

**DIRECTORS' REPORT**

Your Directors are pleased to present the Fifth Annual Report of the Company and the audited accounts for the year ended 31 March, 2010.

**FINANCIALS****(Rs. In Lakhs)**

Particulars	For the year ended 31.03.2010	For the year ended 31.03.2009
Total Income	3579.94	4636.15
Expenditure:-		
Cost of Revenue	2603.07	3279.34
Other Admn. Expenses	930.97	1957.68
Int. & Financial charges	92.83	65.23
Depreciation including Amortization	551.80	478.47
Profit/(Loss) before tax & prior period adjustments	(598.73)	(1144.57)
Profit/(Loss) after Taxation	(562.86)	(767.38)

The Directors expect better results in the coming years.

**BUSINESS OPERATIONS**

During the year under review, your Company has continued with the various cost rationalization measures which have yielded a huge amount of saving to the Company.

During the year under review, your Company has managed a deal worth Rs.3.75 Crores with Central Bank of India who sponsored "Sabse Saste Char Din" event organized by Pantaloon Retail at their Big Bazaar Stores. The sponsoring of such type of events was the first time in the Industry. Your Company expects to get more and more sponsors for such events to be

organized by Future Group from time to time and thereby substantially increase its revenue from SOH business. During the year under review, your Company has cracked some big deals with renowned Clients like Parle and Godrej and also gained some new categories of clients like PSU banks, BPOs and IT education institutes including business from the Companies like Maruti, Samsung and Vodafone.

Future TV has made a modest beginning with some of the big advertisers like HUL, P&G, Whirlpool and State Bank of India and the trend looks positive. The Company has been getting good comments from the market over the quality of the contents now appearing on Future TV Network, your Company shall always continue to strive to improve upon the same.

During the year under review, due to economic slowdown, your Company has lost business from Insurance Companies, Mutual Funds and Telecom Sectors; however, your Company shall not leave any stone unturned to recover such lost business.

During the year, the Company has completely revamped the marketing strategy for "My World" magazine and consequently, the Company expects many business opportunities from the said magazine.

Your Company had the exclusive rights of Inox Multiplexes till 31st March '10 and the Company had expressed its interest to renew such rights from Inox and also acquire on-screen advertising rights of Fame Multiplexes, provided the same were available mainly on revenue sharing basis instead of solely on the basis of payment of minimum guarantee amount.

## **DIVIDEND**

In view of loss, your Directors do not recommend any dividend for the year under review.

## **FIXED DEPOSIT**

During the year under review, your Company has not accepted any deposit from the public within the meaning of section 58A of the Companies Act, 1956.

## **DIRECTORS**

Mr. C. P. Toshniwal is retiring by rotation at this meeting and being eligible, offers himself for re-appointment. The Board of Directors recommend to the members of the Company to re-appoint him as a director liable to retire by rotation.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. that in the preparation of the Accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
2. that the Directors have selected 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 as on 31 March 2010 and the loss of the Company for the year ended on that date;
3. 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 frauds and other irregularities;
4. that the Directors have prepared the accounts on a 'going concern' basis.

## **AUDIT COMMITTEE**

The constitution of the Audit Committee meets with the requirements of Section 292A of the Companies Act, 1956

The terms of Reference of Audit Committee cover the matters specified for Audit Committee under the Companies Act, 1956.

As on March 31, 2010, the Audit Committee consists of Mr. Chandra Prakash Toshniwal, Mr. Vikram Sakhuja and Mr. Atul Kapur.

## **AUDITORS**

M/s. S. R. Batliboi & Associates; Chartered Accountants, Auditors of the Company who retire at the conclusion of the ensuing Annual General Meeting are eligible for re-appointment and have expressed their willingness to accept office as such. The Company has received a certificate from them to the effect that the re-appointment, if made, would be within the limits prescribed under Section 224(1B) of the Companies Act, 1956.

## **AUDITORS' REPORT**

With regard to the Auditor's comment on the recognition of deferred tax assets, we have to state that considering the recent revenue trends and also as a result of cost efficiencies achieved during the year, the Company is confident of earning cash profits like previous year. Secondly, on consideration of the Company's current order book position and the business plans, we are confident that sufficient future taxable income will be available against which such deferred tax assets can be realized.

## **CONSERVATION OF ENERGY, RESEARCH & DEVELOPMENT, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The particulars as prescribed under sub-section (1)(e) of Section 217 of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988, do not apply to the Company.

## **FOREIGN EXCHANGE EARNING AND OUTGO**

The Company being in the service industry, and working in the retail consumption space, has very limited scope to have some export initiative. Further, the Company considers that it would continue to have enough activities in the retail consumption space and export initiative need not be looked into at this juncture as the same would deviate from the Company's core business activities.

	For the year ended 31.3.2010 (Rs.)	For the year ended 31.3.2009 (Rs.)
Total foreign exchange earned	Nil	Nil
Total foreign exchange used	Nil	6,72,456/-

## **ACKNOWLEDGEMENT**

The Board desires to place on record, its appreciation to all employees at all level for their dedicated efforts.

Your Directors also wish to place on record their appreciation and acknowledge with gratitude the support and co-operation extended by the clients, Axis Bank Ltd., HDFC Bank Ltd. and the investors and look forward to their continued support.

For and on behalf of the Board of  
**Future Media (India) Limited**

  
Director

  
Director

Dated: 26th August, 2010

Mumbai

**Information as per Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975 referred to in the Directors' Report for the year ended 31 March 2010**

Name	Designation	Remuneration (Rs.)	Date of Joining	Experience (Yrs)	Age (Yrs)	Previous Employment
Mr. Nikhil Sheth*	National Sales Director	36,02,296/-	01/02/2008	16	39	NGC Network India Pvt. Ltd.
Mr. Suresh Lakshminarayanan*	Chief Financial Officer	3,58,629/-	09/03/2007	21	45	TLG India Pvt. Ltd.
Mr. Rajnish Jauhari	National Sales Head- Special Projects	25,12,772/-	10/10/2006	19	40	The Pioneer
Mr. Vijay Koshy*	National Sales Director	13,02,373/-	24/11/2009	19	39	Sony Entertainment India Limited

**Notes:**

- \* Employed for the part of the period of the Accounting year.
- Persons named above are/were employees of the Company.
- Remuneration includes salary, allowances, leave encashment, leave travel concession, reimbursement of medical expenses, employer's contribution to Provident Fund and value of perquisites as per the Income Tax Act. In addition, the employees are entitled to gratuity/group insurance in accordance with the Company's Rules.
- None of the employees listed above is related to any Director of the company.

