

ADLABS

ANNUAL REPORT 2008-2009

BIG Cinemas

- Is India's largest cinema chain
- Has over 457 screens spread across India, US, Malaysia and Netherlands
- Caters to over 40 million consumers
- Was awarded 'International Exhibitor of the Year 2008' by CineAsia 2008 at Macau



Lounge at IMAX BIG Cinemas



BIG Cinemas, Chicago



Odeon BIG Cinemas



BIG Cinemas, TGIF Mall, Noida



Metro BIG Cinemas

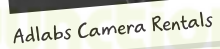
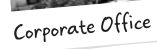


Ebony Lounge at BIG Cinemas



6D BIG Cinemas at Agra

- Adlabs is a dominant player in Film and Media Services like Motion Picture Processing and Digital Post Production, Film Restoration, Digital Mastering, Studios and Equipment Rentals with state-of-the-art facilities located in US and India



BIG SYNERGY



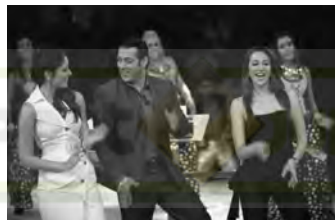
India's Got Talent



Aap Ki Kachhri



Dus Ka Dum



Karishma and Kareena on Dus Ka Dum



Kya Aap Paanchvi Pass Se Tez Hain?



Angrezi Mein Kehate Hai

- Is widely regarded as a leader in non-fiction programming and has enjoyed success in producing large format shows for Indian viewers
- Has produced some spectacular shows like Dus Ka Dum, Jhalak Dikhhla Jaa, Kya Aap Paanchvi Pass Se Tez Hain and Aap Ki Kachhri

CORPORATE INFORMATION

BOARD OF DIRECTORS

Shri Gautam Doshi, Director

Shri Amit Khanna, Director

Shri Sujal Shah, Director

Shri Anil Sekhri, Director

Shri Darius Kakalia, Director

Shri Prasoon Joshi, Additional Director

CHIEF EXECUTIVE OFFICER

Shri Anil Arjun

CHIEF FINANCIAL OFFICER

Shri Venkat Devarajan

COMPANY SECRETARY AND MANAGER

Ms. Kirti Desai

AUDITORS

B S R & Co., Chartered Accountants

INTERNAL AUDITORS

Mahajan & Aibara Associates

BANKERS

HDFC Bank Ltd.

Bank of Baroda

REGISTERED OFFICE

Adlabs Films Limited

Film City Complex,

Goregaon (East),

Mumbai - 400 065.

Phone: (022) 2842 33 33/44 88

Fax: (022) 28422211/28431685

Website: www.adlabsfilms.com

REGISTRAR & TRANSFER AGENTS

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk Mills Compound,

L.B.S Marg, Bhandup (W), Mumbai 400 078.

Phone: (022) 25963838 / 25946890

Fax: (022) 2594 6969.

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ADLABS FILMS LIMITED

NOTICE

NOTICE

Notice is hereby given that the Twenty Second Annual General Meeting of the Members of Adlabs Films Limited will be held on Wednesday, September 30, 2009 at 3.00 p.m. at Rangsharda Natyamandir, K.C. Marg, Bandra Reclamation, Bandra (West), Mumbai 400 050 to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Balance Sheet as at March 31, 2009, the Profit and Loss Account for the financial 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 Amit Khanna who retires by rotation and being eligible offers himself for re-appointment.

3. To appoint Auditors and to fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT M/s. Chaturvedi & Shah, Chartered Accountants, and M/s. B S R & Co., Chartered Accountants, be and are hereby appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company, on such remuneration as may be fixed by the Board of Directors.”

SPECIAL BUSINESS

4. 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 16, 94 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the existing Authorised Share Capital of the Company of Rs. 46,02,90,000 (Rupees Forty Six Crore Two Lakh Ninety Thousand) divided into 9,20,58,000 Equity Shares of Rs. 5 (Rupees Five Only) each, be and is hereby increased to Rs. 50,00,00,000 (Rupees Fifty Crore) comprising 10,00,00,000 Equity Shares of Rs. 5 each; with the power to the Board to decide on the extent of variation in such rights and to classify and re-classify from time to time such shares into any class of shares.

