (ix) (a) & (b) of the annexure to the Auditors' Report. The Management believes that it will be possible to settle all the disputes within the next financial year.

Audit Committee recommendations

The Audit Committee has recommended for clearing all statutory dues, such as, Provident Fund, Employees State Insurance, Service Tax, Custom Duty, Cess and any other material statutory dues as early as possible to avoid unnecessary interest, penalties and prosecutions.

Management Discussion and Analysis

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

Corporate Governance Report

We strive to attain high standards of corporate governance while interacting with all our stakeholders. The Company has duly complied with revised Clause 49 - Corporate Governance Code as stipulated in the listing agreement with Stock Exchanges. A separate section on Corporate



JAIN STUDIOS LIMITED

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

Appreciation

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

For and on Behalf of the Board

Place : New Delhi
Date : 13th August 2012

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



JAIN STUDIOS LIMITED

MANAGEMENT DISCUSSIONS AND ANALYSIS

Industry Structure and Developments

Company Business

The Company's primary business is broadcasting. The Company currently operates a 24-hour News and Current Affairs Channel under the brand name "JAIN Television". Apart from the above-said primary business, Company is having other revenue and investments segment, i.e. Teleport, Mobile Healthcare, Others including production and Distribution of Cinema photographic films.

Segment or Product Wise Performance

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

(Rs. in Lacs)			
Particulars	Television	Teleport	Others
Revenue:	1245.47	--	--
Total Sales			
Segment Results:			
Profit/Loss before Interest and Tax (PBIT)	(5.42)	(43.29)	(0.14)

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

Discussions on Financial Performance with Respect to Operational Performance

During the year under review, the total income (excluding the exceptional income) of your Company was Rs. 1248.71 Lakh as compared to Rs. 1194.92 Lakh in the previous F.Y. 2010-11. The exceptional income for the year under review was nil as compared to Rs. 1120.59 Lakh in the previous F.Y. 2010-11.

The Loss before Tax for the year under review was Rs. 488.37 Lakh as compared to Loss before Tax of Rs. 14.74 Lakh in the previous financial year. The Net Loss for the year under review was Rs. 325.50 Lakh as compared to Net Profit of Rs. 51.14 Lakh in the previous financial year.

The exceptional income of the Company amounting to Rs.1120.59 Lakh generated during the last F.Y. 2010-11 was due to the OTS of outstanding loan and interest thereon arrived with Stressed Assets Stabilization Fund.

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

Outlook

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

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

Human Resources

During the year 2011-12 your company's Human Resources has undergone large-scale initiatives in the form of total revamping and restructuring.

Category	As on 31.03.2012	As on 31.03.2011
Skilled Employees	66	66
Non-Skilled Employees	11	10
TOTAL	77	76

Internal Control System and Their Adequacy

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

- ❖ Financial Systems and Reporting

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

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

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

Risk and Concerns

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

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

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

The Company does not experience operational risk

relating to CAS, since the "JAIN TV" channel is "Free to Air" (FTA). Infact it will benefit from CAS due to availability of more frequencies for FTA channels.

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

Future Plans

In the coming financial year Company has planned to stage a recovery through

- (a) Full & Final Settlement of IDBI/SASF Loan
- (b) Reviving of Jain Satellite and Broadcasting business.
- (c) Evaluate restructuring of its investments.
- (d) Hire a new team to revamp its TV channel and distribute the same on various DTH platforms to maximize revenues.

Cautionary Statement

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

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

REPORT ON CORPORATE GOVERNANCE

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

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

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

(B) Non Executive Director's Compensation and Disclosures

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

II. BOARD OF DIRECTORS

(A) Composition of Board

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

(C) Other provisions as to Board and Committee

The details of the other directorship of the Board and their attendance at the Board meetings held during the year, i.e. between April 1, 2011 to March 31, 2012 is given in the following table:

Name	Category	Board meeting attended during the year	Attendance at last AGM	No. of Directorship in other companies \$	No. of Committee position held**	
					Chairman	Member
Dr. J. K Jain	Promoter - Executive Director	4	No	2	-	-
Dr. (Mrs.) Ragini Jain	Promoter-Non-Executive Director	4	No	2	-	-
Sh. Murli Dhar Asthana	Non - Executive Independent Director	3	No	Nil	-	2
Sh. Vishnu Bhagwan	Non - Executive Independent Director	4	Yes	2	1	1
Sh. J.C Jetli	Non - Executive Independent Director	4	No	Nil	1	1
*Mrs. Tanuja Joshi	Non - Executive Independent Director	-	No	Nil	-	-

*Resigned from the post of Directorship w.e.f. 30.01.2012

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

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

(D) Number of Board Meetings held and dates:

During the financial year 2011-2012 the Board of Directors met four (4) times. The dates of the meetings are 30th May 2011, 10th August 2011, 7th November 2011 and 13th February 2012.

(E) Information supplied to the Board:

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

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

The Board reviews various Compliances under different Acts/Rules/Regulations/Guidelines/ Listing Agreement as applicable to the Company and has put in place procedure to review steps taken by the Company to rectify the instances of non-compliances, if any.

(F) Code of conduct:

In terms of provisions of clause 49 of the listing agreement and contemporary practices of good corporate governance a code of conduct for all the Board members and senior management personnel has been approved by the Board of Directors vide their meeting held on 29th July 2006 and the same has been

posted on the web-site of the Company. All the Board members and senior management personnel have affirmed compliance with the code of conduct during the year 2011-12.

III. AUDIT COMMITTEE:

(A) Qualified & Independent Audit Committee:

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

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

(B) Meetings of Audit Committee

During the year 4 meetings were held i.e. 30th May 2011, 10th August 2011, 7th November 2011 and 13th February 2012.

Number of meetings attended by the members are given below:

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

(C) Powers of the Audit Committee

The Audit Committee has powers including:

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

(D) Role of Audit Committee:

- o Oversight of the company's financial reporting process and disclosure of its financial information to ensure that financial statement is correct, sufficient and credible.
- o Recommendation to the Board of Directors, the appointment, re-appointment and if required, the replacement or removal of the statutory Auditors, cost Auditors etc. and fixation of audit fees.
- o Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
- o Reviewing with the management, the annual financial statements before submissions to Board for approval, with particular reference to
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.

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

- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of related party transactions
- Qualifications in draft audit report.

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

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

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

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

- o Discussion with the statutory auditors before the audit commences, of the scope and nature of audit and as well as have post audit discussion to ascertain any area of concern.

- o To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

(E) Review of information by the Audit Committee

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

IV. SUBSIDIARY COMPANIES

Relevant clauses of the Listing Agreement including clause 49 (Corporate Governance) as applicable to the Holding Company having subsidiary Company(ies) for necessary compliance(s) no longer applicable to JSL as there are no such subsidiary company of JSL.

V. DISCLOSURES

(A) Related Party Transaction

- i. Statements containing transactions with related party has been submitted periodically before the Audit Committee.
- ii. There are no materially significant related party transactions with the Company's promoters, Directors, the management, the relatives, which may have potential conflict with the interest of the Company at large. Suitable disclosures as required by Accounting Standard (AS - 18) on transaction with related parties have been shown in note no. 2.37 of 'Notes to the Financial Statements' of the Annual Accounts for the year.

There is no penalty, strictures imposed on the Company by the Stock Exchange or SEBI or any Statutory Authority, on any matter related to Capital Market during last three years, however 53,00,000 equity shares of Rs.10/- each fully paid up allotted at a premium of Rs.9/- each per share to promoters of the Company on preferential basis during the F.Y.2005-06 has not been listed at Stock Exchanges due to certain lapses of erstwhile SEBI (DIP) Guidelines. Company is in the process of filing the petition for 'Scheme of arrangement and Reduction of share capital' with the Hon'ble High Court of Delhi after getting the approval of Shareholders of the company at their 21st AGM held on 30.09.2011 and NOC from BSE and NSE.

(B) Disclosure of Accounting Treatment

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

(C) Risk Management

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

(D) Director's Remuneration

i. Executive Director

- (a) Dr. J.K. Jain is working as Chairman & Managing Director of the Company.
- (b) Dr. J.K. Jain was re-appointed as Chairman & Managing Director of the Company w.e.f. 01.10.2009 with the remuneration of Rs. 5.00 Lakh p.m. for a period of three years duly approved by the members of the Company at 19th AGM held on 30.09.2009 and by the Central Government.
- (c) The Following is the remuneration paid to Dr. J.K. Jain, Chairman & Managing Director in the Financial Year 2011-2012:

Salary & other Allowances : Rs. 60.00 Lakh

Total : Rs. 60.00 Lakh

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

Notice period /severance fee: NIL

The Company does not have any stock option scheme.

- (d) Dr. J.K. Jain is holding 62,50,100 equity shares of the Company.