For and on behalf of the Board of Directors

  
Director

  
Director

**S.R. BATLIBOI & ASSOCIATES**  
Chartered Accountants

18th Floor, Express Towers  
Nariman Point  
Mumbai-400 021, India  
Tel: +91 22 6668 3000  
Fax: +91 22 2282 6000

**Auditors' Report**

To  
The Members of Future Media India Limited

1. We have audited the attached Balance Sheet of Future Media India Limited ('the Company') as at March 31, 2010 and also the Profit and Loss account and the cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. 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.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
4. *The Company has recognized deferred tax assets primarily in respect of timing differences relating to unabsorbed business losses, depreciation, provisions for leave encashment and gratuity, based on future profitability projections. In our opinion such basis does not meet with the requirements of virtual certainty as referred to in AS-22 on Accounting for Taxes on Income and, therefore should not be recognized. Had the Company not recognized the deferred tax assets as at March 31, 2010, the accumulated loss and loss for the year would have been higher by Rs 104.98 million. This had caused us to qualify our audit opinion on the financial statements relating to preceding year.*
5. Further to our comments in the Annexure referred to 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;
  - 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;
  - iii. The balance sheet, profit and loss account and cash flow statement dealt with by this report are in agreement with the books of account;
  - iv. In our opinion, the balance sheet, profit and loss account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 except for matters described in paragraph 4;



## **S.R. BATLIBOI & ASSOCIATES**

Chartered Accountants

Future Media India Limited  
Auditors' Report- March 31, 2010  
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- v. On the basis of the written representations received from the directors, as on March 31, 2010, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2010 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi. In our opinion and to the best of our information and according to the explanations given to us, the accounts give the information required by the Companies Act, 1956, in the manner so required and *subject to the effect of the matter stated in paragraph 4 above*, give a true and fair view in conformity with the accounting principles generally accepted in India;
- a) in the case of the balance sheet, of the state of affairs of the Company as at March 31, 2010;
- b) in the case of the profit and loss account, of the loss for the year ended on that date; and
- c) in the case of cash flow statement, of the cash flows for the year ended on that date.

*S.R. Batliboi & Associates*  
For S.R. BATLIBOI & ASSOCIATES  
Firm registration number: 101049W  
Chartered Accountants

*Govind Ahuja*  
per Govind Ahuja  
Partner  
Membership No.:48966

Place: Mumbai  
Date: August 26, 2010





## **S.R. BATLIBOI & ASSOCIATES**

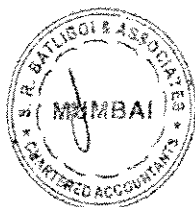
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### **Annexure referred to in paragraph 3 of our report of even date**

Re: Future Media India Limited ('the Company')

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. As informed, no material discrepancies were noticed on such verification.
  - (c) There was no substantial disposal of fixed assets during the year.
- (ii) The Company provides media services, accordingly it does not have any inventory. Consequently clause 4 (ii) (b) to (c) of the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') are not applicable to the Company.
- (iii)(a) As informed, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956 ('the Act'). Accordingly clause 4 (iii) (b) to 4 (iii) (d) of the Order, are not applicable to the Company.
  - (b) The Company had taken loan from one company covered in the register maintained under section 301 of the Act. The maximum amount involved during the year was Rs. 70 million and the year-end balance of loans taken from such parties was Rs. Nil.
  - (c) In our opinion and according to the information and explanations given to us, the rate of interest and other terms and conditions for such loans are not prima facie prejudicial to the interest of the Company.
  - (d) In respect of loans taken, repayment of the principal amount is as stipulated and payment of interest has been regular.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. The Company does not purchase or sell inventory. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.
- (v) (a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
  - (b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of Rupees five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
- (vi) The Company has not accepted any deposits from the public.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.



## **S.R. BATLIBOI & ASSOCIATES**

Chartered Accountants

Future Media India Limited  
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(viii) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under clause (d) of sub-section (1) of section 209 of the Act, for the products of the Company.

(ix)(a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income-tax, sales tax, service tax, cess and other material statutory dues applicable to it. The provisions relating to employees' state insurance, investor education and protection fund, wealth-tax, customs duty and excise duty are not applicable to the Company.

Further, since the Central Government has till date not prescribed the amount of cess payable under section 441 A of the Act, we are not in a position to comment upon the regularity or otherwise of the company in depositing the same.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, income-tax, service tax, sales-tax, cess and other undisputed statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to employees' state insurance, investor education and protection fund, wealth-tax, customs duty and excise duty are not applicable to the Company.
- (c) According to the information and explanation given to us, there are no dues of income tax, sales-tax, service tax, and cess which have not been deposited on account of any dispute.
- (x) The Company has been registered for a period of less than five years and hence we are not required to comment on whether or not the accumulated losses at the end of the financial year is fifty per cent or more of its net worth and whether it has incurred cash losses in such financial year and in the immediately preceding financial year.
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a financial institution or banks.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the 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. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) The Company did not have any term loans outstanding during the year.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.



## **S.R. BATLIBOI & ASSOCIATES**

Chartered Accountants

Future Media India Limited  
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- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Act.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised money by way of public issues.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

*S.R. Batliboi & Associates*  
For S.R. BATLIBOI & ASSOCIATES  
Firm registration number: 101049W  
Chartered Accountants

*Govind Ahuja*  
per Govind Ahuja  
Partner  
Membership No.:48966

Place: Mumbai  
Date: August 26, 2010



**FUTURE MEDIA (INDIA) LIMITED**  
**Balance Sheet as at March 31, 2010**

(Amount in Rs.)

