

FILMCITY MEDIA LIMITED

15th ANNUAL REPORT

2008 - 2009

BOARD & OTHER PARTICULARS

BOARD OF DIRECTORS

Mr. Surendra Gupta	Chairman & Managing Director
Ms. Ruchika Gupta	Whole time Director
Mr. Mahesh Shah	Director
Mr. Tilokchand Kothari	Director
Mr. Abhishek Palaparthi (Resigned w.e.f 30.6.2009)	Director

AUDITORS

ASHOK K. JAIN

COMPANY SECRETARIES

CS. JAGDISH PATEL & CO (In Whole Time Practice)

COMPLIANCE OFFICER

MR. SURENDRA GUPTA (Managing Director-CEO)

BANKERS

BANK OF MAHRASHTRA
V. SAVARKAR ROAD, PRABHADEVI, MUMBAI – 400 025
THE NORTH KANARA G S B CO. OP. BANK LTD.
MAHIM BRANCH, MUMBAI – 400 016.

REGISTERED OFFICE

Filmcity House, 307 Raut Lane,
Opposite ISKCON, Juhu, Mumbai – 400049
Tel No. 022-26713919, Fax. No. 022-26235205
www.filmcitymedia.com
investors_compliants@filmcitymedia.com

ADMINISTRATIVE OFFICE

A-9, Shree Siddhivinayak Plaza, 3rd Floor,
Plot No. B-31, Andheri (west), Mumbai- 400 053.

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound L.B.S. Marg,
Bhandup (West), Mumbai – 400078
Tel No.: 022 – 25963838, Fax No.: 022 – 25946969

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NOTICE

NOTICE is hereby given that the Fifteenth Annual General Meeting of the Members of Filmcity Media Limited will be held at Aishwarya Hall, 13 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053 on 30th September, 2009 at 11.00 a.m. to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March 2009 and Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Mr. Mahesh Shah who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration.

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 Mr. Hemant Verma, be and is hereby appointed as a Director of the Company liable to retire by rotation for which notice in writing under section 257 of the Companies Act, 1956 is received, from a member proposing his candidature for the Company of Director, including the consent of Mr. Hemant Verma to act as Director and Form DD-A".

For and on behalf of the Board

Place :- Mumbai
Date :- 30.06.2009

(S Surendra Gupta)
Chairman

NOTES

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote on a poll instead of himself, and proxy so appointed need not be a member of the company. In order to be effective, proxy form must be lodged with the company not less than 48 hours before the commencement of the meeting.
2. The register of members and the share transfer books of the Company will remain closed from **25.09.2009 to 30.09.2009 (both days inclusive)**.
3. Members are requested to bring their copy of the Annual Report along with them as copies of the same will not be distributed at the meeting.
4. Members desirous of asking any questions at the Annual General Meeting are requested to send in their questions to reach the Company at least 10 days before the Annual General Meeting so that the same can be suitably replied.
5. Members/Proxies are requested to produce the Attendance Slip at the entrance of the Hall.
6. Members are requested to intimate change of address, if any, to the company quoting reference to their Registered Folio Number.
7. At the ensuing Annual General Meeting Mr. Mahesh Shah retires by rotation and being proposed for re-appointment as Director the detail as required under Clause 49 of the Listing Agreement is given as below:

Name	Age	Educational / Qualification	Experience	No. of shares held
Mr. Mahesh Shah	42	S.S.C.	17 years experience in manufacture and trading in business of Textiles Industries.	Nil

For and on behalf of the Board

Place :- Mumbai
Date :- 30.06.2009

(S Surendra Gupta)
Chairman

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 OF THE COMPANIES ACTS, 1956

Item No. 4

The Company has received notice in writing from a member along with a deposit of Rs.500/- proposing the candidature of Mr. Hemant Verma for the office of Directorship under the provisions of Section 257 of the Companies Act, 1956.

None of the Directors are concerned or interested in this resolution.

For and on behalf of the Board

Place :- Mumbai
Date :- 30.06.2009

(S Surendra Gupta)
Chairman

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Fifteenth Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2009.

