

The background of the cover is a vibrant yellow and orange gradient with abstract, swirling patterns. A large, stylized saxophone is positioned diagonally across the lower half of the page. Several musical notes and a treble clef are scattered across the upper right portion of the cover. The overall design is festive and celebratory.

26th

Annual Report 2009 - 2010



**JMD Telefilms
Industries Limited**

JMD TELEFILMS INDUSTRIES LIMITED

26th Annual Report 2009 - 2010

BOARD OF DIRECTORS

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

REGISTERED OFFICE

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

STUDIO LOCATION

75C, Park Street, Basement, Kolkata 700016

BANKERS

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

AUDITORS

Mehta Kothari & Associates
Chartered Accountants
134, Great Western Building
N. M. Road, Fort, Mumbai-400023

REGISTRAR & SHARE TRANSFER AGENT

Purva Sharegistry (India) Pvt. Ltd.

No. 9, Shiv Shakti Indl. Estate
Gr. Floor, J. B. Boricha Marg
Lower Parel, Mumbai-400 011.

ANNUAL GENERAL MEETING

Date : 30th July 2010
Time : 11.00 A.M.
Venue : 105, Sagar Shopping Centre,
J. P. Road, Andheri (W)
Mumbai-400 058.

Tel. 022-26773832, URL : www.jmdtelefilms.com, Email : jmdtele@gmail.com

C O N T E N T S

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- ❖ Report on Corporate Governance
- ❖ Auditors' Certificate on Corporate Governance
- ❖ Directors' Report
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Members are requested to bring their copy of Annual Report at the time of Meeting

NOTICE

Notice is hereby given that the Twenty Sixth Annual General Meeting of the members of **JMD Telefilms Industries Limited** will be held on Friday, the 30th day of July, 2010 at 11.00 A.M. at 105, Sagar Shopping Centre, J. P. Road, Andheri (W), Mumbai-400 058 to transact the following businesses as :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Directors' Report and Audited Statement of Accounts for the year ended 31st March 2010.
2. To declare dividend.
3. To appoint Director in place of Mr. Ashok Bothra, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Auditors to hold the office from the conclusion of this Annual General Meeting and to fix their remuneration.

Mumbai, May 31, 2010

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

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

Kailash Prasad Purohit
Chairman & Managing Director

Notes :

1. Proxies, in order to be effective, must be received at the Registered Office of the Company, not less than 48 hours before the commencement of the Annual General Meeting.
2. The Register of Member and the Share Transfer Books of the Company will remain closed from 23rd July 2010 to 30th July 2010 (both days inclusive).
3. The Shares of the Company are mandated by the Securities & Exchange Board of India (SEBI) for trading in dematerialized form by all investors.
4. Dividend as recommended by the Directors for the year ended 31st March 2010, if declared, will be payable to those Members, whose names appear in the Register of Members as at the close of business on 22nd July 2010 and in respect of shares held in dematerialized form, as per the list of Beneficial Owners furnished to the Company by NSDL/CDSL, at the close of business on 22nd July 2010. The Dividend warrants will be posted before 20th August 2010.
5. The identity/signature of Members holding shares in electronic/demat form is liable for verification with the specimen signatures furnished by NSDL/CDSL. Such Members are advised to bring the relevant identity card issued by the Depository Participant to the Annual General Meeting.
6. Members desirous of getting any information about the accounts of the Company, are requested to send their queries so as to reach at-least ten days before the meeting at the Registered Office of the Company, so that the information required can be made readily available at the meeting.
7. Members are requested to intimate change in their address immediately to M/s Purva Sharegistry (India) Pvt. Ltd., the Company's Registrar and Share Transfer Agents, at their office at No. 9, Shiv Shakti Ind. Estate, Gr. Floor, J. R. Boricha Marg, Lower Parel, Mumbai-400 011.

8. Pursuant to SEBI Circular, the Shareholders holding shares in physical form are requested to submit self attested copy of PAN at the time of sending their request for share transfer/transmission of name/transposition of name.
9. Members holding shares in physical form and wishing to avail of the nomination facility, are requested to send the duly filled in nomination in the prescribed form (form 2B) to M/s Purva Shareregistry (India) Pvt. Ltd., Registrar and Share Transfer Agents of the Company, at their address given above or to the Compliance Officer at the Registered Office of the Company.
10. Members are requested to bring copies of Annual Report to the Annual General Meeting.
11. The Members/Proxies should bring the attendance slip duly filed in and signed for attending the meeting.
12. Members are requested to send their queries in regard to the accounts atleast 10 days in advance to the Registered Office of the Company.
13. Members are requested to quote Folio Number/Client ID in their correspondence.
14. The Equity shares of the Company are listed on Bombay Stock Exchange Ltd. and Listing Fees for the financial year 2010-2011 have been paid to Bombay Stock Exchange Ltd.