PARTICULARS	Schedule No	As at 31.03.2010	As at 31.03.2009
<b>I SOURCES OF FUNDS</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Share Capital	1	505,000,000	505,000,000
Reserves and Surplus	2	100,800,000	100,800,000
		<b>605,800,000</b>	<b>605,800,000</b>
<b>LOAN FUNDS</b>			
Secured Loans	3	75,304,691	54,167,101
<b>Total</b>		<b>681,104,691</b>	<b>659,967,101</b>
<b>II APPLICATION OF FUNDS</b>			
<b>FIXED ASSETS</b>			
Gross Block	4	445,682,718	446,149,559
Less : Accumulated Depreciation		122,870,731	68,584,628
Net Block		322,811,987	377,564,931
Capital Work - in - progress		3,780,736	5,055,538
<b>Total</b>		<b>326,592,723</b>	<b>382,620,469</b>
<b>DEFERRED TAX ASSET (NET)</b>		104,983,205	101,396,651
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>			
Sundry Debtors	5	234,342,603	257,439,288
Cash and Bank Balances	6	689,842	2,553,329
Loans and Advances	7	59,951,610	60,160,070
		<b>294,984,055</b>	<b>320,152,687</b>
<b>LESS : CURRENT LIABILITIES AND PROVISIONS</b>			
Current Liabilities	8	284,257,515	326,719,303
Provisions	9	1,053,464	1,052,483
		<b>285,310,979</b>	<b>327,771,786</b>
<b>NET CURRENT ASSETS</b>		9,673,076	(7,619,099)
<b>PROFIT AND LOSS ACCOUNT</b>		239,855,687	183,569,080
<b>Total</b>		<b>681,104,691</b>	<b>659,967,101</b>
Significant Accounting Policies and Notes to Accounts	15		

The Schedules referred to above and notes attached thereto form an integral part of the financial statements.

As per our report of even date attached

*S.R. Batliboi & Associates*  
 For S. R. Batliboi & Associates

Firm Registration No. 101049W

Chartered Accountants

*Govind Ahuja*  
 per Govind Ahuja  
 Partner  
 Membership No. 48966



Place : Mumbai  
 Date: 26 AUG 2010

For and on behalf of the Board of Directors of  
 Future Media (India) Limited

*C.P. Toshniwal*  
 C.P. Toshniwal  
 Director  
*Anant S. Gude*  
 Anant S. Gude  
 Company Secretary

*Sandeep Agrawal*  
 Sandeep Agrawal  
 Director  
*Devid K Gupta*  
 DEVID K GUPTA  
 FINANCIAL CONTROLLER

Place : Mumbai  
 Date: 26/08/2010

## FUTURE MEDIA (INDIA) LIMITED

### Profit and Loss Account for the Year ended March 31, 2010

(Amount in Rs.)

PARTICULARS	Schedule No	For the Year ended 31.03.2010	For the Year ended 31.03.2009
<b>INCOME</b>			
Sale of Services		357,020,102	462,700,047
Other Income	10	973,437	914,729
<b>Total</b>		<b>357,993,539</b>	<b>463,614,776</b>
<b>EXPENDITURE</b>			
Direct Expenses	11	260,306,927	327,934,438
Personnel Costs	12	52,812,596	87,177,745
General Administrative and Other Expenses	13	40,284,530	108,590,578
Interest and Financial charges	14	9,282,849	6,523,466
Depreciation including Amortization	4	55,179,798	47,847,113
<b>Total</b>		<b>417,866,700</b>	<b>578,073,340</b>
<b>Profit / (Loss) Before Tax</b>		<b>(59,873,161)</b>	<b>(114,458,564)</b>
Less: Provision for Taxation			
a) Deferred Tax		3,586,554	39,085,446
b) Fringe Benefit Tax		-	(1,364,677)
<b>Profit / (Loss) After Tax</b>		<b>(56,286,607)</b>	<b>(76,737,795)</b>
Add: Balance brought forward from previous year		(183,569,080)	(106,831,285)
<b>Profit / (Loss) Balance carried over to Balance Sheet</b>		<b>(239,855,687)</b>	<b>(183,569,080)</b>
<b>Earning Per Share (of Rs.10/- each)</b> (Refer note no 9 of Schedule 15)			
-Basic & Diluted earnings / (loss) per share		(22.51)	(32.13)
Significant Accounting Policies and Notes to Accounts	15		

The Schedules referred to above and notes attached thereto form an integral part of the financial statements.

As per our report of even date attached

*S. R. Batliboi & Associates*  
For S. R. Batliboi & Associates  
Firm Registration No. 101049W  
Chartered Accountants

per Govind Ahuja  
Partner  
Membership No. 49966



Place : Mumbai  
Date: 26 AUG 2010

For and on behalf of the Board of Directors of  
Future Media (India) Limited

*C.P. Toshniwal*  
C.P. Toshniwal  
Director  
*Ahant S. Gude*  
Ahant S. Gude  
Company Secretary

Place : Mumbai  
Date: 26/08/2010

*Sanjeev Agrawal*  
Sanjeev Agrawal  
Director  
*Devendra Gupta*  
DEVENDRA GUPTA  
FINANCIAL CONTROLLER

**FUTURE MEDIA (INDIA) LIMITED**

**Cash Flow Statement for the year ended March 31, 2010.**

(Amount in Rs.)

Particulars	As at 31.03.2010	As at 31.03.2009
<b>A Cash Flow from Operating Activities</b>		
Net Profit Before Tax and Extraordinary items	(59,873,161)	(114,458,564)
<b>Adjustments for :</b>		
Depreciation	55,179,798	47,847,113
Interest Received (net)	(410,624)	(802,675)
Interest Paid	8,611,059	5,745,977
Dividend Income	-	(16,146)
Profit on Sale of Asset	8,448	2,843,364
<b>Operating profit before working capital changes</b>	<b>3,515,520</b>	<b>(58,840,931)</b>
<b>Adjustments for :</b>		
Trade and other receivable	23,096,685	(156,415,864)
Loans and advances	10,865,964	3,957,061
Trade payables	4,247,642	127,168,014
Other payables	(6,708,449)	18,911,884
<b>Cash generated from operations</b>	<b>35,017,362</b>	<b>(65,219,836)</b>
Direct taxes paid	(10,287,942)	(8,265,033)
<b>Net Cash from Operating Activities</b>	<b>24,729,420</b>	<b>(73,484,869)</b>
<b>B Cash Flow From Investing Activities</b>		
Sale of fixed assets	1,350,645	671,971
Purchase of fixed assets	(711,145)	(57,044,814)
Sale of Investments	-	40,000,000
Inter Corporate Deposits Given	(369,562)	39,614,628
Interest Received (net)	410,624	802,675
Dividend Income	-	16,146
<b>Net Cash used in Investing Activities</b>	<b>880,562</b>	<b>24,060,606</b>
<b>C Cash Flow from Financing Activities</b>		
Working Capital from Banks/Institutions	21,137,590	4,150,662
Inter Corporate deposits received	150,000,000	40,076,280
Inter Corporate deposits repaid	(190,000,000)	-
Proceeds from Issue of Share Capital	-	2,500,000
Interest paid	(8,611,059)	(5,745,977)
<b>Net Cash from financing activities</b>	<b>(27,473,469)</b>	<b>40,980,965</b>
<b>Net Cash used in Cash and Cash Equivalents (A+B+C)</b>	<b>(1,863,487)</b>	<b>(8,443,298)</b>
Cash & Cash Equivalents (Opening balance)	2,553,329	10,996,627
Cash & Cash Equivalents (Closing balance)	689,842	2,553,329