FINANCIAL RESULTS:

The Company's financial results for year under review are as under

Particulars	Rs. in Lac	
	2008-2009	2007-2008
Sales and other Income	207.07	198.50
Operating Profit/ (Loss)	32.04	28.17
Depreciation & other write offs	18.95	7.41
Profit/ (loss) before tax	13.09	20.76
Provisions for Tax (FBT)	-	0.07
Profit/ (loss) After Tax	14.07	20.69
Add: Prior period Adjustment	23.32	-
Balance of Profit/(Loss)	37.40	20.69
Brought forward from previous year	(66.75)	(87.44)
Surplus/(deficit) carried to Balance sheet	(29.35)	(66.75)

OPERATIONS

During the year there is no significant growth of the business due to recessionary trend and also the attempt was being made for acquiring more and more data and software on health channel while reviewing more and more possibilities of business opportunities, and attempt is being made to explore new platforms for media through superior technologies like online distribution channels, web-stores, multiplexes and various platforms to showcase content and provide for sound business propositions.

During the year merger was completed by the end of the year and the Hon. High Court Bombay approved the Scheme of Merger.

SHARE CAPITAL:

During the year company allotted 49,17,909 shares on rights issue and 13403000 equity shares on conversion of warrants and 20,00,00,000 shares on merger on 16.5.2009 in the terms of approval by the Hon. High Court Bombay, the effective date being 31.7.2008 and the same were listed on the Bombay Stock Exchange.

DEPOSITS:

The Company has not accepted any Deposits from public to which the provisions of Section 58A are applicable.

FINANCE:

During the year Company has availed finance from The North Kanara G.S.B. Co. op. Bank Ltd

UTILISATION OF PREFERENTIAL ISSUE PROCEEDS:

The funds raised through Preferential Issue of warrants which were subsequently converted into equity have been utilized for the purpose of Satellite Channel and to meet the working capital.

AMALGAMATION:

The Hon. High Court of Bombay vide its Order dated 2nd May, 2009 sanctioned the scheme of Amalgamation of Company with Filmcity Communication Technologies Limited (FCTL). As per Scheme of Amalgamation, the Appointed Date is 31st July, 2008. Thus, with effect from 31st July, 2008 FCTL stands merged with the Company and the legal entity of FCTL stands dissolve without winding-up. Further, the entire business and undertaking of FCTL is transferred to and vested in the Company and the effect is also given in the paid up capital of the Company, though the allotment is made on 16th May, 2009.

DIRECTORS:

In accordance with the requirements of the Companies Act 1956, Mr. Mahesh Shah will retire by rotation and, being eligible, has offered himself for re-appointment. Mr. Hemant Verma & Mr. Abhishek Palaparthi have resigned from Directorship during the year.

AUDITORS:

Mr. Ashok K. Jain., Chartered Accountant, the Auditor of the Company, will retire at the conclusion of the ensuing Annual General Meeting and, being eligible; offer themselves for re-appointment to hold the office till the conclusion of the next Annual General Meeting.

The company has received the letter from auditor to the effect that their appointment would be within the limits prescribed under section 224 (1B) of the Companies Act, 1956.

PARTICULARS OF EMPLOYEES:

None of the employees are paid remuneration exceeding the limit laid down under Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

RESPONSIBILITY STATEMENT:

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

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) That they 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 at the end of the financial year 31.3.2009 and of the Profit or Loss of the Company for that period;
- (iii) That to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That they have prepared the annual accounts on a going concern basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO:

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are not applicable to the Company. There are no transaction involving any foreign exchange earning & outgo.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS:

As required by the clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange, a detailed Report on the Corporate Governance, along with the certificate of Auditor on its compliance, is attached in this Annual Report elsewhere.

The Company is in full compliance with the requirements and disclosures that have to be made in this regard. The Management Discussion and Analysis Report is also appearing in this Annual Report elsewhere and both the aforesaid Reports are incorporated as reference herein.

The Board of Directors of the Company adopted a Code of Conduct and posted the same on Web site. The Directors and Senior Management Personnel have affirmed their compliance with the said code.

AUDIT COMMITTEE:

The Audit Committee has been constituted by the Company pursuant to section 292(A) of the Companies Act, 1956 and under Clause 49 of the Listing Agreement.

APPRECIATION:

The Directors wish to place on record their appreciation of the efficient and loyal services rendered by all employees without whose whole-hearted efforts, the overall satisfactory performance would not have been possible. The Directors also take this opportunity to express their appreciation for continued co-operation and assistance extended by the Bankers, Government Authorities, Suppliers, Customers, Staff and Executives of the Company

For and on behalf of the Board

Place :- Mumbai
Date :- 30.06.2009

(Surendra Gupta)
Chairman

Corporate Governance
MANAGEMENT DISCUSSION AND ANALYSIS

The Discussion contained herein is based on certain secondary and primary research reports coupled with the Company's analysis. Thus, there are certain risks associated with these forward looking statements and the Investors are cautioned regarding the same. These statements are also based on the perceived and actual risks, which arise out of Company's growth plans, existing and future projects, availability of qualified and skilled manpower, dependence on certain businesses and other factors.