Mumbai, May 31, 2010

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

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

Kailash Prasad Purohit
Chairman & Managing Director

DIRECTORS' REPORT & MANAGEMENT DISCUSSIONS & ANALYSIS

To The Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of your Company together with the Audited Statements of Accounts for the financial year ended March 31, 2010.

(Rs. in Lacs)

Financial Results	Year Ended 31.03.2010	Year Ended 31.03.2009
Income	8626.24	6844.46
Profit before Tax & Extraordinary Items	186.15	62.95
Less : Provision for Taxation	31.29	17.04
Profit after Tax	154.86	45.90
Less : Extra Ordinary Items	2.62	0.55
Profit available for appropriation after adding to its Previous Years B/f	152.24	45.35
Appropriated as under :		
Proposed Dividend	70.15	35.07
Corporate Tax on above Dividend	11.92	5.96
Transfer to General Reserve	3.00	1.00
Balance carried forward to Next Year	67.17	43.03

Dividend

Your Directors are pleased to recommend the payment of Dividend for the year ended 31st March 2010 at 10 Paise (Ten Paise) per share or 10% (ten percent) on face value of Rs. 1/- each, subject to approval of Members at the ensuing Annual General Meeting.

Industry Structure and Development

In the music industry, a record label is a brand and a trademark associated with the marketing of music recordings and music videos. Most commonly, a record label is the company that manages such brands and trademarks, coordinates the production, manufacture, distribution, marketing and promotion, and enforcement of copyright protection of sound recordings and music videos; conducts talent scouting and development of new artists ("artists and repertoire" or A&R); and maintains contracts with recording artists and their managers.

Within the music industry, most of recording artists have been increasingly reliant upon record labels to broaden their audience, market their albums, and be both promoted and heard on radio, television, with publicists that assist performers in positive media reports to market their merchandise, and make it available via stores and other media outlets. The Internet has increasingly been a way that some artists avoid costs and gain new audiences, as well as the use of videos in some cases, to sell their products.

With the Internet now being a viable source for obtaining music, netlabels have emerged. Depending on the ideals of the net label, music files from the artists may be downloaded free of charge or for a

fee that is paid via Paypal or an online payment system. Some of these labels also offer hard copy CDs in addition to direct download. Most net labels acknowledge the Creative Commons licensing system thus reserving certain rights for the artist. Digital Labels are the latest version of a 'net' label. Whereas 'net' labels were started as a free site or just a hobby point, digital labels seek to give the major record industry a real run for their money.

Opportunities & Threats

Broadband access is now starting to lead to innovative creation and use of content and stimulating the rise of new technologies in PC and consumer electronics. These trends have lead to the rapid creation of online music services. Unauthorized sharing of copyrighted works and new commercial digital delivery possibilities have thus far been a disruptive technology for the music industry. Still, the outlook for the music market in 2005 is positive due to rapidly increasing sales of (mobile) digital music services. Digital music is also a driver for the global technology markets. Furthermore, the new digital music value chain produces an array of new digital intermediaries (e.g., digital rights management DRM). Finally, the availability of online technologies opens up possibilities for content created by network users. Music is thus an area in which the transformative impact of digital distribution, file-sharing and new online business models is strong for both the supply side (artists and the music industry) and on the demand side (new music lifestyles, users as content creators).

However, business and policy challenges analyzed in the study need to be addressed if the full potential of online music distribution is to be reached. In sum, regulatory frameworks which balance the interests of suppliers and users, in areas such as the protection of intellectual property rights, and digital rights management, without disadvantaging innovative e-business models are called for.

- A key requisite for the creation of efficient online music delivery is a competitive and wide-spread access to broadband infrastructure. The delivery of online content also necessitates new technologies and an environment that facilitates the creation, acquisition, management and delivery of content. Effective and secure (micro)-payment systems are needed.
- Alliances between content providers, broadband and technology providers that come up with new business models play a critical role in driving the adoption of licensed content services.
- A diversity of interoperable content, standards and hardware are likely to prove most beneficial to efficient online content markets. With vertical integration, lock-in of consumers to certain standards, and difficult access to certain content, an environment where small and innovative players can compete should be maintained.
- The OECD notes the importance of government actions to take steps to address online piracy. Around one third of Internet users in OECD countries have downloaded files from P2P networks. While, in principle, file-sharing software is a new and innovative technology, piracy is an important impediment to legitimate online content services. The most important is to find equilibrium of available legitimate and innovative uses of new technologies and the necessary protection of associated intellectual property rights (i.e. copyrights).
- The Internet already provides new forms of advertising at lower cost, lower barriers to entry for artistic creation and lower costs of finding new talent. However, the effects of authorised and unauthorised file-sharing and digital music services with pay-per track offers on artists and the music supply are not yet obvious and need further study.