RESOLVED FURTHER THAT the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following Clause V:

‘V. The Authorised Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crore) comprising 10,00,00,000 Equity Shares of Rs. 5 each; with power to increase or reduce the capital of the Company and/or the nominal value of the shares and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such

preferential, deferred, qualified or special rights, privileges or conditions with or without voting rights as may be determined by or in accordance with the Articles of Association of the Company or as may be decided by the Board of Directors or by the Company in General Meeting, as applicable, in conformity with the provisions of the Act and to vary, modify, amalgamate or abrogate any such rights, privileges or conditions and to consolidate or sub-divide the shares and issue shares of higher or lower denominations in such manner as may for the time being be provided by the Articles of Association of the Company.’

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate.”

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

“RESOLVED THAT pursuant to the provisions of Section 31 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Articles of Association of the Company be and are hereby altered by substituting the existing Article 3 thereof by the following new Article 3:

‘3. The Authorized Share Capital of the Company is Rs. 50,00,00,000 (Rupees Fifty Crore) comprising 10,00,00,000 Equity Shares of Rs. 5 each; with the power to the Board to decide on the extent of variation in such rights and to classify and re-classify from time to time such shares into any class of shares.’

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorised to take all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate.”

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

“RESOLVED THAT pursuant to Section 81 (IA) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 (“SEBI DIP Guidelines”), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside

NOTICE (contd.....)

India) Regulations, 2000, applicable rules, regulations, guidelines or laws and/or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorised to issue, offer and allot equity shares/ fully convertible debentures/ partly convertible debentures / non convertible debentures with warrants/any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers (QIBs) as per the SEBI DIP Guidelines, on the basis of placement document(s), at such time or times in one or more tranche or tranches, at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine, in consultation with the Lead Managers, Advisors or other intermediaries, provided however that the issue of securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than 25% of the then issued and subscribed equity shares of the Company.

RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decide to open the proposed issue, or the date on which the holder of the securities which are convertible into or exchangeable with equity shares at a later date becomes entitled to apply for the said shares, as the case may be ("Relevant Date").

RESOLVED FURTHER THAT the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in above or as may be necessary in accordance with the terms of the offering, all such shares being *pari passu* with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.

RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board to such persons in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.

RESOLVED FURTHER THAT the issue to the holders of the Securities with equity shares underlying such securities shall be *inter alia*, subject to suitable adjustment in the number of shares, the price and the time period etc., in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organisation or restructuring in the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments, the Board be and is hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and institution / trustees / agents and similar agreements / and to remunerate the Managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Securities, with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorised to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilisation of the issue proceeds including but without limitation to the creation of such mortgage / charge in respect of the aforesaid Securities either on *pari passu* basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman or any other Officer(s) / Authorised Representative(s) of the Company to give effect to the aforesaid resolution."

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

"RESOLVED THAT Shri Prasoon Joshi, who was appointed as an Additional Director with effect from September 3, 2009 on the Board of the Company in terms of Section 260 of the Companies Act, 1956 and Article 132 of Articles of Association of the Company, and who holds office upto the date of the ensuing Annual General Meeting, and in respect of whom a Notice has been received in writing, under Section 257 of the said Act, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

ADLABS FILMS LIMITED

NOTICE (contd.....)

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

“RESOLVED THAT pursuant to the provisions of Section 21 and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or reenactment thereof, for the time being in force) and subject to the approval of the Central Government and such other approvals, consents, sanctions and permissions of appropriate authorities, department and bodies as may be necessary, consent of the Company be and is hereby accorded for change of name of the Company from “Adlabs Films Limited” to “Reliance MediaWorks Limited”

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, authority of the Company be and is hereby given to the Board of Directors to do all such acts, deeds and things, deal with such matters, take necessary steps and consider such delegations in the matter as the Board it may in its absolute discretion deem necessary and to settle any question that may arise in this regard, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT upon the fresh Certificate of Incorporation consequent upon the change of name of the Company being issued by the Registrar of Companies, Maharashtra, Mumbai the name “Reliance MediaWorks Limited” be inserted in place of the present name of the Company wherever appearing in the Memorandum and Articles of Association of the Company, letter heads etc and any one of the Directors and Ms. Kirti Desai, Company Secretary and Manager of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution.”