INDUSTRY

Even in these recessionary times, the Indian Entertainment and Media Industry (IEM) continued to be one of the most growing sectors in India. The primary reason being that Entertainment has now become a primary need through its various segments namely, Movies, Television, Music, Radio, Print, Internet and Live Entertainment. Out of these, Television industry commands the largest share in the pie with close to 42%. Like any other industry, IEM industry too is going through an evolutionary phase with the rapid advancement of technology and an increase in the number of players in all the segments including television channels (both in GEC and niche category), which is the Company's core segment. Right now the IEM industry is fragmented but is steadily headed towards a consolidation and convergence stage with IPTV, TV on Mobile, TV on Web, Webcasting, Podcasting, etc. All these platforms are in fact various revenues sources for the channel broadcasters and all the content providers.

OPPORTUNITIES AND THREATS

Opportunities:

DTH (Direct-to-Home) has substantially increased its penetration pan India even in the remotest possible area of the country. The CAS and DTH distribution platform results in greater accountability and transparency and eliminates under-reporting by MSOs (Multi System Operators), thereby augmenting the revenues of the broadcasters. There are various foreign collaborations happening too. This gives the IEM industry international exposure in terms of technology, content, markets, etc.

Threats:

The Threats arise mainly from high competition, both from GECs and other niche channels. At the same time there is a sharp increase in the Carriage Fee / Distribution Fee due to the limited bandwidth of MSOs (the major channel distributors).

OUTLOOK:

The Company plans to launch its 24 hours Health based Satellite Television Channel – WELLNESS, which is part of the merged entity Filmcity Communication Technologies Ltd., who has taken its Uplinking and Downlinking permission from Ministry of Information & Broadcasting too along with working on various aspects.

RISK MANAGEMENT

A. Internal:

The Company has produced & successfully telecasted T.V. Programmes on Doordarshan National Network & LPT Regional Kendras. Also produced a Mega T.V. Serial for Sahara One Channel. But now the Company is first time entering into Satellite Business and Launching its 24 hours Health based Satellite Channel in which Company has no experience.

Management Perception: The Company will employ / hire experienced personnel from the field as and when required.

B. External:

The Company will face competition from other Channels in the Cable distribution Network and Competition from similar Channel in future.

Management Perception: "Health" is a Niche subject and does not fall under the category of a General Entertainment Channel (GEC). Today there is scope in Niche segment as GEC band is saturated. This coupled with awareness about 'Health' in a common man, makes Company confident that in no time this channel will create its own Demand and then Distribution through Cable Network will be more easy, besides going on various DTH platforms from beginning.

REPORT ON CORPORATE GOVERNANCE
(Pursuant to clause 49 of the Listing Agreement)

1. Company's philosophy on code of Governance

The Company's Philosophy on Corporate Governance is to conduct its affairs in a manner, which is transparent, clear and evident to those having dealings with or having a stake in the Company, namely shareholders, lenders, creditors and employees. The Company's philosophy on Corporate Governance is thus concerned with the ethics, values and morals of the Company and its directors, who are expected to act in the best interests of the Company and remain accountable to shareholders and other beneficiaries for their action.

2. Board of Directors

Composition of the Board:

The Chairman of the Company is Executive Director. The Board is well balanced of total 5 Directors out of which 2 (Two) are Executive Director and 3 are Independent Non Executive Directors.

The composition of the Board as on 31.3.2009, Category of the Directorship and their attendance at the Board Meetings and the last Annual General Meeting, Number of Directorships in other Companies and Memberships and Chairmanship of specified committees is given below.

Name of Director	Category of Directorship #	No. of Board Mtgs. Attended	Attendance at the last AGM	Directorship in other Companies Incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies)	No. of specified Committees (Other than Company) in which Chairman / Member \$		No. of Equity Shares held
					Chairman	Member	
Mr. Surendra Gupta	E. D.	13	Y	1	Nil	Nil	34577277*
Ms. Ruchika Gupta	E.D.	13	Y	Nil	Nil	Nil	2500*
Mr. Mahesh Shah	I & N.E.D.	9	N	1	Nil	Nil	Nil
Mr. Tilokchand Kothari	I & N.E.D	13	Y	4	Nil	Nil	Nil
Mr. Abhishek Palaparthi ***	I & N.E.D	9	N	Nil	Nil	Nil	Nil
Mr. