


26TH

ANNUAL REPORT

2007 – 2008

SCENARIO MEDIA LIMITED

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For SCENARIO MEDIA LIMITED


Director/Authorised Signatory.

SCENARIO MEDIA LIMITED

CONTENTS	PAGE NO.
Notice	1 - 4
Director Reports	5 - 11
Corporate Governance Report	12 - 26
CEO and CFO Certification	27 - 29
Declaration	30
Statutory Compliance Report	31
Auditor Reports	32- 36
Balance-Sheet	37
Profit & Loss A/c.	38
Schedule Forming Parts of Accounts	39- 44
Cash Flow Statement	45

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SCENARIO MEDIA LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Twenty Sixth Annual General Meeting of SCENARIO MEDIA LIMITED will be held at the Registered office of the Company situated at 97, Maker Tower 'F', Cuffe Parade, Mumbai – 400 005 on Tuesday, September 30, 2008 at 11.30 a.m. to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2008, Profit and Loss Account for the year ended on that date and the Reports of the Auditors' and the Directors' thereon.
2. To appoint a Director in place of Mr. Balam Mohla, who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Sameer Kapoor who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint the Auditors to hold office from the conclusion of this meeting until conclusion of the next Annual General Meeting and to authorize Board to fix their remuneration.

“RESOLVED THAT M/s. Shah & Taparia Chartered Accountants, Mumbai, being retiring Auditors of the Company, be and are hereby re-appointed as Auditors of the Company to hold the office from the conclusion of the ensuing Annual General Meeting until conclusion of the next Annual General Meeting, on such remuneration as may be determined by the Chairperson in consultation with the Auditors, in addition to reimbursement of service tax and all out of pocket expenses in connection with the audit of the Accounts of the Company, which remuneration may be paid on existing terms to be agreed between the Auditors and the Chairperson.”

Place : Mumbai

By order of the Board

Date : September 04, 2008

Sd/-

Compliance Officer

Registered Office :

97, Maker Tower 'F',
Cuffe Parade, Mumbai - 400 005

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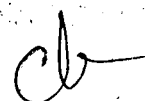
Registered Office : 97 Maker Tower 'F', Cuffe Parade, Mumbai - 400 005.

Tel : (91 22) 4029 0011. Fax : (91 22) 4029 0033.

Notes :

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend the meeting and the proxy need not be a member of the Company. Under the Companies Act, 1956, voting is by a show of hands unless a poll is demanded by a member or members present in person, or by proxy, holding at least one-tenth of the total shares entitled to vote on the resolution or by those holding paid-up capital of at least Rs. 50,000. A proxy shall not vote except on a poll. The instrument appointing the proxy must be deposited at the registered office of the Company not less than 48 hours before the commencement of the meeting.
2. An Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956 relating to the special business to be transacted at the meeting in annexed hereto.
3. Members /Proxies should bring duly filled Attendance Slips sent herewith to attend the meeting.
4. The Register of Members and Share Transfer Books of the Company will remain closed from September 22, 2008 to September 30, 2008 (both days inclusive) for the purpose of Annual General Meeting.
5. Members holding shares in physical form and desirous of making/changing nomination in respect of their shareholding in the Company, may send their request in the prescribed form 2B to the Registrar & Transfer Agents of the Company.
6. Corporate Members are requested to send to the Company, a duly certified copy of the Board Resolution authorizing their representative to attend and vote at the Annual General meeting.
7. Members desirous of obtaining any information on the Accounts and Operations of the Company are requested to write at least one week before the meeting so that the same could be compiled in advance.
8. Members are requested to notify changes, if any, in their registered addresses along with the pin code to the Company's Registrar and Share Transfer Agent.
9. Members are requested to bring their copy of Annual Report to the Meeting.