Remuneration Committee (Non-Mandatory)

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

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

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

ii. Non-Executive Directors

- a. The Non-Executive Directors are entitled to sitting fee only for attending Board/Committee meetings. A sitting Fee of Rs. 2500/- has been increased to Rs.4,000/- per meeting w.e.f. 01.02.2010, which has been paid for attending Board/Committee meeting.
- b. During the year under review, the Company has not paid any remuneration to any Non-Executive Directors.
- c. There has been no pecuniary relationships or transactions of the non-executive directors vis-à-vis the Company during the year.
- d. The Company has paid sitting fee aggregating Rs. 1,28,000/- to all the Non Executive Directors which is within the limits as prescribed under the Companies Act 1956. No other payments were made to such directors.

Number of Shares held by Non-Executive Director

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

(F) Management

Management Discussion and Analysis

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

(G) Shareholders

- i. Shri M. D. Asthana and Shri J.C. Jetli are retiring from the Board by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment as non-executive Directors. Smt. Tanuja Joshi resigned from the post of Directorship w.e.f. 30/01/2012.

ii. Shareholders'/ Investors' Grievance Committee:

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

In compliance with the SEBI guidelines the Company has appointed M/s. Beetal Financial & Computer Services Pvt. Limited as RTA (Registered Transfer Agent) w.e.f. 1st October 2005 in place of M/s. MAS Services Pvt. Limited to look after the share transfer, transmission, transposition, issuance of duplicate share certificate, share dematerialization / rematerialization etc. independently under the supervision and control of the Shareholders'/ Investors' Grievance Committee.

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

During the 12 months period from 1st April 2011 to 31st March 2012 two Shareholders'/ Investors' Grievance Committee meeting has been held i.e. 30th May 2011 and 7th November 2011.

The Company received three complaints from investors during the financial year 2011-2012, which were resolved satisfactorily.

The Company constitute a sub-committee of its Executives for approval of generally, the share

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

VI. CEO/CFO Certification

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

- (a) They have reviewed financial statement and cash flow statement for the year ended 31st March 2012 and to the best of their knowledge and belief:
 - (i) these statements do not contain any material untrue statement or omit any material fact or contain that might be misleading.
 - (ii) These statements together present a true and fair view of the Company affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Company code of conduct.
- (c) They accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and they have disclosed to the Auditors and the Audit Committee, deficiencies in the design or

operation of such internal control, if any of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

- (d) They have indicated to the Auditors and Audit Committee wherever applicable:
 - (i) significant changes in internal control over financial reporting during the year.
 - (ii) significant changes in accounting policies during the year if any and that same has been disclosed in the notes to financial statements, and
 - iii. instances of significant fraud of which they have become aware and the involvement therein, if any of the management or an employee having a significant role in the Company's internal control system over financial reporting.

VII. REPORT ON CORPORATE GOVERNANCE

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

VIII.COMPLIANCE

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

(i) General Body Meetings:

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

Particulars	Time	Dated on which held	Venue
21 st AGM	11.00A.M	30 th September 2011	Sharma Farms, Green Meadows Village Satbari, Mehrauli, New Delhi- 110 030
20 th AGM	11.00 A.M.	29 th September 2010	Sharma Farms, Green Meadows, Village Satbari, Mehrauli, New Delhi- 110 030
19 th AGM	11.00 A.M.	30 th September 2009	Sharma Farms, Green Meadows, Village Satbari, Mehrauli, New Delhi – 110 030

The Company has passed the following special resolution(s) in the previous 3 AGMs.

Sl. No.	Subject matter of Resolution	Date of AGM
1.	Re-appointment of Dr. J.K Jain as Chairman & Managing Director of the company with remuneration.	30 th September 2009
2.	Increase in Authorised Share Capital and consequent alteration in the Memorandum & Articles of Association of the Company.	30 th September 2011
3.	Reduction of Paid up Share Capital of the Company subject to the approval of Court and any other authority.	30 th September 2011
4.	Issue of 4,77,000 (Four Lacs Seventy Seven Thousand) Redeemable Preference Shares of Rs. 100/- each fully paid up at par to the Promoter Group Companies on preferential basis through private placement subject to the approval of Court and any other authority.	30 th September 2011

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

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

The shareholders have passed following resolution(s) through postal ballot pursuant to Section 192A, 372A read with Companies (Passing of Resolution by Postal Ballot) Rules, 2011 during the F.Y.2011-2012 with respect to following matters:

Sl. No.	Subject matter of Resolution
1.	Special Resolution under Section 372A of the Companies Act, 1956, for guarantees given by the Company in connection with loans availed by other bodies corporate in excess of the limits specified u/s 372A(1) of the Companies Act, 1956.
2.	Special Resolution under Section 372A of the Companies Act, 1956, for guarantee(s) to be given and/or security(ies) to be provided by the Company in connection with loans to be availed by other body(ies) corporate in excess of the limits specified u/s 372A(1) of the Companies Act, 1956.

At the ensuing Annual General Meeting there is no Special Resolution proposed to be passed through the postal ballot.

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

Sl. No.	Subject matter of Resolution
1.	Special Resolution under Section 372A of the Companies Act, 1956, for guarantees given by the Company in connection with loans availed by other body corporate in excess of the limits specified u/s 372A(1) of the Companies Act, 1956.
2.	Special Resolution under Section 372A of the Companies Act, 1956, for guarantee(s) to be given and/or security(ies) to be provided by the Company in connection with loans to be availed by other body(ies) corporate in excess of the limits specified u/s 372A(1) of the Companies Act, 1956.

(ii) Means of Communications

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

A detailed Management Discussion and Analysis as per requirement of Clause 49 of the Listing agreement is forming part of Annual report

(iii) General shareholder information

Annual General Meeting

Day & Date: Saturday, 29th September, 2012

Time : 11.00 a.m.

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

Financial Calendar (Tentative):

• Unaudited results for the quarter ended June 2012	: By end July-1 st fortnight of Aug. 2012
• Next Annual General Meeting	: By September 2012
• Unaudited results for the quarter/half year ended Sept. 2012	: By end Oct.-1 st fortnight of Nov. 2012
• Unaudited results for the quarter ended December 2012	: By end Jan.-1 st fortnight of Feb.2013
• Unaudited results for the quarter ended March 2013/ or	: By end April-1 st fortnight of May 2013
• Audited Results for the Year ending March 2013	: By end May 2013

Dates of Book Closure:

From 27th day of September 2012 to 29th day of September 2012 (both days inclusive) for the purpose of Annual General Meeting.

Dividend Payment date:

The Board of Directors have not recommended any dividend on equity shares for the financial year 2011-12.

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

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

Stock Code:

National Stock Exchange : JAINSTUDIO

The Stock Exchange, Mumbai : 532033

Listing Fee:

fee has been paid to Stock Exchanges upto the financial year 2011-2012

ISIN : INE486B01011.

Market Price Data:

Monthly high and low of the equity shares of the Company in The Stock Exchange, Mumbai (BSE) and National Stock Exchange of India Ltd (NSE) for the F.Y. 2011-12 are stated herein below:

Month	Bombay Stock Exchange (BSE)		National Stock Exchange (NSE)	
	High(Rs.)	Low(Rs.)	High(Rs.)	Low(Rs.)
April 2011	14.28	9.00	14.35	9.15
May 2011	13.43	9.80	13.50	9.80
June 2011	10.75	9.60	10.85	9.50
July 2011	13.29	9.31	13.30	9.30
August 2011	12.03	8.21	11.90	8.35
September 2011	9.80	8.01	9.60	7.95
October 2011	8.75	7.42	8.95	7.25
November 2011	8.75	6.78	8.85	6.80
December 2011	8.24	6.23	7.85	6.25
January 2012	9.09	6.69	9.35	6.30
February 2012	9.19	7.65	8.80	7.50
March 2012	9.42	7.16	9.50	7.25

Jain Studios Ltd (JSL) Share Performance v/s S & P CNX NIFTY (1st April 2011 to 31st March 2012)

Month	JSL (NSE) Share Price (Closing)	S&P CNX NIFTY (Closing)	S&P CNX NIFTY (Closing) Relative to 100	JSL (NSE) Share Price (Closing) relative to 100
April 11	12.40	5749.50	100	100
May 11	9.80	5560.15	96.71	98.22
June 11	9.70	5647.40	98.22	79.23
July 11	11.60	5482.00	95.35	93.55
Aug. 11	9.05	5001.00	86.98	72.98
Sept. 11	8.15	4943.25	85.98	65.73
Oct. 11	8.10	5326.60	92.64	65.32
Nov. 11	7.35	4832.05	84.04	59.27
Dec. 11	7.00	4624.30	80.43	56.45
Jan 12	8.60	5199.25	90.43	69.35
Feb 12	7.80	5385.20	93.66	62.90
March 12	8.05	5295.55	92.10	64.92

Distribution of shareholding as on 31.03.2012 Nominal Value of Each Equity Share: Rs. 10/- each

Shareholding of nominal value (Rs.)	Share holders		Shares	
	Number	% to Total	No. of Shares	% to Total
Upto – 5000	6774	86.54	9,36,282	6.5083
5001-10000	521	6.66	4,37,751	3.0429
10001-20000	262	3.35	4,01,105	2.7882
20001-30000	81	1.03	2,03,284	1.4131
30001-40000	37	0.47	1,33,327	0.9268
40001-50000	37	0.47	1,76,688	1.2282
50001-100000	57	0.73	4,25,747	2.9595
100001 & above	59	0.75	1,16,71,798	81.1331
Total	7828	100.00	1,43,85,982*	100.00

*Includes unlisted 53,00,000 equity shares of Rs. 10/- each issued at a premium of Rs. 9/- each and allotted during the F.Y. 2005-06 on conversion of 53,00,000 warrants, against which 'Scheme of Arrangement & Reduction of share Capital' petition has to be filed with the Hon'ble High court of Delhi.