By Order of the Board of Directors

Kirti Desai

Company Secretary & Manager

Registered Office

Filmcity Complex
Goregaon (East),
Mumbai 400 065

September 3, 2009

Notes:

1. **A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company**

not later than 48 hours before the commencement of the Meeting.

2. Corporate Members are requested to send a duly certified copy of the Board Resolution authorising their representatives to attend and vote at the Meeting.
3. Members/proxies should fill-in the attendance slip for attending the Meeting.
4. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
5. Members who hold shares in electronic form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their folio number in the Attendance Slip for attending the Meeting to facilitate identification of membership at the Meeting. Members are requested to bring their Attendance Slip alongwith their copy of the annual report to the Meeting.
6. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the special business to be transacted at the Meeting is annexed hereto.
7. All documents referred in the accompanying Notice are open for inspection at the Registered Office of the Company on all working days except Saturday between 11.00 a.m. and 1.00 p.m. upto the date of Annual General Meeting.
8. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 24, 2009 to Wednesday, September 30, 2009 (both days inclusive).
9. Appointment and Re-appointment of Directors: At the ensuing Annual General Meeting, Shri Amit Khanna, Director of the Company retires by rotation and being eligible, offers himself for reappointment. Shri Prasoon Joshi, Additional Director holds office upto the date of the Annual General Meeting and is proposed to be appointed as a Director under Section 257 of the Companies Act, 1956. The information or details pertaining to Shri Amit Khanna and Shri Prasoon Joshi to be provided in terms of Clause 49 of the Listing Agreement is furnished in the Report of Corporate Governance forming part of the Report.
10. Members are advised to refer to the section titled “Investor Information” provided in this Annual Report.

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 setting out all the material facts relating to special business:-

Item Nos. 4 and 5

The Company, in order to meet its growth objectives and to strengthen its financial position, is required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the Authorised Share Capital of the Company from Rs. 46,02,90,000 to Rs. 50,00,00,000 and for that purpose, the Memorandum of Association and the Articles of Association of the

NOTICE (contd.....)

Company are proposed to be suitably altered as set out at item Nos. 4 and 5 of the accompanying Notice.

The Authorised Share Capital of the Company increased from Rs. 30,00,00,000 to Rs.46,02,90,000 in the financial year ended March 31, 2009 pursuant to the provisions of the Scheme of Amalgamation between Rave Entertainment Pvt. Ltd., Adlabs Multiplex Ltd., Adlabs Multiplexes and Theatres Ltd., Mahimna Entertainment Pvt. Ltd. and Adlabs Films Limited and their respective shareholders and creditors on May 29, 2009. The Scheme provided that the Authorised Share Capital of the Transferee Company viz. Adlabs Films Limited shall increase by Rs.16,02,90,000 to Rs.46,02,90,000/- (Rupees Forty Six Crores Two Lacs Ninety Thousand Only) divided into 9,20,58,000 equity shares of Rs.5/- each.

The provisions of the Companies Act, 1956 require the Company to seek the approval of the Members for increase in the Authorised Share Capital and for the alteration of capital clause of the Memorandum of Association and the Articles of Association of the Company.

Your Directors therefore recommend the resolutions set out at item Nos. 4 and 5 of the accompanying Notice for your approval.

A copy of Memorandum and Articles of Association of the Company shall remain open for inspection by Members at the Registered Office of the Company on all working days except Saturdays between 11.00 a.m. to 1.00 p.m. till the date of this Annual General Meeting.

None of the Directors of the Company is, in any way, concerned or interested in the said resolutions, except to the extent of their shareholding.