Business Segment

Your Company is basically in a Music Industry and offers its services, both by way of recording as well as rental of studio to other Music Producers and Recorders apart from making music albums for the Company under brand name JMD. The Company is having its Music Studio of around 1200 Sq. Ft., located at Park Street, one of the prominent area of Kolkata metro city. The studio is equipped with almost all modern sound recording systems and hence delivers high quality music recorded Cassettes & CDs and DVDs.

Performance & Current Year Prospects

Your Company is among leaders in the field of Music Industry. It offers variety of music to music lovers both in devotional and folk. Apart from Hindi songs, it also offers songs in various regional languages like Rajasthani, Bengali, Assami and Punjabi. The wide range of music albums gives choice to their clients to choose their taste.

Although it cannot be denied that due to global slowdown and steep fall in the income of common man, the demand of music albums has fallen sharply during the year. The piracy in music industry was the added reason of steep fall in profit margin in its products.

In spite of whatever has been stated above, the Company has done well in the current financial year both in term of profit margin and turnover. The turnover of the Company has rose manifold to the tune of 24 percent whereas the profit before tax has jumped dramatically to 196 percent in comparison to the last financial year. A new business development by way of acquisition of new brands and agreement with some of reputed companies tells the story of growth.

During the year, JMD has entered into an Agreement with M/s Onesource Techmedia Ltd., a Chennai Based Company, to give rights to telecast its recorded songs in various languages viz. Bengali, Rajasthani, Hindi etc. on various Television Channels for a price of Rs. 50 Lac per Annum, for the period of 3 Years.

In another instance of business development, the Company has entered into a JV with M/s. Shemaroo Entertainment Pvt. Ltd., owners of famous "Shemaroo" brand, to use its recorded songs in various languages viz. Bengali, Rajasthani, Hindi etc. to use the same as Caller Tune or Mini DVD which can be used on Mobile and/or on Voice Portal; on the terms of Income Sharing in Ratio of 55:45 in favour of Company. The Tenure of said JV is for 2 Years.

Apart from above, the Company has also released a Music Portal namely www.jmdmusic.com wherein anyone can find variety of music in Hindi as well as other Regional Languages. Moreover, you will find almost all news related to music industry on this portal.

Overview

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

Risk & Concerns

The risks that face the Company are the ones that face the industry today and they are mentioned periodically. These risks that includes are innovation of new mode of recorded instruments, change in instruments due to innovation of new technology and better equipments, chances of flop of one or

more songs and bhajans, the Company choose to record and launch in markets. Others risks are client concentration risk, competitive risk and financial risk etc.

Internal Control Systems and Adequacy

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

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

Material Development in Human Resources

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

Cautionary Statement

Statements in the Management Discussions and Analysis describing the Company's objectives, projections, estimates, expectations may be forward looking statements. Actual results may differ materially from those expressed or implied. Important factors that could make a difference to the Company's performance include economic conditions affecting demand / supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government Regulations, tax laws, statutes and other incidental factors.

Directors

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

In accordance with the requirements of the Companies Act, 1956 and as per the provisions of Articles of Association of the Company, Mr. Ashok Bothra is liable to retire and eligible, offers himself for re-appointments in the forthcoming Annual General Meeting.

Except Mr. Ashok Bothra himself, none of Directors is interested in his re-appointment.

Further, non of the Directors of the Company are disqualified under section 274(1)(g) of the Companies Act 1956.

Auditors

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

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

Comments On Auditor's Report:

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

Public Deposits

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

Corporate Governance

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

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

Human Resources

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

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

Statutory Information

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

Particulars of Employees

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

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

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

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

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

Directors Responsibility Statement

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

1. In the preparation of the Annuals Accounts, for the year ended 31st March 2010, all the applicable accounting standards prescribed by the Institute of Chartered Accountants of India have been followed;

2. The Directors had adopted such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period.
3. The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. The Directors had prepared the annual accounts on a going concern basis.

Corporate Social Responsibility (CSR)

Corporate Social Responsibility (CSR) is commitment of the Company to improve the quality of the workforce and their families and also the community and society at large. The Company believes in undertaking business in such a way that it leads to overall development of all stake holders and Society.

Appreciation

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

Mumbai, May 31, 2010

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

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

Kailash Prasad Purohit
Chairman & Managing Director