Shareholding Pattern as on 31st March 2012:

Shareholders Category	Number of Shares	Percentage
(A) Promoter and Promoter Group		
(1) Indian Promoters:		
- Individual/HUF	202959	1.41
- Bodies Corporate	7692857	53.48
(2) Foreign Promoters:		
	Nil	Nil
Total Shareholding (A)	7895816	54.89
(B) Public Shareholding		
(1) Institutions:		
Mutual Funds/UTI	1900	0.01
(2) Non-Institutions:		
Bodies Corporate	1109035	7.71
Individuals	3214679	22.35
HUF	131243	0.91
Clearing Members	803	0.01
Non Resident Indians	32506	0.22
Overseas Corporate Body	2000000	13.90
Sub Total	6490166	45.11
Total Shareholding (B)	6490166	45.11
Total (A+B)	1,43,85,982*	100.00

* Includes unlisted 53,00,000 equity shares of Rs. 10/- each issued at a premium of Rs. 9/- each and allotted during the F.Y. 2005-06 on conversion of 53,00,000 warrants, against which 'Scheme of Arrangement & Reduction of share Capital' petition has to be filed with the Hon'ble High court of Delhi.

Registrar & Share Transfer Agents:

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

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

System of Share Transfer/ dematerialisation/ rematerialisation etc.:

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

Dematerialisation of shares and liquidity:

Company's shares are in Compulsory Demat category. Over 33.35 % of the shares have been dematerialized. The Equity Shares are listed on major Stock Exchanges in India, such as BSE and NSE.

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

With reference to OTS arrived with Stressed Assets Stabilization Fund (SASF) by the Company, Rs. 9.00 Crore has been paid in cash to SASF out of agreed OTS amount of Rs.11.00 Crore in cash. 50,00,000 equity shares of Rs.10/- each fully paid up at par of the Company amounting to Rs. 5.00 Crore has been issued and allotted on 23.04.2012 to SASF as part of the OTS arrived with SASF.

Issue of Equity shares and Warrants to the Promoters of the Company

60,50,000 equity shares of Rs. 10/- each fully paid up of the Company at a premium of Rs. 2.50/- each per share and 51,50,000 Warrants of Rs. 10/- each convertible into equivalent number of equity shares of Rs.10/- each at premium of Rs.2.50/- each per share issued and allotted to Dr. Jinendra Kumar Jain (Promoter of the Company) on 23.04.2012 in consideration of Rs. 7,56,25,000/- and

Rs.1,60,93,750/- (at least 25% of warrant money required to be received before allotment of warrants) respectively which was utilized by the Company to pay major part of the agreed OTS amount to SASF and clearing of some outstanding statutory dues of the Company.

Listing Application

Listing Application alongwith necessary documents and certificates has already been filed with BSE and NSE for listing of 60,50,000 equity shares of Rs. 10/- each fully paid up of the Company at a premium of Rs. 2.50/- each per share allotted to Dr. Jinendra Kumar Jain (Promoter of the Company) and 50,00,000 equity shares of Rs.10/- each fully paid up at par of the Company allotted to SASF respectively. With reference to our said listing applications, BSE vide their letter dated 30.07.2012 has given the listing approval. But trading permission will be granted by BSE subject to obtaining of listing approval from NSE and some other formalities with NSDL & CDSL.

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

Company had allotted 38,00,000 and 15,00,000 equity shares on 25.08.2005 and on 25.02.2006 respectively to the Indian Promoter Group Companies against the conversion of 53,00,000 share warrants allotted on 26.08.2004. Thereafter, Company got the in-principle approval from BSE for listing of said shares vide their letter dated 26.05.2008 with the condition of in-principle approval from NSE also. However, NSE did not grant any listing and trading permission of said 53,00,000 shares allotted by the Company on preferential basis due to certain lapses of erstwhile SEBI (DIP) Guidelines.

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

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

Hence it was proposed by the Board for reduction of the unlisted 53,00,000 Equity Shares of Rs. 10/- each, issued at a premium of Rs.9/- each, by



JAIN STUDIOS LIMITED

paying off/ returning the entire paid up share capital on the unlisted 53,00,000 (Fifty Three Lac) Equity Shares of Rs. 10/- each fully paid up, to those allottees, who had subscribed to the said preferential allotment of 53,00,000 equity shares made by the Company and thereby extinguishing all those shares. Further, apart from above, it was proposed to issue upto 4,77,000 (Four Lac Seventy Seven Thousand) Redeemable Preference Shares of Rs.100/- each fully paid up at par in one or more trenches to these allottees against and in proportion to the share premium amount received by the Company @ Rs.9/- each per share (53,00,000 equity shares) from these allottees. The said resolutions were approved by the shareholders of the Company at their last AGM held on 30th September 2011.

Company has received NOC from NSE, BSE and part creditor(s) of the Company for filing of Scheme of Arrangement relating to Re-Organisation and Reduction of share capital with the Hon'ble High court of Delhi pursuant to Section 391 and other applicable provisions of the Companies Act, 1956. Shortly, the said petition shall be filed with the Hon'ble High Court of Delhi.

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

51,50,000 Warrants of Rs. 10/- each convertible into equivalent number of equity shares of Rs. 10/- each at premium of Rs. 2.50/- each per share issued and allotted to Dr. Jinendra Kumar Jain (Promoter of the Company) on 23.04.2012 in consideration of 25% of warrant money with the option attached to it to convert into equivalent no. of equity shares (51,50,000) of Rs. 10/- each fully paid up by paying balance 75% warrant money within a period of 18 months from the date of allotment of warrants. By conversion of these warrants, the paid up share capital of the Company will be increased by 51,50,000 equity shares of Rs. 10/- each fully paid up amounting to Rs. 515.00 Lakh and the share premium account will be increased by Rs. 128.75 Lakh.

Plant Locations:

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

Address for correspondence:

Company

Company Secretary

Jain Studios Limited

Jain Studio Campus, Scindia Villa, Sarojini Nagar,
Ring Road, New Delhi – 110 023

Tele : 011- 32441001, Fax : 011-26874046

E-mail: jsl@jaintv.co.in

Web-site: www.jainstudiosltd.com

Registrar

M/s. Beetal Computer & Financial Services Pvt. Ltd
Beetal House, 3rd Floor, 99, Madangir,

BH - Local Shopping Centre,

Near Dada Harsukhdas Mandir,

New Delhi – 110 062.

E-mail:beetalrta@gmail.com

Declaration:

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

Place : New Delhi

Date : 13th August 2012

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



JAIN STUDIOS LIMITED

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

TO THE MEMBERS OF JAIN STUDIOS LIMITED

We have examined the compliance of conditions of Corporate Governance by Jain Studios Limited for the year ended March 31, 2012 as stipulated in clause 49 of the listing agreement of the said Company with the Stock Exchanges in India.

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

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

As informed we state that, in respect of investor grievances received during the year ended 31st March 2012, no investor grievances is unattended/pending for a period exceeding one month against the Company as per the records maintained by the Company which are presented to Shareholders/Investors grievance committee.

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

**For Ajay Behera & Associates
Company Secretaries**

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

Place: New Delhi
Date: 13th August 2012

AUDITORS' REPORT

To the Members of JAIN STUDIOS LIMITED

We have audited the attached Balance Sheet of JAIN STUDIOS LIMITED as at 31st March 2012, the Statement of Profit and Loss and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditors' Report) Order, 2003 as amended by Companies (Auditors' Report) Order 2004 (together the "Order") issued by the Central Government of India in terms of Section 227 (4A) of the Companies Act, 1956 (The Act), and on the basis of such examination of books and records of the company as we considered proper and the information and explanations given to us during the course of our audit, we annex a statement on the matters specified in the paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred in Paragraph 1 above, we report that:
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit *read with our comments in para 2 (vi) below.*
 - ii) In our opinion, proper books of account as required by law have been kept by the company,

so far as appears from our examination of those books, *read with our comments in para 2(i) above.*

- iii) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of accounts.
- iv) In our opinion, the Balance Sheet and Statement Profit and Loss dealt with by this report comply with the mandatory Accounting Standards (AS) referred to in sub-section (3C) of section 211 of the companies Act, 1956.
- v) As per the information and explanations given to us, none of the directors is disqualified from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- vi) *Attention is invited to:*
 - a) *Note no. 2.5 (i) & (ii) of notes to the financial statements, in respect of secured loan of SASF (IDBI) which is the subject matter of One Time Settlement.*
 - b) *In respect of recognition and carry over of deferred tax assets (net) amounting to Rs.835.69 Lacs to the extent as stated in said note, based on management perception (Note no.2.13 of notes to the financial statements), and our inability to comment thereon.*
 - c) *Note no.2.33 of notes to the financial statements, in respect of custom duty saved as per EPCG Scheme, no provision has been made as the extension has been granted by concerned authorities.*

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

- i) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2012;
- ii) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date.