Item No. 6

Keeping in view the business requirements, and the ability to compete with the peer groups in domestic and international markets, your Company needs to strengthen its financial position by augmenting long term resources.

The proposed Special Resolution seeks the enabling authorization of the Members to the Board of Directors, without the need of any further approval from the Members, to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB"), in accordance with the provisions of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI DIP Guidelines").

Pursuant to the above, the Board may, in one or more tranches, issue and allot equity shares / fully convertible debentures / partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities"). The said QIP by the Board shall be subject to the provisions of the SEBI DIP Guidelines (as amended from time to time) including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock

exchanges during the two weeks preceding the Relevant Date. The Relevant Date for the determination of applicable price for the issue of the QIP Securities shall be the date of the meeting in which the Board of the Company decides to open the proposed issue or in case of securities which are convertible into or exchangeable with equity shares at a later date, the date on which the holder of such securities becomes entitled to apply for the said shares, as the case may be. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The securities issued pursuant to the offering would be listed on the Indian stock exchanges.

The proposed issue of QIP Securities as above may be made in one or more tranches such that the QIP Securities to be issued shall not result in increasing the then issued and subscribed equity shares of the Company by more than 25 per cent of the then issued and subscribed equity shares of the Company.

The Securities issued under QIP issue pursuant to offer may, if necessary, be secured by way of mortgage / hypothecation on the Company's assets as may be finalized by the Board in consultation with the Security Holders / Trustees in favour of Security Holders / Trustees for the holders of the said securities.

Section 81(1A) of the Companies Act, 1956 and Listing Agreement entered with the Stock Exchanges, provide, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons, who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorisation of the Members to the Board of Directors to make the proposed issue of Securities, in consultation with the Lead Managers, Legal Advisors and other intermediaries and in the event it is decided to issue Securities convertible into equity shares, to issue to the holders of such convertible Securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rules, regulations or guidelines.

Your Directors therefore recommend the said resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding.

Item No. 7

Shri Prasoon Joshi was appointed as Additional director of the Company with effect from September 3, 2009 in accordance with the provisions of section 260 of the Companies Act, 1956 and Article 132 of Articles of Association of the Company.

Pursuant to Section 260 of the Companies Act 1956, Shri Prasoon Joshi holds office upto the date of the ensuing Annual General

ADLABS FILMS LIMITED

NOTICE (contd.....)

Meeting. The Company has received Notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director.

Keeping in view the experience and qualification of Shri Prasoon Joshi, your Directors considered it to be in the interest of the Company, if he is appointed as Director of the Company, liable to retire by rotation as per the provisions of the Companies Act, 1956.

Your Directors therefore recommend the said resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding.

Item No. 8

The Company was incorporated in 1987 as a Private Limited Company viz. "Adlabs Films Private Limited". In the year 2000, the Company was converted into a public limited company and was listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

In the year 2005 Reliance Anil Dhirubhai Ambani Group acquired the controlling stake in equity share capital of the Company and became the Promoters of the Company. Consequent to the above and the Company's transformation into a fully integrated media and entertainment service provider over the last few years with its services spanning the entire media and entertainment value chain including motion picture processing, film post production, digital cinema, studios/shooting floors, film and television equipment rental, visual effects and restoration, image enhancement, exhibition in

India and overseas, production of television content and other value added services, it is deemed appropriate to change the name of the Company to Reliance MediaWorks Limited.

The Board of Directors believe that the new name would enable the Company to more accurately reflect its businesses.

Pursuant to an application by the Company, the proposed new name has been made available by the Registrar of Companies, Maharashtra, Mumbai vide their letter dated September 3, 2009. In terms of Section 21 of the Companies Act, 1956, name of the Company can be changed with the approval of the Central Government and the Shareholders by way of a Special Resolution.

Your Directors therefore recommend the said resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding.

By Order of the Board of Directors

Kirti Desai

Company Secretary & Manager

Registered Office

Filmcity Complex
Goregaon (East),
Mumbai 400 065

September 3, 2009