For SCENARIO MEDIA LIMITED



SCENARIO MEDIA LIMITED

10. All documents referred to in the notice and explanatory statement are open for inspection at the registered office of the Company between 10.30 a.m. and 1.00 p.m. on all working days upto the date of the meeting.
11. Members whose shareholding is in electronic mode are requested to direct change of address notifications and updations of savings bank account to their respective Depository Participants.
12. Member are requested to address all correspondences, including dividend matters, to the Registrar and Share transfer Agents, M/s. SHAREX DYNAMIC (INDIA) PVT. LTD.17/B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai
13. As per the provisions of the Companies Act, 1956, facility for making nominations is available for shareholders, in respect of the shares held by them. Nomination forms can be obtained from the Registrar and Transfer agents of the Company.
14. Members seeking any information or clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the meeting to enable the Company to compile the information and provide replies at the meeting.

Place : Mumbai

By order of the Board

Sd/-

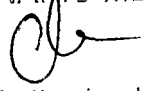
Date : September 04, 2008

Compliance Officer

Registered Office :
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Cuffe Parade,
Mumbai - 400 005

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**INFORMATION UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING RE –
APPOINTMENT OF DIRECTORS.**

Mr. Sameer Kapoor joined the Board as a Director of the Company on June 28th, 2004. Mr. Sameer Kapoor has completed B.A. from Hudders field University London. He is having 2 years work experience in Taj group of Hotel at Managerial level.

Mr. Balam Mohla is a graduate in Arts from University of Mumbai. He has gathered a lot of experience in the field of film production, distribution and marketing. He has actively contributed in the development of the Scenario Media Limited.

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4

Director, Scenario Media Limited



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DIRECTORS' REPORT

The Members of

SCENARIO MEDIA LIMITED

Your Directors present herewith the 26th Annual Report together with the Audited Statement of Accounts for the year ended March 31, 2008.

1. FINANCIAL RESULTS

(Rs. In Lacs)

	2007-08		2006-07	
Profit/(Loss) before interest, depreciation and taxation		45.61		66.62
Less: Interest	2.85		0.001	
Depreciation/Amortisation/ Impairment	20.28		20.16	
Provision for Taxation-current/earlier years	6.23		17.17	
		29.36		37.33
Add : provisions written back		0.00		0.00
Net Profit /(Loss) after Tax		16.25		29.29
Add: Balance in Profit & Loss Account		9.63		(19.65)
Less: Transferred to Reserve Fund		-		-
<i>Balance Carried Forward</i>		25.88		9.63
Appropriations				
Interim Dividend		-		-
Final Dividend		-		-
Dividend Tax		-		-
Balance carried forward		25.88		9.63
Total		25.88		9.63

2. **DIVIDEND**

In the absence of sufficient profits, no dividend is recommended for this year under report.

3. **MANAGEMENT DISCUSSION AND ANALYSIS**

a) Industry structure & Development

The Indian Entertainment and Media industry has out-performed the Indian economy and is one of the fastest growing sectors in India. The Entertainment and Media industry generally tends to grow faster when the economy is expanding. The Indian economy has been growing at a fast clip over the last few years, and the income levels too have been experiencing a high growth rate. Above that, consumer spending is also on the rise, due to a sustained increase in disposable incomes, brought about by reduction in personal income tax over the last decade. All these factors have given an impetus to the Entertainment and Media industry and are likely to contribute to the growth of this industry in the future. The performance of the Indian E&M industry surpassed most other domestic industries. The industry achieved 17% growth, higher than the projected 15% growth, according to the report of FICCI. The sector also attracted record foreign investments at Rs. 8.5 billion during the year 2008.

The Entertainment Industry in India presently stands at over Rs. 200,000 million. For the next 5 years, the industry is expected to grow at an annual rate of 18% to reach Rs. 450,000 million. While films in India represented the evolution in culture, television represented the economic revolution. Television is expected to grow from advertising revenues and subscription revenues. The industry is poised for a second wave of growth where TV contribution would increase to as much as 60% and film production expected to triple in size.

b) Opportunities & Threats

Opportunities

The Government of India has allowed FDI upto 100 percent under the automatic route in many sectors. The entertainment and media industry has also benefited considerably from the initiatives taken by the Government for FDI.