**For GIRI & BANSAL
Chartered Accountants**

(N. P. BANSAL)
Partner

Membership No.: - 80319

New Delhi
Date: 26th May 2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph (1) of our Report on Accounts of JAIN STUDIOS LIMITED for the period ended 31st March 2012).

- | | |
|---|---|
| <p>(i) (a) Fixed assets records showing full particulars including quantitative details and situation of fixed assets have been maintained.</p> <p>(b) According to the information and explanations given to us, the company has a phased programme of verification of its fixed assets, <i>however physical verification of fixed assets carried out during the year is not as per the programme and also discrepancy, if any, on such verification has not been determined, hence cannot be commented upon by us. In our opinion, the frequency of verification needs to be further strengthened to be made the same reasonable with regard to the size of the Company.</i></p> <p>(c) As per the records and information and explanations given to us, fixed assets disposed off during the year were not substantial.</p> <p>(ii) The company has no inventory, hence provisions of clause 4(ii) (a) and (b) of the order are not applicable and records of inventory are updated.</p> <p>(iii) As per the information and explanations given to us, the company has neither granted nor taken any loans, secured or unsecured, to/from companies, firms or other parties listed in the Register maintained under section 301 of the Act. Accordingly, the provisions of clauses 4 (iii) (b) to (d), (f) & (g) of the Order are not applicable.</p> <p>(iv) According to the information and explanations given to us, having regard to the explanations that some of the items purchased/ contracts for services availed/ provided are of special nature and suitable alternative sources do not exists for obtaining comparable quotations (<i>read with our comment in para 2(vi) above and note no.2.18(a) of Notes to the Financial Statements, internal control system needs to be further strengthened to be made the same commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets, expenditures and for the sale of services.</i></p> | <p>(v) Based on the audit procedures performed and according to the information and explanations given to us, the contracts or arrangements referred to in section 301 of the Act which need to be entered into register required to be maintained under that section have been entered accordingly.</p> <p>(vi) According to the information and explanations given to us, the company has not accepted any deposits from the public within the meaning of section 58A and 58AA or any other relevant provisions of the Act and rules framed thereunder and directives issued by Reserve Bank of India or any other relevant provisions of the Act. We have been informed that no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this regard.</p> <p>(vii) In our opinion, the Company has an internal audit system, <i>which need to be further strengthened to be made the same commensurate with the size of the Company and nature of its business.</i></p> <p>(viii) We are informed that the Central Government has prescribed maintenance of Cost Records under section 209 (1)(d) of the Act. w.e.f. Financial Year 2011-12.</p> <p>(ix) (a) According to the records and information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employee' State Insurance, Service Tax, Custom Duty, Cess and other material statutory dues with the appropriate authorities to the extent applicable and there are undisputed statutory dues payable for a period of more than six months from the date they became payable as at 31st March 2012 are Provident Fund(Rs.1,067.09 thousands), Service Tax(Rs.2,039.33 thousands) and Bonus (Rs. 1483.68 thousands). <i>It is to be read with note no.2.9 of Notes to the Financial Statements.</i></p> <p>(b) According to the records and information & explanations given to us, there are no dues</p> |
|---|---|

- in respect of sales Tax, income tax, custom duty, wealth tax, service tax, excise duty and cess that have not been deposited with the appropriate authorities on account of any dispute. *However this is to be read with note no 2.9 of Notes to the Financial Statements.*
- (x) Accumulated losses of the Company at the end of the financial year do not exceed 50% of its net worth (as per Balance Sheet including Revaluation Reserve). It has incurred cash loss of Rs. 39,145.28 thousands in the current financial year, though there was a cash profit of Rs 23,877.82 thousands in the immediate preceding financial year.
- (xi) In our opinion, on the basis of audit procedures and according to the information and explanations given to us, *the company had defaulted on one time settlement (OTS) arrived at with SASF on 26th July, 2008, consequently, fresh OTS was made with SASF vide SASF letter dated 26th February, 2011, which also could not be complied with in full and on request of the company, SASF vide its letter dated 24th April 2012 has agreed to extend the OTS till 31st July 2012 (read with Note No.2.5 (i) & (ii) of Notes to the Financial Statements).*
- Further, the company has not paid interest on the loan taken from Syndicate Bank against pledge of fixed deposits, and the cumulated interest payable amounts to Rs.588.74 thousands (P.Y. Rs. 481.43 thousands).
- (xii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and/or advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi/mutual benefit fund/society, therefore, provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv) In our opinion, the company is not dealing in or trading in shares, securities, debentures and other investments.
- (xv) In our opinion, on the basis of information and explanations given to us, the short terms loans were applied for the purposes for which the loans were obtained during the year.
- (xvi) On the basis of information and explanations given to us and on an overall examination of the financial statements of the company, no funds raised during the year on short term basis have been used for long term investment.
- (xvii) According to the information and explanations given to us, the Company has not made preferential allotment of shares to parties / companies covered in the Register maintained under section 301 of the Act during the financial year 2011-12. However, the company has, during the financial year 2012-13, made preferential allotment of shares and warrants to promoters, against the money received in the financial year 2011-12 (refer Note no.2.3 and 2.4 of Notes to the Financial Statements)
- (xviii) The company has not issued any debentures during the year.
- (xix) The company has not raised any money through a public issue during the year.
- (xx) Based on audit procedure performed and on the basis of information and explanations provided by the management and to the best of our Knowledge and belief *read with comments in audit report in Para 2(vi) above*, no material fraud on or by the company has been noticed or reported during the course of our audit nor we have been informed of any such case by the management.

For GIRI & BANSAL
Chartered Accountants

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

New Delhi
Date: 26th May 2012

BALANCE SHEET AS AT 31ST MARCH 2012

(Rupees. in '000)

Particulars	Note No.	As on 31.03.2012	As on 31.03.2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	2.1	143,859.82	143,859.82
(b) Reserves and Surplus	2.2	97,298.32	129,942.54
(c) Money received against Share Warrants	2.3	17,543.40	-
2 Share Application Money Pending Allotment	2.4	75,625.00	-
3 Non Current Liabilities			
(a) Long Term Borrowings	2.5	103,551.70	152,481.43
(b) Other Long Term Liabilities	2.6	8,941.82	9,127.97
(c) Long Term Provisions	2.7	3,544.03	1,119.85
4 Current Liabilities			
(a) Short Term Borrowings	2.8	154.92	338.73
(b) Trade Payables		38,680.08	58,783.24
(c) Other Current Liabilities	2.9	31,095.27	19,181.42
(d) Short Term Provisions	2.10	-	-
TOTAL		520,294.36	514,835.00
II. ASSETS			
1 Non-Current Assets			
(a) Fixed Assets	2.11		
(i) Tangible Assets		159,725.24	169,224.53
(ii) Intangible Assets		-	-
(b) Non- Current Investments	2.12	63,600.00	63,600.00
(c) Deferred Tax Assets (Net)	2.13	83,568.53	67,281.63
(d) Long Term Loans and Advances	2.14	47,059.25	41,804.25
(e) Other non-current Assets	2.15	2,645.30	2,645.30
2 Current Assets			
(a) Trade Receivables	2.16	151,269.33	156,579.34
(b) Cash and Cash equivalents	2.17	4,159.30	4,974.44
(c) Short Term Loans and Advances	2.18	4,707.48	3,168.74
(d) Other Current Assets	2.19	3,559.93	5,556.77
TOTAL		520,294.36	514,835.00

(See accompanying notes to the financial statements)

As per our report of even date

For and on behalf of the Board of Directors

for **Giri & Bansal**
Chartered Accountants

(N P Bansal) (M.No. 80319)
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.) Ragini Jain
Director

Vishnu Bhagwan
Director

Place : New Delhi
Date: 26th May, 2012

Sunil K Malhotra
Exe. Director (Finance)

Satyendu Pattnaik
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2012

(Rupees. in '000)