As per our report of even date attached

*S. R. Battliboi & Associates*  
For S. R. Battliboi & Associates

Firm Registration No. 101049W

Chartered Accountants

per Govind Anuja  
Partner  
Membership No. 48966



Place : Mumbai  
Date: 26 AUG 2010

For and on behalf of the Board of Directors of  
Future Media (India) Limited

*C.P. Toshniwal*  
C.P. Toshniwal  
Director

*Anant S. Gude*  
Anant S. Gude  
Company Secretary

*Sandeep Agrawal*  
Sandeep Agrawal  
Director

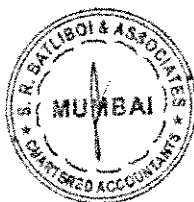
*DEVENA GUPTA*  
DEVENA GUPTA  
FINANCIAL CONTROLLER

Place : Mumbai  
Date: 26/08/2010

**FUTURE MEDIA (INDIA) LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2010**

(Amount in Rs.)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
<b>SCHEDULE 1: SHARE CAPITAL</b>		
<b>AUTHORIZED</b>		
5,000,000 (Previous Year 5,000,000) Equity Shares of Rs.10/- each.	50,000,000	50,000,000
4,800,000 (Previous year 4,800,000) 0.01% Non Cumulative Compulsorily Convertible Preference shares of Rs.100/- each	480,000,000	480,000,000
	<b>530,000,000</b>	<b>530,000,000</b>
<b>ISSUED, SUBSCRIBED &amp; PAID UP</b>		
2,500,000 (Previous year 2,500,000) Equity Shares of Rs.10 each fully paid up.	25,000,000	25,000,000
4,800,000 (Previous year 4,800,000) 0.01% Non Cumulative Compulsorily Convertible Preference shares of Rs.100/- each	480,000,000	480,000,000
Note: Out of above 2,106,062 equity shares are held by Holding Company - Pantaloon Retail (India) Ltd	<b>505,000,000</b>	<b>505,000,000</b>
<b>SCHEDULE 2: RESERVES &amp; SURPLUS</b>		
Securities Premium Account	100,800,000	100,800,000
	<b>100,800,000</b>	<b>100,800,000</b>
<b>SCHEDULE 3: SECURED LOANS</b>		
<b>Working Capital Loans From Banks</b>		
Rupee Loan - Working Capital Demand Loan	55,359,617	-
Rupee Loan - Cash Credit	19,945,074	54,167,101
(Secured by exclusive charge over Company's current assets including receivables, present and future & personal guarantee of non executive director)	<b>75,304,691</b>	<b>54,167,101</b>

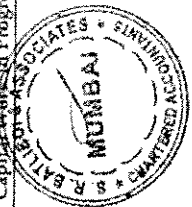


**FUTURE MEDIA (INDIA) LIMITED**

Schedules Annexed to and forming part of the accounts as at March 31, 2010

**SCHEDULE 4 - FIXED ASSETS**

Description	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Cost as at 01-04-09	Additions	Sales / Deletion	Cost as at 31-03-10	Total Upto 01-04-09	For the year	Adjustment for Sales / Deletion	Total Upto 31-03-10	WDV as on 31-03-10	WDV as on 31-03-09	
	(Amount in Rs.)										
<b>Tangible Assets</b>											
Electronic Equipments for LCD's	154,610,310	1,418,473	21,500	156,007,283	38,035,628	30,921,822	2,755	68,954,693	87,052,588	116,574,682	
for Others	1,500,701	19,728	-	1,920,429	383,526	376,281	-	759,807	1,160,622	1,517,175	
Interactive Screen	10,880,762	-	1,248,950	9,631,812	2,060,559	1,926,362	240,209	3,746,712	5,885,100	8,820,203	
Office Equipments	3,473,230	93,550	1,177,203	2,390,077	1,369,659	967,019	650,731	1,685,947	704,130	2,104,071	
Computers	4,995,927	80,415	-	5,076,242	837,653	810,392	-	1,648,045	3,428,197	4,158,174	
<b>Furniture &amp; Fixings</b>											
for LCD's	4,867,637	263,355	5,134	5,126,058	1,474,050	1,252,242	-	2,726,292	2,399,766	3,393,587	
for Others	905,310	110,225	-	1,015,535	239,524	246,992	-	486,516	529,019	665,786	
<b>Intangible Assets</b>											
Patents & Trade Marks	57,000	-	-	57,000	57,000	-	-	57,000	-	-	
Advertising Rights	250,000,000	-	-	250,000,000	21,227,800	16,335,000	-	37,562,800	212,437,200	228,772,200	
TV Software	14,458,282	-	-	14,458,282	2,899,229	2,343,688	-	5,242,917	9,215,365	11,559,053	
<b>Current Year</b>	446,149,559	1,985,946	2,452,787	448,632,718	68,594,628	55,179,798	893,695	122,870,731	322,811,987	377,564,931	
<b>Previous Year</b>	363,634,055	87,199,386	4,683,882	446,149,559	21,906,062	47,847,113	1,168,546	68,594,628	377,564,931	341,727,993	
<b>Capital Work-in-Progress</b>	5,055,538	65,173	1,339,975	3,780,736	-	-	-	-	3,780,736	5,055,538	





**FUTURE MEDIA (INDIA) LIMITED**  
**SCHEDULES TO BALANCE SHEET AS AT MARCH 31, 2010**

(Amount in Rs.)

PARTICULARS	As at March 31, 2010	As at March 31, 2009
<b>SCHEDULE 5: SUNDRY DEBTORS (UNSECURED)</b>		
(Refer Note no 7 of Schedule 15)		
(a) Debts due for more than six months		
Considered Good	153,611,933	33,882,765
Considered Doubtful	9,645,391	7,532,436
(b) Other Debts : Considered Good	80,730,670	223,556,523
Considered Doubtful	-	3,205,564
	<b>243,967,994</b>	<b>268,177,288</b>
Less : Provision for Bad and Doubtful Debts	9,645,391	10,738,000
	<b>234,342,603</b>	<b>257,439,288</b>
<b>SCHEDULE 6: CASH &amp; BANK BALANCES</b>		
Cash in Hand	16,820	28,823
Balance with Scheduled Banks in Current Account	673,022	2,524,506
	<b>689,842</b>	<b>2,553,329</b>
<b>SCHEDULE 7: LOANS &amp; ADVANCES</b>		
(Unsecured & considered good unless otherwise stated)		
Advances recoverable in cash or in kind or for value to be received	1,651,317	2,413,336
Inter Corporate Deposits	3,395,633	3,026,071
Deposits	718,882	675,000
Advances to vendors	631,537	2,706,750
Service Tax credit	27,088,627	35,082,047
Advance Income Tax - TDS	26,465,414	16,177,471
Advance Payments of Fringe Benefit Tax (net of provision of Rs. nil) (previous year Rs. 1,364,677)	-	79,395
	<b>59,951,610</b>	<b>60,160,070</b>
<b>SCHEDULE 8: CURRENT LIABILITIES</b>		
Sundry Creditors		
(a) Dues of Micro, Medium and Small Enterprises (Refer Note no 11 of Schedule 15)	-	-
(b) Others	240,033,527	235,785,885
Deposits	-	712,613
Advances from Customers	3,420,989	5,951,367
Other Liabilities	40,802,999	84,269,438
	<b>284,257,515</b>	<b>326,719,303</b>
<b>SCHEDULE 9: PROVISIONS</b>		
Provision for Leave Encashment	512,691	554,114
Provision for Gratuity	534,928	498,369
Taxation (Net of advance payment / tax deductions)	5,845	-
	<b>1,053,464</b>	<b>1,052,483</b>

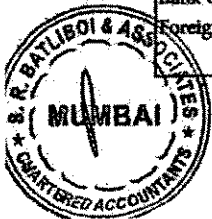


**FUTURE MEDIA (INDIA) LIMITED**

**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR YEAR ENDED MARCH 31, 2010**

(Amount in Rs.)

PARTICULARS	For the Year ended 31.03.2010	For the Year ended 31.03.2009
<b>SCHEDULE 10: OTHER INCOME</b>		
Dividend	-	16,146
Interest on ICD (TDS - Rs. 41,062) (Previous year - Rs 80,298)	410,624	882,973
Miscellaneous Income	554,365	15,610
Profit on Sale of Assets	8,448	-
	973,437	914,729
<b>SCHEDULE 11: DIRECT EXPENSES</b>		
License Fees	229,505,810	315,098,243
Activity Charges	30,801,117	12,836,195
	260,306,927	327,934,438
<b>SCHEDULE 12: PERSONNEL COSTS</b>		
Salaries and Wages	45,862,094	76,619,474
Welfare expenses	259,881	657,302
Bonus and Exgratia	4,986,727	11,739,151
Contribution to Provident and Other Funds	1,472,383	2,127,592
Gratuity and Leave encashment	231,511	(3,965,774)
	52,812,596	87,177,745
<b>SCHEDULE 13: GENERAL ADMINISTRATIVE AND OTHER EXPENSES</b>		
Power and fuel	621,877	2,272,468
Rent	7,397,084	15,327,323
Rates and taxes	596,855	54,966
Insurance	454,848	337,524
Repairs and maintenance	5,511,393	8,300,488
Advertising and sales promotion	10,015,032	22,082,291
Travelling and conveyance	2,134,939	7,752,951
Communication costs	2,112,620	9,442,443
Printing and stationery	359,019	546,269
Legal and professional fees	923,877	18,979,858
Office maintenance and general expenses	1,489,491	4,026,674
Auditor's remuneration	601,060	743,095
Bad Debts Written Off	-	787,838
Provision for Bad and Doubtful Debts	7,800,000	10,738,000
Recruitment Expenses	186,720	1,954,134
Loss on Sale / Write off / Damage of Asset	-	2,843,364
Miscellaneous expenses	84,715	2,400,892
	40,284,530	108,590,578
<b>SCHEDULE 14: INTEREST AND FINANCIAL EXPENSES</b>		
Interest:		
on secured loans	6,143,936	5,745,977
on others	2,467,123	98,630
Bank Charges	671,790	585,027
Foreign Exchange loss (net)	-	93,832
	9,282,849	6,523,466



**FUTURE MEDIA (INDIA) LIMITED**  
**SCHEDULES TO PROFIT & LOSS ACCOUNT FOR YEAR ENDED MARCH 31, 2010**

(Amount in Rs.)

PARTICULARS	For the Year ended 31.03.2010	For the Year ended 31.03.2009
<b>SCHEDULE 10: OTHER INCOME</b>		
Dividend	-	16,146
Interest on ICD (TDS - Rs. 41,062) (Previous year - Rs 80,298)	410,624	882,973
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Recruitment Expenses	186,720	1,954,134
Loss on Sale / Write off / Damage of Asset	-	2,843,364
Miscellaneous expenses	84,715	2,400,892
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Interest:		
on secured loans	6,143,936	5,745,977
on others	2,467,123	98,630
Bank Charges	671,790	585,027
Foreign Exchange loss (net)	-	93,832
	<b>9,282,849</b>	<b>6,323,466</b>



## Future Media (India) Limited

### SCHEDULE 15 - SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF ACCOUNTS FOR THE YEAR ENDED MARCH 31, 2010.

#### 1) Nature of Operations

Future Media is Future Group's media venture, aimed at creation of media properties in the 'ambience of consumption™' and thus offers active engagement to brands and consumers. Enriched with a bouquet of varied consuming audience and powered with the knowledge of consumer behavior, the Company offers relevant engagement through its media properties like Future Visual Spaces, Future TV, Future Theatre and Future Activation.

#### 2) Significant Accounting Policies

##### a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention on an accrual basis. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

##### b) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting year end. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

##### c) Fixed Assets

Fixed assets are stated at cost less accumulated depreciation. Cost comprises of purchase price and costs attributable to bring the asset to its location, working condition for its intended use. Capital Work in Progress primarily represents cost of Liquid Crystal Display (LCD) televisions procured but not installed at the respective sites at the Balance Sheet date.

##### d) Depreciation

Depreciation is provided using the Straight Line Method (SLM) as per the useful life of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956, whichever is higher. Office Equipment includes mobile phones that have been depreciated over a period of 2 years. Depreciation is provided pro-rata to the period of use on all additions except additions below Rs. 5,000 which are depreciated 100% in the year of purchase.

Nature of Assets	Rates (SLM) (%)	Schedule XIV Rates (SLM) (%)
Electronic Equipment	20.00	4.75
Office Equipment	25.00	16.21
Computers	16.21	16.21
Furniture and Fittings	25.00	6.33
Domestic Equipment	31.67	4.75



e) Intangible assets

Advertisement Rights, Patents and Trade Marks and Television Software are considered as intangible assets. The intangible assets are stated at cost less accumulated amortization. The cost of the intangibles comprises of amount paid for acquiring of rights.

Advertisement Rights are amortized based on the ratio of inventory (store space) available during the year to the weighted average of the total inventory expected to be made available over the contract term. Patent and Trade Marks are written off over the period of ten years. Television Software is amortized on straight line basis at the rate of 16.21% p.a.

f) Leases

Where the Company is the lessee

In case of leases, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Profit and Loss account on a straight-line basis over the lease term.

g) Revenue Recognition

Income from Advertisement

Revenue is recognized upon display or publication of advertisements and to the extent that it is probable that the economic benefits will flow to the Company and it can be reliably measured. For minimum guarantee arrangements, revenues are recognized as per the terms of the agreement over the contract period. Commission on advertisement is recognized when the related advertisement is displayed or published.

Interest

In case of interest, revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

h) Employee Benefits

i. Defined Contribution Plan

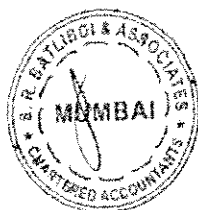
Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective statutory authorities.

ii. Defined Benefit Plan

Gratuity Liability for eligible employees is a defined benefit obligation and is provided for on the basis of an actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation.

iii. Long Term compensated absences are provided for based on actuarial valuation at the year end. The actuarial valuation is done as per projected unit credit method.

iv. Actuarial gains / losses are immediately taken to Profit and Loss account and are not deferred.



i) Income Tax.

Tax expense comprises of current and deferred tax. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the Balance Sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each Balance Sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each Balance Sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will not be available.

j) Impairment of assets:

- i. The carrying amounts of assets are reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price or value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.
- ii. Previously recognized impairment loss is increased or reversed depending on changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

k) Provisions & contingencies:

A Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made based on technical evaluation and past experience. Provisions are not discounted to its present value and are determined based on management estimates required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current management estimates.

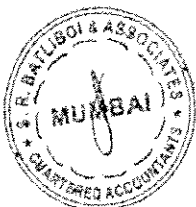
l) Cash and Cash Equivalents:

Cash and cash equivalents in Balance Sheet comprise cash at bank and in hand.

m) Foreign Currency Transactions

i) Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.



ii) Conversion:

Monetary items in foreign currency are reported using the closing rate.

iii) Exchange Differences:

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expense in the year in which they arise.

n) Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to the equity shareholders (after deducting preference dividend and attributable taxes) by the weighted average number of equity shares outstanding during the year. For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to the equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**3) Employee Benefits as per Accounting Standard 15(Revised)**

The Company has a defined benefit gratuity plan. Gratuity is payable to all eligible employees of the Company on superannuation, death and permanent disablement in terms of provision of the Payment of Gratuity Act. Benefit would be paid at the time of separation based on the last drawn base salary as per provisions of the Payment of Gratuity Act.

The Company has also agreed to provide leave encashment benefit to employees.

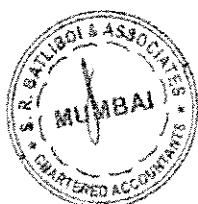
Both these benefits are unfunded.

The following tables summarize the components of net benefit expense recognized in the profit and loss account and amounts recognized in the Balance Sheet for the respective plans.

**Profit and Loss account**

Net employee benefit expense (recognized in Employee Cost)

Gratuity (Rs.)	2009-10	2008-09
Current service cost	3,25,564	3,17,226
Interest cost on benefit obligation	39,870	55,635
Expected return on plan assets	-	-
Net actuarial (gain) / loss recognized in the year	(3,28,875)	(5,69,930)
Past service cost	-	-
Net benefit expense	(36,559)	(197,069)



Balance Sheet	March 31, 2010	March 31, 2009
<b>Details of Provision for gratuity</b>		
Defined benefit obligation	534,369	498,369
Fair value of plan assets	-	-
	534,369	498,369
Less: Unrecognized past service cost	-	-
Plan asset / (liability)	534,369	498,369

Changes in the present value of the defined benefit obligation are as follows:

Gratuity	March 31, 2010	March 31, 2009
Opening defined benefit obligation	498,369	695,438
Interest cost	39,870	55,635
Current service cost	3,25,584	317,228
Benefits paid	-	-
Actuarial (gains) / losses on obligation	(328,875)	(569,930)
Closing defined benefit obligation	534,928	498,369

The principal assumptions used in determining gratuity and leave encashment benefit obligations for the Company's plans are shown below:

Particulars	Gratuity		Leave Encashment	
	2009-10	2008-09	2009-10	2008-09
Discount rate	8%	8%	8%	8%
Expected rate of return on assets	-	-	-	-
Mortality	LIC Ultimate 94-96		LIC Ultimate 94-96	

The estimates of future salary increases, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

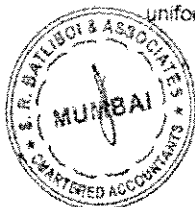
#### 4) Segment Information:

##### Business Segment

The Company is in the business of providing Advertising and Media Services. The Company has considered "Advertising and Media Services" as one business segment for the disclosure in context of Accounting Standard 17 as referred in the Companies (Accounting Standard) Rules 2008.

##### Geographical Segment

During the year, the Company has its business only in India. The condition prevailing in India being uniform, no separate geographical disclosure is considered necessary.





5) Preference shares are convertible into equity shares as per terms of the agreement of issue of such shares.