The Government has permitted 100 percent FDI in film industry, i.e. film financing, production, distribution, exhibition, marketing and associated activities relating to film industry. Upto 20 per cent FDI is allowed in Radio Industry while up to 26 per cent is allowed in Indian entities publishing newspapers and periodicals dealing with news and current affairs, subject to certain preconditions. The foreign investment cap under non-news category has been enhanced from 74 percent to 100 percent in case of

For SCENARIO MEDIA LIMITED


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Indian entities publishing scientific/ technical /specialty magazines/ periodicals/journals.

Income tax exemption is available on certain categories of media related exports.

RBI has evolved schemes to provide bank finance to film producers, corporate and non - corporate, up to 50 % of the Tax holiday on few sectors of the entertainment industry for a period of five years.

Threats

Ever changing trends in Media sector:

Companies in IT, telecoms, media and entertainment industries should have a sharp customer focus. Consumers' choice and preference vary rapidly along with the trends and environment they live in. The Company has to take measures accordingly for adopting the new changes in the technology so as to respond to the changing consumer behaviour.

Competition from other players:

The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business.

Fluctuations in the foreign[al] exchange rate:

The Company received some portion of its revenues in foreign currencies US dollars. Accordingly, the Company is exposed to fluctuations in the exchange rates between the US Dollar and the Rupee.

c) Segment wise performance

Exports of Designers Jewellery

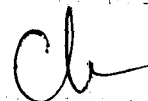
The company has a division focused on exporting designer diamond studded gold jewellery to USA and boasts of its presence across leading jewellery retailers across the USA. Some of the retail outlets from where the jewellery are marketed are Gem Boutique (Chicago), Mira Couture (Chicago), Etan (Atlanta), Idazzlers (Miami), Elizabeth & Co (Montana), etc.

Hospitality Business

During the previous Financial year the, company had taken an assignment to manage a Hotel namely "The Tiger villa" situated at Ranthambore, Rajasthan.

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7

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Ranthambore is famous for its tigers and is one of the best places in the country to see these majestic predators in the wild. The tigers can be easily spotted even during the day.

Ranthambore National Park which is a declared a wildlife sanctuary has one of the finest tiger reserves in the country abandoned fortress, lakes and above all it's 'friendly' tigers have made it one of the most filmed wildlife reserves in the world.

The varied topography of the national park is home to animals like the jackal, mongoose, sloth bear, leopard, and of course, the tiger. Ranthambore has much more to offer in sightseeing and excursions. Surrounded by the Vindhya and Aravali hill ranges and located very near to the outer fringes of the Thar Desert, this place offers you the best of the desert land as well as plain area near the hills.

The hotel will commence business operations from October 2008.

Media Entertainment and Advertisement Designing

The Company has lodged a collection of DVDs and books under Licence from Little Guruskool LLC' based in Chicago, USA. The Company has lodged 3 titles and has already got 2 additional titles in stock. The products are being distributed in India and worldwide by India Book House and is available at all leading retailers.

The Company has recorded Income from sale of Film rights of Baba Ramdev Pir and Beti Huyi Parayi Re.

d) Outlook

In the area of Media & Advertisement the Company is going to take radical steps and is poised for tremendous growth in the coming year.


On the backdrop of successful year, the outlook for the hospitality industry in the coming year remains bullish. With the number of tourist arrivals expected to touch atleast 10 Million in the coming 2-3 years, interest in India as a leisure destination has gone up tremendously and the company is sure to take advantage of the existing scenario and continue to build up on it.

e) Risk Management

The company considers risk management to be one of the most critical components of its business framework. During the year, risk management systems were further strengthened and fine-tuned to effectively manage the risks confronted by the company. Similarly, well-established and documented systems and procedures provide defence against the operational risk.

Our Risk Management Framework addresses the Organization's strategy, operations and compliance, and is currently being enhanced to provide a unified and comprehensive perspective.

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