Particulars	Note No.	For the Financial Year 2011-12	For the Financial Year 2010-11
I. Revenue from Operations	2.20	124,547.04	110,756.09
II. Other Income	2.21	323.64	8,735.49
III. Total Revenue (I+II)		124,870.68	119,491.58
IV. EXPENSES:			
Production Expenses	2.22	96,987.49	66,232.37
Decrease/(Increase) in Stock	2.23	-	13,569.56
Employee benefits expense	2.24	31,370.60	27,487.45
Finance costs	2.25	11,458.49	28,087.78
Depreciation/Amortisation	2.26	9,691.84	9,966.81
Other expenses	2.27	23,125.18	69,219.61
Total Expenses		172,633.60	214,563.58
V. Profit/(Loss) before exceptional items (III-IV)		(47,762.92)	(95,072.00)
VI. Exceptional Items (Incomes)	2.28	-	112,059.35
VII. Exceptional Items (Expenses)	2.29	1,074.20	18,461.65
VIII. Profit/(Loss) before tax (v+VI-VII)		(48,837.12)	(1,474.30)
IX. TAX EXPENSES			
- Current Tax		-	-
- Deferred tax liabilities/(assets)	2.30	(16,286.91)	(6,588.49)
X. Profit/(Loss) after tax (VIII-IX)		(32,550.21)	5,114.19
XI. Earning per share	2.31		
Basic		(2.11)	0.36
Diluted		(1.77)	0.36

(See accompanying notes to the financial statements)

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

For and on behalf of the Board of Directors

(N P Bansal) (M.No. 80319)
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.) Ragini Jain
Director

Vishnu Bhagwan
Director

Place : New Delhi
Date: 26th May, 2012

Sunil K Malhotra
Exe. Director (Finance)

Satyendu Pattnaik
Company Secretary

Significant Accounting Policies and Notes to the Financial Statements

PARTICULARS	GROSS BOOK VALUE					DEPRECIATION			NET BOOK VALUE	
	As on 01/04/2011	Additions	Sales/ Adjustment	As on 31/03/2012	upto 01/04/2011	During the year	Sales/ (Adjustment)	upto 31/03/2012	As on 31/03/2012	As on 31/03/2011
Fixed Assets										(Rs. in '000)
Land -Leasehold	52,129.19	-	-	52,129.19	6,299.40	587.33	-	6,886.73	45,242.46	45,829.79
-Freehold	29,679.63	-	-	29,679.63	-	-	-	-	29,679.63	29,679.63
	81,808.82	-	-	81,808.82	6,299.40	587.33	-	6,886.73	74,922.09	75,509.42
Building	31,485.24	-	-	31,485.24	8,233.05	484.71	-	8,717.76	22,767.48	23,252.19
Plant & Machinery	148,878.45	135.30	-	149,013.75	83,077.87	8,104.81	-	91,182.68	57,831.07	65,800.58
Furniture & Fixtures	3,219.47	57.30	-	3,276.77	2,005.20	208.82	-	2,214.02	1,062.75	1,214.27
Office Equipments	18,195.70	93.96	-	18,289.66	15,379.02	312.99	-	15,692.01	2,597.64	2,816.68
Vehicles	5,553.91	-	-	5,553.91	4,922.52	87.18	-	5,009.70	544.21	631.39
Intangible Assets										
Programme Software Library	7,880.25	-	-	7,880.25	7,880.25	-	-	7,880.25	-	-
Total	297,021.84	286.56	-	297,308.40	127,797.31	9,785.84	-	137,583.15	159,725.24	169,224.53
Previous Year	295,418.43	1,603.41	-	297,021.84	117,736.50	10,060.81	-	127,797.31	169,224.53	

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

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

(N P Bansal) (M.No. 80319) Partner	Dr. J K Jain Managing Director	Dr. (Mrs.) Ragini Jain Director	Vishnu Bhagwan Director	Sunil K Malhotra Ex. Director (Finance)	Satyendu Pattnaik Company Secretary
---	--	---	-----------------------------------	---	---

Place : New Delhi
Date: 26th May, 2012

Significant Accounting Policies and Notes to the Financial Statements

1. Significant Accounting Policies

1.1 Accounting Convention

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

1.2 Revenue Recognition

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

1.3 Fixed Assets

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

1.4 Depreciation / Amortisation

- i) Depreciation on Fixed Assets (including revalued assets) is provided on straight-line method at the rates and in the manner specified in schedule XIV to the Companies Act, 1956. The value of leasehold land is amortised over the period of the lease. Intangible Assets: Specialized Programme Software (Library) is amortised over the estimated useful life of the asset i.e. 10 years.

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

1.5 Treatment of Expenditure during Pre-operative period

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

1.6 Borrowing Costs

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

1.7 Investments

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

1.8 Inventories

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

1.9 Foreign Currency Transaction

Foreign currency transactions are recorded at the rate of exchange in force at the date of transactions. Foreign currency monetary assets and liabilities are converted at the exchange rates prevailing at the year end. The increase/ decrease of liabilities arising in respect of fixed

assets acquired from country outside India is adjusted to the cost of fixed assets and in respect of others is charged to revenue account.

1.10 Retirement Benefits

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

1.11 Provision for Tax

- (i) Provision is made for current income tax, estimated to arise on the results for the year, in accordance with the Income Tax Act, 1961.
- (ii) Deferred tax Assets and liabilities arising on account of timing differences, which are capable of reversal in subsequent periods are recognised using the tax rates and tax laws that have been enacted or substantially enacted on the balance sheet date. The deferred tax assets is recognised and carried forward only to the extent that there is a reasonable/virtual certainty that sufficient taxable profit will be available against which such deferred tax assets can be realised.

1.12 Provision, Contingent Liability and Contingent Assets

- (i) Provision involving substantial degree of estimation in measurement is recognized when there is a present obligation as a result of past event and is probable that there will be an outflow of resources.
- (ii) Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

Notes

- a) During the financial year the company at the AGM held on 30th September 2011 obtained approval of shareholders to increase authorised share capital from Rs. 30,50,00,000/- divided into 305,00,000 equity shares of Rs. 10/- each to Rs. 35,50,00,000/- divided into 305,00,000 equity shares of Rs. 10/- each and 5,00,000 preference share of Rs. 100/- each by creation of additional 5,00,000 preferences shares of Rs. 100/- each . In this respect the company has filed necessary Form 5 with ROC on 10th May 2012.
- b) This includes 4,73,283 Equity shares of Rs10/- each issued to Unit Trust of India, at a price of Rs 211.29 per share on preferential basis, pursuant to conversion of Optionally Convertible Cumulative Preference Shares (OCCPs).
- c) 1,11,599 Equity shares of Rs. 10/- each issued on conversion of cummulative dividend @ 15.5% due on the outstanding OCCPs (refer (a) above) upto the date of allotment of aforesaid equity shares without payment being received in cash.
- d) This includes 53,00,000 equity shares of Rs. 10/- each allotted at a premium of Rs 9/- each during the F. Y. 2005-06 which was unlisted and on request of the company, NSE and BSE have given NOC for filling of 'scheme of arrangement and capital reduction' before the Hon'ble High Court of Delhi. The said scheme is duly approved by the Board and thereafter by the shareholders of the company at AGM held on 30th September 2011. The company is in the process of applying the 'scheme of arrangement and capital reduction' before the Hon'ble High Court of Delhi.

2. Notes to the Financial Statements

		(Rupees in '000)	
2.1	Share Capital	31-03-2012	31-03-2011
	Authorised		
	3,05,00,000 Equity Shares of Rs. 10/- each	305,000.00	305,000.00
	5,00,000 Preference Shares of Rs. 100/- each	50,000.00	-
		355,000.00	305,000.00
	Issued, Subscribed and Paid-up		
	14,385,982 Equity Shares of Rs 10/- each fully paid up	143,859.82	143,859.82
		143,859.82	143,859.82



JAIN STUDIOS LIMITED

e) The following hold more than 5% shares:

Name of Shareholder	No. of Shares Held	31-03-2012	No. of Shares Held	31-03-2011
		% of Holding		% of Holding
Equity Shares				
Sona Press Pvt. Ltd.	1,860,000	12.93	1,860,000	12.93
Jain Communication & Electronics Pvt Ltd	1,866,000	12.97	1,866,000	12.97
Sadhna Publicity Services Pvt Ltd.	924,000	6.42	924,000	6.42
Shambhu Dayal Ilam Chand Pvt Ltd.	1,864,000	12.96	1,864,000	12.96
Gaynor Limited	2,000,000	13.90	2,000,000	13.90
	8,514,000	59.18	8,514,000	59.18

2.2 Reserves & Surplus	31-03-2012	31-03-2011
(a) Capital Reserve		
As per Last Balance Sheet	18,000.00	18,000.00
Additions during the year	-	-
(see (i) below)	18,000.00	18,000.00
(b) Revaluation Reserve		
As per last Balance Sheet	32,574.16	32,668.16
Less : Transferred to Statement of Profit & Loss	94.00	94.00
(see (ii) & (iii) below)	32,480.16	32,574.16
(c) Share Premium Account		
As per Last Balance Sheet	339,862.81	339,862.81
Additions during the year	-	-
	339,862.81	339,862.81
(d) Carried Forward from Statement of Profit and Loss		
As per Last Statement of Profit and Loss	(260,494.43)	(265,608.62)
Additions during the year	(32,550.21)	5,114.19
	(293,044.65)	(260,494.43)
	97,298.32	129,942.54

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

ii) Freehold land and certain buildings were revalued on 31.03.1998 by approved valuers on the basis of assessment about the Fair Market Value of the similar assets. As a result book value of such assets was increased by Rs 39,779 thousands, which was transferred to Revaluation Reserve. Gross Block as at 31.03.2012 includes cumulative surplus of Rs. 33,800 thousands (31.03.2011: Rs. 33,800 thousands) arising on revaluation of assets.

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

2.3 Money Received Against Share Warrants

During the year, the company had proposed to issue 51,50,000 share warrants subject to the condition that the subscriber to the issue will pay atleast 25% of the amount due before the allotment of the said warrants. In compliance of the same the company has received Rs. 1,75,43,402/- as application money towards 51,50,000 share warrants of Rs 10/ each at a premium of Rs 2.50/- per share warrants which is 27.25% of the value of the share warrants. The company has allotted 51,50,000 share warrants of face value Rs 10/ each at a premium of Rs 2.50/- per share warrants to the applicant on 23rd April 2012 which is convertible into

equivalent number of equity shares after a period of 18 months.

2.4 Share Application Money Pending Allotment

During the year, the company has received Rs.

7,56,25,000/- towards issue of 60,50,000 equity share of Rs 10/ each at a premium of Rs 2.50/- per share. Subsequent to the receipt of full value, the company has issued the above said share of Rs 10/ each at a premium of Rs 2.50 per share on 23rd April 2012.

2.5 Long Term Borrowings

Secured Loans

Loan from SASF (Stressed Assets Stabilisation Fund)

31-03-2012

31-03-2011

(See (i) below

90,000.00

150,000.00

(Secured by hypothecation of movable properties, book debts and mortgage of immovable properties of the company both present & future ranking pari passu with the charges /mortgage created/to be created on the said assets in favour of the Company's bankers for securing the borrowing for working capital requirements and personal guarantee of Dr. J K Jain, (Managing Director) and corporate guarantee(s) of and pledge of 22,10,300 equity shares held by certain promoters.)

Interest Accrued and due

10,962.96

-

Demand Loan from Syndicate Bank

100,962.96

150,000.00

(loan secured against pledge of FDRs)

2,000.00

2,000.00

Interest Accrued and due

588.74

481.43

2,588.74

2,481.43

103,551.70

152,481.43

(i) One time settlement proposal of the company was agreed in principal by SASF vide its letter dated February 26, 2011 which envisaged payment of Rs.160,000 thousand towards full and final settlement of dues to SASF as per details given below.

- Rs.10,000 thousand to be paid on or before issue of letter of approval (LOA) (Paid on 31th March 2011).
- Rs.100,000 thousand to be paid within a period of six months from the date of LOA on interest free basis.
- Allotment of Equity Shares with face value of Rs 10/- each for aggregate value of Rs 50,000 thousand within three months from the date of issue of LOA.
- Promoters to execute an agreement for buy back of shares at par with a return of 10% p.a. within a period of two years from the date of approval. SASF shall have the right to dispose off the shares in open market in case promoters/

company fail to pay buy back."

- The above proposal was approved and accepted by the Board of Directors during their meeting held on 15th March 2011 and accordingly the shareholders in the Extra Ordinary General Meeting on 13th April 2011 have approved the said proposal.
- In pursuance of the OTS, the company made payment of Rs. 70,000 thousand in cash, as against its commitment to make payment of Rs. 110,000 thousand and had issued 5000 thousand Equity Shares of Rs. 10/- each at par to SASF on 23rd April 2012 (refer (i) (c) above). SASF has agreed to extend the period for repayment of balance amount of Rs 40,000 thousand upto 31st July 2012, as per the request of the company. The said amount of Rs. 40,000 thousand payable by the company to SASF shall be alongwith an interest @ 14% p.a.

2.6 Other Long Term Liabilities

2.6 Other Long Term Liabilities	31-03-2012	31-03-2011
Other Liabilities	8,941.82	9,127.97
	<u>8,941.82</u>	<u>9,127.97</u>
2.7 Long Term Provisions	31-03-2012	31-03-2011
For retirement benefits	3,544.03	1,119.85
	<u>3,544.03</u>	<u>1,119.85</u>
2.8 Short Term Borrowings	31-03-2012	31-03-2011
Vehicle Loan from ICICI Bank (Loan secured by hypothecation of vehicles)	154.92	338.73
	<u>154.92</u>	<u>338.73</u>
	<u>154.92</u>	<u>338.73</u>
2.9 Other Current Liabilities:	31-03-2012	31-03-2011
Advance from Customers	1,808.32	1,015.97
Other liabilities	29,286.96	18,165.45
	<u>31,095.28</u>	<u>19,181.42</u>
Other liabilities includes interest on TDS vide order dated 30th March, 2012, an amount of Rs.26,59,879/-. In the opinion of the management in respect of disputes regarding amount payable to statutory authorities relating to provident fund, tds, the same will be settled within next financial year.		
2.10 Short Term Provisions	31-03-2012	31-03-2011
Provision for Tax	-	-
	<u>-</u>	<u>-</u>
2.11 Fixed Assets (Annexure I)	31-03-2012	31-03-2011
i Tangible assets		
Gross Block	289,428.15	289,141.59
Less: Depreciation	129,702.90	119,917.06
	<u>159,725.24</u>	<u>169,224.53</u>
ii Intangible assets		
Gross Block	7,880.25	7,880.25
Less: Depreciation	7,880.25	7,880.25
	<u>-</u>	<u>-</u>
Total Fixed Assets (i+ii)	<u>159,725.24</u>	<u>169,224.53</u>
2.12 Non- Current Investments (At Cost)	31-03-2012	31-03-2011
Long Term-other than trade		
Unquoted-Fully Paid Up		
In Body Corporates		
40,00,000 Equity Shares of Rs. 10/- each of Noida Software Technology Park Ltd (at cost)	40,000.00	40,000.00
{Value as per rule 1D of The Wealth Tax Act 1957 vide valuation certificate dated 24th October 2011 is Rs. 10,50,80,000/- (40,00,000 shares * Rs. 26.27 per share)}		
In Body Corporates		
29,00,000 Equity Shares of Rs. 10/- each of Dr Jain Video on Wheels Ltd (at cost)	23,600.00	23,600.00
{Value as per rule 1D of The Wealth Tax Act 1957 vide valuation certificate dated 24th October 2011 is Rs. 8,99,58,000/- (29,00,000 shares * Rs. 31.02 per share)}		
	<u>63,600.00</u>	<u>63,600.00</u>

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

Deferred Tax Assets

- Unabsorbed depreciation
- Expenses allowable on payment basis/as per section 40a
- Business Loss*

Deferred tax Liabilities

- Depreciation

Net Deferred tax assets/(liabilities) (net)

* deferred tax has been recognised based on the Income tax returns

	31-03-2012	31-03-2011
36,592.28		26,676.04
10,194.97		27,863.15
51,008.47		29,788.64
97,795.72		84,327.83
14,227.19		17,046.20
83,568.53		67,281.63

The net deferred tax assets recognized in compliance with AS 22 "Accounting for Taxes on Income" upto 31.03.2011 has been updated for items giving rise to timing difference upto 31.03.2012. In view of the cost reduction measures and addition of new business and based on future projection, the Board believes that there is a virtual certainty that the future taxable income would be sufficient against which such carried forward deferred tax asset can be realized.

2.14 Long Term Loans and Advances

Deposit with Government Authorities & others

- with Government Authorities
- with others towards use of various rented premises
- with Custom Department (see note (i) below)

	31-03-2012	31-03-2011
3,598.25		3,298.25
16,040.00		16,193.00
27,421.00		22,313.00
47,059.25		41,804.25

(i) In addition to deposit of Rs. 22,313.00 thousand with the Custom Department towards custom duty saved under EPCG licences as was made till 31.03.2012, during the year the company has further deposited Rs. 5,108.00 thousand with Customs Department as security deposit (refundable after fulfillment of Export Obligation) towards balance amount of 50% of duty saved amount vide their meeting held on 04.05.2011 and vide order dated 28.06.2011 of Jt. DGFT, CLA, New Delhi (Appellate Authority), wherein extension upto 12 years (upto September 2011) has been allowed against one license from the date of issue of this licence subject to compliance of specified conditions and with reference to the above said decision. The company has filed with the office of DGFT on 27.04.2012, the redemption application against the said licence for issue of export obligation discharge certificate.