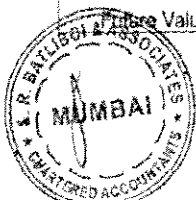
6) **Related Party Disclosures**

i. Names of related parties where control exists irrespective of whether transactions have occurred or not	
Holding Company	Pantaloon Retail (India) Limited
ii. Names of other related parties with whom transactions have taken place during the year	
Fellow Subsidiaries	<ul style="list-style-type: none"> <li>a) Home Solutions Retail (India) Limited</li> <li>b) Home Solutions Services (India) Limited</li> <li>c) Pairs Retail India Limited (formerly known as Home Lighting India Limited)</li> <li>d) Futurebazaar India Limited.</li> <li>e) Future Brands Limited</li> <li>f) Future Knowledge Services Limited</li> <li>g) Future E-Commerce (India) Limited</li> <li>h) Future Supply Chain Solutions Limited (formerly known as Future Logistic Solutions Limited)</li> <li>i) Future Agrovet Limited (formerly known as Pantaloon Food Product (India) Limited)</li> <li>j) CIG Infrastructure Pvt. Limited.</li> <li>k) Future Capital Holdings Limited.</li> <li>l) Future Finmart Limited.</li> <li>m) Future Finance Limited</li> <li>n) Indivision Investment Advisors Ltd.</li> <li>o) Kshitij Investment Advisory Company Limited</li> <li>p) Myra Mall Management Company Limited</li> <li>q) Ambit Investment Advisory Company Limited</li> <li>r) Future Mobiles and Accessories Limited</li> <li>s) Future Value Retail Limited. (formerly known as Pantaloon Future Ventures Limited)</li> <li>t) Future Consumer Product Limited</li> <li>u) Future Consumer Enterprises Limited (formerly known as Future Specialty Retail Limited)</li> <li>v) Future Mall Management Limited</li> <li>w) Future Merchandising Ltd (formerly known as Future Value Retail Limited)</li> </ul>
Key Management Personnel	Mr. Sandip Tarkas - CEO



a. Transactions carried out with related parties referred to above

Particulars	Year ending 31.03.10			Year ending 31.03.09		
	Holding Company	Fellow subsidiary	Key Management Personnel	Holding Company	Fellow subsidiary	Key Management Personnel
<b>Serviced Rendered</b>						
Home Solutions Retail (India) Limited		1,353,473			1,128,134	
Future Ideas limited		1,450,451				
Future Value Retail Limited		2,478,263				
Future Brands Limited		5,255,212			9,084,592	
Future Capital Holdings Limited		-			3,556,498	
Future Finmart Limited		-			12,346	
Pantaloon Retail (India) Limited	50,424,970			41,835,386		
<b>Interest received</b>						
Home Solutions Retail (India) Limited		-			120,575	
<b>Interest Payable</b>						
Pantaloon Retail (India) Limited	7,98,630					
<b>Serviced Received</b>						
Home Solutions Retail (India) Limited		975,807			5,494,224	
Future Value Retail Limited		27,045,157				
Future Knowledge Service Limited		4,854,166				
Future Supply Chain Solutions Limited (formerly known as Future Logistics Solutions Limited)		3,294				
Futurebazaar India Limited		815,278			526,787	
Future E-Commerce Infrastructure Limited		-			506,900	
Pantaloon Retail (India) Limited	85,822,260			164,351,806		
<b>Purchase of Fixed assets</b>						
Home Solutions Retail (India) Limited		61,300			87,105	
Pantaloon Retail (India) Limited				48,240		
<b>Rent</b>						
Home Solutions Retail (India) Limited		133,548				
Pantaloon Retail (India) Limited	5,582,416			15,046,785		
Future Value Retail Limited		257,352				



<b>Deposit Repaid</b>						
Home Solutions Retail (India) Limited					17,500,000	
<b>Account Receivable</b>						
Future Ideas Limited		1,639,725				
Future Brands Limited		3,244,311			3,590,963	
Future Capital Holdings Limited		202,000			202,000	
Future Finmart Limited		12,346			12,346	
<b>Account Payable</b>						
Home Solutions Retail (India) Limited		3,900,026			38,48,251	
Future Value Retail Limited		7,456,945				
Future Knowledge Service Limited		248,175				
Futurebazaar (India) Limited		138,750			138,750	
Future E-Commerce Infrastructure Limited		-			35,150	
Pantaloon Retail (India) Limited	163,331,655			161,816,477		
<b>Remuneration paid</b>						
Mr. Partha Dasgupta (till December 6, 2008)						6,053,268

7) **Sundry Debtors** includes amount due from the Companies under the same management: Rs.10,634,128 (Previous year: Rs. 12,703,286). Maximum amount due at any time during the year is Rs 14,050,103 (Previous year Rs. 28,722,341). List of Companies under same management as identified by the management is given below:

Name of the Party	Closing Balance as on 31.03.2010 (Rs.)	Maximum Balance Outstanding at any time during the year ended 31.03.2010 (Rs.)	Closing Balance as on 31.03.2009 (Rs.)	Maximum Balance Outstanding at any time during the year ended 31.03.2009 (Rs.)
Celio Future Fashion Limited	-	-	1,860,258	1,860,258
Etam Future Fashions Pvt. Limited	1,616	205,282	205,282	264,046
Fashion Global Retail Private Limited	-	-	-	22,472
Future Brands Limited	3,244,311	4,870,515	3,590,963	6,141,379
Future Capital Financial Services Limited			165,450	165,450
Future Finmart Limited	12,346	12,346	12,346	11,221,955
Future Ideas Company Limited	1,639,725	1,778,836	139,111	139,111
Future Learning & Development Limited	-	-	900,343	917,197



Future Money (A Div of Future Capital Holdings Limited)	202,000	202,000	202,000	1,246,394
Home Solutions Retail (India) Limited	-	-	-	248,832
Indus League Clothing Limited	5,534,130	6,981,124	5,627,533	6,117,718
Planet Retail Holdings Pvt. Limited	-	-	-	377,529
<b>Total</b>	<b>10,834,128</b>	<b>14,050,103</b>	<b>12,703,286</b>	<b>28,722,341</b>

#### 8) Operating Lease in respect of Vehicles

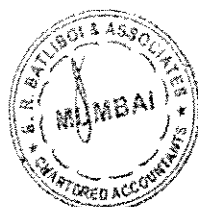
The Company has contracted with the lessor for lease of vehicles with the fleet management services Company for a specified period / contracted kilometers. Either party can terminate the agreement with mutual consent; however, termination is not permitted in the last six months of the lease period. Where termination occurs under certain specified circumstances, the Company is liable to pay the shortfall, if any, between the outstanding book value and the sale value of the vehicle at the time of termination. All of the agreements provide for restriction on sub-lease.