(ii) On filing of petition with office of the DGFT, EPCG Committee vide their meeting held on 23.09.2010, had allowed extension upto 12 years against four EPCG Licenses from the date of issue of these licences subject to deposit of the balance 50% custom duty saved (net of deposit lying with the custom department), i.e. Rs. 341.04 thousands as security deposit and on payment of requisite composition fee. During the year, the company has deposited composition fee and filed with the DGFT for extension of validity period of another one licence out of the said four licences upto 12 years from the date of issue of the licence, condonation of block-wise fulfillment of export obligation and re-fixation of export obligation on the basis of duty saved amount.

2.15 Other non-current Assets

MAT Credit Entitlement

	31-03-2012	31-03-2011
2,645.30		2,645.30
-		-
2,645.30		2,645.30

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



JAIN STUDIOS LIMITED

2.16 Trade Receivables	31-03-2012	31-03-2011
(Unconfirmed, Unsecured)		
- exceeding six months considered good	98,850.89	116,206.09
considered doubtful	-	-
- others considered good	52,418.44	40,373.25
considered doubtful	-	-
	<u>151,269.33</u>	<u>156,579.34</u>
Less : Provision for doubtful debts	-	-
	<u>151,269.33</u>	<u>156,579.34</u>
2.17 Cash and Bank equivalents	31-03-2012	31-03-2011
Cash in hand	240.22	114.00
Balances with scheduled banks		
in Current account	788.36	1,729.72
in Fixed Deposits	<u>3,130.72</u>	<u>3,130.72</u>
	<u>4,159.30</u>	<u>4,974.44</u>
2.18 Short Term Loans and Advances	31-03-2012	31-03-2011
(Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	4,707.48	3,168.74
	<u>4,707.48</u>	<u>3,168.74</u>
Advances recoverable in cash or in kind or value to be received include interest free Advances given to following bodies Corporates and Others (in terms of clause 32 of listing agreement):		
a) Directors Interested: NIL		
2.19 Other Current Assets	31-03-2012	31-03-2011
Interest receivable	-	-
Prepaid Expenses	429.82	279.83
TDS Recoverable	<u>3,130.11</u>	<u>5,276.94</u>
	<u>3,559.93</u>	<u>5,556.77</u>

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

(Rupees in '000)

2.20	Income from Operations	31-03-2012	31-03-2011
	Advertisement / Slot Sale	16,950.43	9,747.32
	Income from Alliance	-	3,723.55
	Production & Other Incomes	28,843.75	23,450.97
	Uplinking Income	-	12,000.00
	Mobile Health Services (Govt.)	74,583.35	61,447.75
	Enrollment Fees	4,169.50	386.50
		124,547.04	110,756.09
2.21	Other Income	31-03-2012	31-03-2011
	Interest Income on FDR's (Gross)	180.40	247.59
	Sundry Balances/Excess provisions written back including liabilities no longer required Rs.Nil thousand (PY Rs.Nil thousand)	94.35	8,187.08
	Miscellaneous Income	48.89	300.82
		323.64	8,735.49
2.22	Production Expenses	31-03-2012	31-03-2011
	Production Expenses		
	- Production & Shooting Expenses	24,960.80	6,492.95
	- Mobile Health Services Running Exps	67,125.01	55,302.98
	- Taxi hire Charges	-	13.84
	- Other Expenses	3,901.67	4,422.60
	Telecasting Charges	1,000.00	-
		96,987.49	66,232.37
2.23	Decrease/(increase) in Stock	31-03-2012	31-03-2011
	Closing Stock		
	- Work in progress	-	-
	Opening Stock		
	- Work in progress	-	13,569.56
		-	13,569.56
2.24	Employee benefits expense	31-03-2012	31-03-2011
	Salary, Wages and Allowances	30,468.15	26,847.38
	Contribution to Provident Fund	456.33	493.40
	Staff Welfare Expenses	446.11	146.67
		31,370.60	27,487.45
2.25	Finance costs	31-03-2012	31-03-2011
	Interest on		
	- Fixed Loans	11,278.52	27,731.96
	- Others	-	114.44
	Financial Charges	179.97	241.38
		11,458.49	28,087.78
2.26	Depreciation/Amortisation (refer note 2.11)	31-03-2012	31-03-2011
	Depreciation/Amortisation	9,785.84	10,060.81
	Less: Transfer from Revaluation Reserve	94.00	94.00
		9,691.84	9,966.81

		(Rupees in '000)	
2.27	Other expenses	31-03-2012	31-03-2011
	(a) Administrative & Other Expenses		
	Electricity & Water Charges	3,411.53	2,285.82
	Conveyance Expenses	1,201.12	1,434.79
	Travelling Expenses	792.51	1,823.61
	Legal & Professional Charges	2,713.77	4,013.92
	Consultancy Charges	2,824.02	3,419.10
	Compounding Fee (DGFT)	1,548.56	
	Repair & Maintenance		
	- Plant & Machinery	51.72	421.46
	- Building	1,090.88	361.68
	- Others	618.47	543.16
	Printing & Stationery	60.73	329.15
	Telephone, Postage & Courier Charges	669.70	1,121.94
	Bad debts Written off	-	24,060.81
	Rent	446.00	1,688.80
	Rates & Taxes	281.20	10.95
	Insurance Charges	395.74	70.40
	Security Charges	-	727.36
	Directors sitting fees	128.00	128.50
	Impairment of Assets	-	15,385.32
	Prior period expenses	134.96	496.73
	Foreign Exchange Loss	776.06	18.03
	Other Expenses	5,212.47	3,523.35
		22,357.45	61,864.88
	(b) Selling & Distribution Expenses		
	Advertisement & Publicity	162.87	182.78
	Business Promotion & Others	597.91	7,170.04
	Commission	6.95	1.91
		767.73	7,354.73
		23,125.18	69,219.61
2.28	Exceptional Items (Income) (refer note no. 2.5)		
2.29	Exceptional Item (Expenses) In terms of settlement with Shin Satellite the company had to pay USD 3,52,656 by 31.10.2011 and any delay may attract interest. The company delayed the payment in terms of settlement and hence paid interest of Rs. 1074.20 thousands and charged to the Statement of Profit and Loss		
2.30	Deferred tax liabilities/ (assets) During the year the company has created deferred tax assets amounting to Rs. 16,286.91 thousand (refer note no. 2.13).		
2.31	Earning Per Share ["EPS"] computed in accordance with Accounting Standard 20:	2011-12	2010-11
	a) Profit /(Loss) attributable to equity shareholders:		
	Profit /(Loss) after tax (Rs. in thousands)	(32,550.21)	5,114.19
	b) Weighted average number of equity shares outstanding (face value of Rs 10/- each):		

	(Rupees in '000)	
i) Basic		
Number of Equity Shares at the beginning	14,385,982.00	14,385,982.00
Equity shares issued	-	-
Weighted Average Number of Equity Shares	14,385,982.00	14,385,982.00
ii) Diluted		
Number of Equity Shares at the beginning	14,385,982.00	14,385,982.00
Number of Equity Shares at the end of the year	17,201,877.00	14,385,982.00
c) (i) Basic earnings per share (in Rs)	(2.11)	0.36
(ii) Diluted earnings per share (in Rs.)	(1.77)	0.36

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

2.32

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

	2011-12	2010-11
b) C.I.F. value of Imports:	NIL	NIL
c) Expenditure in Foreign Currency (Accrual Basis):		
(i) Foreign Travelling	NIL	360.26
(ii) Transponder Charges	1,074.20	15,746.09
d) Earnings in Foreign Currency (Realisation Basis):		
Advertisement Income/Reimbursement	NIL	1,150.80

2.33

Contingent Liabilities:

(to the extent as ascertained by the Management)

A) Claims against the Company not acknowledged as debts (previous year's figure includes Rs 100,092.00 thousands towards demand Under section 156 and order U/s 201 (1)/201 (1A) of the Income tax Act towards TDS case. Company had filed an Appeal before CIT Appeals, Delhi as the A.O. has wrongly considered the cumulative figures shown in the balance sheet. The CIT Appeals vide its order dated 14.07.2011 set aside the order passed by AO)

59,157.14 160,982.03

B) Others:

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

(EPCG license (obligation fulfilled) of custom duty saved of Rs.3,623.94 thousands where company has applied for discharge)
{(BG of Rs. Nil thousands given (P. Y. Rs Nil thousands))}

55,523.89 55,523.89

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



JAIN STUDIOS LIMITED

(Rupees in '000)

2.34 a. Auditors' Remuneration	31-03-2012	31-03-2011
Audit Fee (including service tax)	386.05	303.33
Other Services	187.51	125.46
Total	573.56	428.79
b. Remuneration to the Managing Director	31-03-2012	31-03-2011
Salary & Other Allowances	6,000.00	3,600.00

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

2.36 Segment Reporting:

a) Primary Segment Reporting (by business segment): -

In line with Accounting Standard (AS) 17 on Segment Reporting, the Company has identified business segment as given below taking into account the organisational structure as well as differential nature, risk and return.

Television : Marketing, Production & Broadcasting of TV Programme and Advertisement.

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

Others : Feature film production & distribution

Information about business segments

Rs in thousands

	Television	Teleport	Other	Total
A Teleport :Uplinking, Video Clipping & News Feeding Charges through Digital Satellite News Gathering equipment.				
1	124,547.04	NIL	NIL	124,547.04
Others : Feature film production & distribution	(96,413.21)	(12,000.00)	(2,342.88)	(110,756.09)
Total Sales	124,547.04	NIL	NIL	124,547.04
	(96,413.21)	(12,000.00)	(2,342.88)	(110,756.09)
B RESULTS:				
1 Segment Results (PBIT)	(542.28)	(4,329.08)	(13.94)	(4,885.30)
2 Interest Expense	(-30,588.35)	(8,747.28)	(-6,398.19)	(-28,239.26)
3 Interest Income				11,458.49
4 Unallocable expenditure net of unallocable income				(28,087.78)
				180.40
				(247.59)
				32,673.74
				(55,100.33)
5 Profit / (-) Loss Before Tax				-48,837.12
Provision for Current Tax				(-1,474.30)
Provision for Fringe Benefit tax				NIL
Provision for Deferred Tax				(NIL)
MAT Credit Entitlement				(NIL)
Profit / (-) Loss After Tax				(NIL)
				-16,286.91
				(-6,588.49)
				NIL
				(NIL)
				-32,550.21
				(5,114.19)

Contd... on next page



JAIN STUDIOS LIMITED

Contd... on previous page

Rs in thousands

	Television	Teleport	Other	Total
C OTHER INFORMATION				
1 Segment Assets	156,270.72 (142,591.30)	159,380.45 (185,864.37)	NIL (NIL)	315,651.17 (328,455.67)
2 Unallocated Assets				121,074.68 (119,097.75)
3 Deferred Tax Assets (net)				83,568.53 (67,281.63)
4 Total Assets				520,294.38 (514,835.05)
5 Segment Liabilities	53,086.05 (79,777.57)	NIL (NIL)	(97.55) (NIL)	52,988.49 (79,777.57)
Unallocated Liabilities				132,981.13 (161,256.90)
Total Liabilities				185,969.62 (241,034.47)
6 Capital Expenditure	286.56 (1,603.41)	NIL (NIL)	NIL (NIL)	286.56 (1,603.41)
7 Depreciation	5,362.76 (6,714.09)	4,329.08 (3,252.72)	NIL (NIL)	9,691.84 (9,966.81)

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

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

2.37 Related Party disclosures:

Due to increase in capital base of Dr. Jain Video on Wheels Ltd. during previous year 2010-11 the shareholding in Dr. Jain Video on Wheels Ltd has reduced from 52.727% to 45.944% and consequently ceased to be a subsidiary company.

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

Key Management Personnel & their Relatives:

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

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

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



JAIN STUDIOS LIMITED

For Transactions with the related parties:

Rs. in thousands

Nature of Transactions	Key Managerial Persons and their relatives	Enterprises Where KMP and their relatives' Significant Influence	Total
Rendering of Services	NIL (NIL)	720 (NIL)	720 (NIL)
Uplinking (Earthstation) Income	NIL (NIL)	NIL (12,000.00)	NIL (12,000.00)
Receiving of Services	NIL (NIL)	74,583.35 (78,800.94)	74,583.35 (78,800.94)
Payment of Salary	6,240.00 (3,772.32)	NIL (NIL)	6,240.00 (3,772.32)
Payment on behalf of/(Received from)	NIL (NIL)	NIL (NIL)	NIL (NIL)
Advances given	NIL (NIL)	NIL (NIL)	NIL (NIL)
Advances recovered/ received	NIL (NIL)	NIL (NIL)	NIL (NIL)
Balance outstanding as at year end: -			
- Loans & Advances	NIL (NIL)	NIL (NIL)	NIL (NIL)
- Security Deposit	NIL (NIL)	15,950.00 (15,950.00)	15,950.00 (15,950.00)
-Accounts receivable	NIL (NIL)	69,920.93 (92,075.77)	69,920.93 (92,075.77)
- Accounts Payable	75.98 (707.40)	38,452.05 (29,565.47)	38,528.03 (30,272.87)

Note:

- The company has given corporate guarantee for the loans taken from bank By Noida Software Technology Park Ltd and Dr. Jain Video on Wheels Ltd. The property at Dundahera, Gurgaon has been mortgaged against group's borrowings from Punjab National Bank which includes Noida Software Technology Park Ltd. and Dr. Jain Video on Wheels Ltd.
- Company has given interest free security deposit for rented premises.
- 22,10,300 Equity Shares of Jain Studios Ltd held by Promoters are pledged for loan taken from Financial Institutions by the company.
- Details of remuneration to Key Management Personnel are given in Note.
- Figures for previous year are given in brackets.

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

As per our report of even date

For and on behalf of Board of Directors

for Giri & Bansal
Chartered Accountants

N. P. BANSAL (M.No. 80319)
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.) Ragini Jain
Director

Vishnu Bhagwan
Director

Place: New Delhi
Date: 26th May, 2012

Sunil K Malhotra
Exe. Director (Finance)

Satyendu Pattnaik
Company Secretary



JAIN STUDIOS LIMITED

Cash Flow Statement for the year ended 31.03.2012

JAIN STUDIOS LIMITED

Particulars	2011-12	2010-11
A Cash Flow from Oprating activities		
Net profit/(loss) before tax and exceptional items	(47,762.92)	(95,072.00)
<i>Adjustments for:</i>		
Bad debts written off	-	24,060.81
Sundry balances written off/back	(94.35)	(8,187.08)
Depreciation	9,691.84	9,966.81
Impairment of Assets Held for Disposal	-	15,385.32
Interest expenses	11,458.49	28,087.78
Interest Income	(180.40)	(247.59)
Profit/(loss) before Exceptional items	(26,887.34)	(26,005.95)
Exceptional Items	(1,074.20)	93,597.70
Operating Profit/(loss) before working capital changes	(27,961.54)	67,591.75
<i>Adjustments for:</i>		
Trade & other receivables	513.11	3,033.26
Inventory	-	13,569.56
Trade & other payables	(5,856.92)	17,278.36
Cash generated from operations	(33,305.35)	101,472.93
Direct taxes (paid)/Refund	-	(340.94)
Net cash flow from operating activities	(33,305.35)	101,131.99
B Cash Flow from Investing activities		
Interest received	180.40	835.36
Purchase of fixed assets	(286.56)	(1,603.41)
Net cash flow from Investing activities	(106.16)	(768.05)
C Cash Flow from Financing activities		
Interest paid (Refer note no 3 (i))	(388.22)	(125,125.95)
Repayment of Long Term Loan	(60,000.00)	
Short Term Loan Taken/(repaid) (Refer note no 3 (i))	(183.81)	(128.67)
Equity Share money received	17,543.40	-
Warrant money received	75,625.00	-
Net cash flow from financing activities	32,596.37	(125,254.62)
Net Decrease in cash & cash equivalents(A+B+C)	(815.14)	(24,890.68)
Opening balance of cash & cash equivalents	4,974.44	29,865.12
Closing balance of cash & cash equivalents	4,159.30	4,974.44

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

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

For and on behalf of Board of Directors

N. P. BANSAL (M.No. 80319)
Partner

Dr. J K Jain
Managing Director

Dr. (Mrs.)Ragini Jain
Director

Vishnu Bhagwan
Director

Place: New Delhi
Date: 26th May, 2012

Sunil K Malhotra
Exe. Director (Finance)

Satyendu Pattnaik
Company Secretary

JAIN STUDIOS LTD.

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

PROXY FORM

Client ID:

Folio No.

DP ID:

No. of Shares held:

I / we _____ of in the District of _____ being a member / members of the above named Company hereby appoint _____ of _____ in the District of _____ as my proxy to vote for me/us on my/our behalf at the **22nd Annual General Meeting of the Company to be held on Saturday, 29th day of September 2012 at 11.00 A.M.** and at any adjournment thereof.

Signed this _____ day of _____ 2012

Signature _____

Affix
Revenue
Stamp

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

JAIN STUDIOS LTD.

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

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

I hereby record my presence at the **22nd ANNUAL GENERAL MEETING OF JAIN STUDIOS LTD. at Sharma Farms (Near Batra Farm), Green Meadows, Village Satbari, Mehrauli, New Delhi 110030 at 11.00 A.M. on Saturday, 29th day of September 2012.**

Client ID:

Folio No.

DP ID:

No. of Shares held:

Name of the Shareholder
(Block Letters)

Signature

Name of the Proxy*
(Block Letters)

Signature

* To be filled if Proxy attends instead of member

NOTES

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



JAIN STUDIOS LIMITED

BOOK-POST

If undelivered please return to:

JAIN STUDIOS LIMITED

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