- a) Operating Lease payments recognized in the profit and loss account is Rs. 13,96,142/-
- b) Total of future minimum lease payments under non-cancelable operating lease,
- |   |   |               |
|---|---|---------------|
| Due within one year:                              | - | Rs. 212,559/- |
| Later than one year and not later than five years | - | Rs. 35,427/-  |

#### 9) Earnings per share

Particulars	Year ended 31.03.2010	Year ended 31.03.2009
Net Profit /(Loss) as per Profit & Loss Account for the purpose of calculating basic and diluted earnings per share(Rs)	(56,286,607)	(76,737,795)
Number of equity shares at the beginning of the Year	2,500,000	2,250,000
Number of equity shares issued during the Year	-	250,000
Number of equity shares at the end of the Year	2,500,000	2,500,000
Weighted Number of equity shares for the purpose of calculating basic earnings per share	2,500,000	2,388,356
Earnings per share (of Rs. 10/- each) – Basic (Rs.)	(22.51)	(32.13)

The effect of dilution in equity share capital on account of convertible preference shares has not been considered since this would be anti dilutive.



**10) Deferred Tax asset.**

Particulars	Balance Carried forward as at 31.03.2010	Balance Carried forward as at 31.03.2009
Deferred Tax Liability		
Unabsorbed Depreciation & related items	(31,687,288)	(12,212,533)
Deferred Tax Asset		
Carry Forward of Losses	133,271,814	105,448,227
Effect of expenditure debited to profit & loss account in the current year but allowed for the tax purposes in the following years	3,398,679	8,160,957
Deferred Tax Asset (Net)	104,983,205	101,396,651

The Company has recognized deferred tax assets on the basis of few confirmed contracts with clients and future business projections that are generating future taxable profits that would be sufficient to adjust the deferred tax asset against future taxable profits.

**11) Disclosure requirements in relation to Micro and Small Enterprises as required by the Micro, Small and Medium Enterprises Development Act, 2006**

Based on current information /confirmation available with the Company, there are no suppliers who are registered under the Small and Medium Enterprises Development Act, 2006 as at March 31, 2010.

**12) Capital Commitments:**

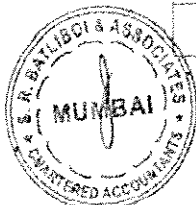
Estimated amount of contracts remaining to be executed on capital account and not provided for is Rs. Nil. (Previous year Rs.Nil.).

**13) Managerial Remuneration to Directors is as under:**

	Year ended March 31, 2010	Year ended March 31, 2009
Salary	Nil	4,649,102
Perquisites	Nil	1,296,011
Contribution to Provident Fund	Nil	1,08,155
Total	Nil	6,053,268

**14) Payment to Auditors**

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Statutory Audit Fees (excluding Service Tax)	500,000	800,000
Out of pocket expenses	20,000	16,803
Other Services	100,000	-
Total	620,000	816,803



15) Expenses incurred in foreign currency on accrual basis

Particulars	Year ended March 31, 2010	Year ended March 31, 2009
Travelling Expenses	NIL	656,095
Bussiness Promotion	NIL	16,361

16) Previous year figures are regrouped / rearranged wherever necessary only to conform to current year presentation.

As per our report of even date

*S.R. Batliboi & Associates*  
**For S.R Batliboi & Associates**  
**Firm Registration No.**  
**101049W**  
**Chartered Accountants**

For and on behalf of the Board of Directors of  
**Future Media (India) Limited.**

*Govind Ahuja*  
per Govind Ahuja  
Partner  
Membership No. 48966

Place : Mumbai  
Date : 26 AUG 2010

*C. P. Toshniwal*  
**C. P. Toshniwal**  
Director  
*Anant S. Gude*  
**Anant S. Gude**  
Company Secretary

Place: Mumbai  
Date: 26/08/2010

*Sanjeev Agrawal*  
**Sanjeev Agrawal**  
Director  
*Deven Day Gupta*  
**DEVEN DAY GUPTA**  
FINANCIAL CONTROLLER



**FUTURE MEDIA (INDIA) LIMITED**

Additional information as required under part IV to Schedule VI of the Companies Act, 1956.  
Balance Sheet Abstract and Company's General Business Profile

**I REGISTRATION DETAILS**

Registration No. (CIN)  State Code   
 Balance Sheet Date

**II CAPITAL RAISED DURING THE YEAR**  
 (AMOUNT IN RS. '000)

Public Issue	<input type="text" value="NIL"/>	Rights Issue	<input type="text" value="NIL"/>
Bonus Issue	<input type="text" value="NIL"/>	Private Placement	<input type="text" value="0"/>

**III POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS**  
 (AMOUNT IN RS. '000)

Total Liabilities	<input type="text" value="681,105"/>	Total Assets	<input type="text" value="681,105"/>
<b>SOURCES OF FUNDS</b>		<b>Reserves &amp; Surplus</b>	
Paid-up Capital	<input type="text" value="505,000"/>		<input type="text" value="100,800"/>
Secured Loans	<input type="text" value="75,305"/>	Unsecured Loans	<input type="text" value="NIL"/>
<b>APPLICATION OF FUNDS</b>		<b>Investment</b>	
Net Fixed Assets	<input type="text" value="326,593"/>		<input type="text" value="0"/>
Net Current Assets	<input type="text" value="9,673"/>	Misc. Expenditure	<input type="text" value="NIL"/>
Accumulated Losses	<input type="text" value="239,856"/>	Deferred Tax Asset	<input type="text" value="104,983"/>


**IV PERFORMANCE OF THE COMPANY**  
 (AMOUNT IN RS. '000)

Turnover & Other Income	<input type="text" value="357,994"/>	Total Expenditure	<input type="text" value="417,867"/>
Profit / (Loss) Before Tax	<input type="text" value="(59,873)"/>	Profit / (Loss) After Tax	<input type="text" value="(56,287)"/>
Earning per Share (in Rs.)	<input type="text" value="(22.51)"/>	Dividend Rate ( % )	<input type="text" value="NIL"/>

**V GENERIC NAMES OF THREE PRINCIPAL PRODUCTS, SERVICES OF COMPANY :**


Item Code No. ( ITC Code )	<input type="text" value="NA"/>	Product Description	<input type="text" value="ADVERTISING SERVICES"/>
	<input type="text" value="NA"/>		<input type="text" value="NA"/>
	<input type="text" value="NA"/>		<input type="text" value="NA"/>

For and on behalf of the Board of Directors of  
 Future Media (India) Limited

  
 C.P. Toshniwal  
 Director

  
 Sanjeev Agarwal  
 Director

  
 Anant S. Gade  
 Company Secretary

  
 DEVIDRA GUPTA  
 FINANCIAL CONTROLLER

Place : Mumbai  
 Date: 26/08/2010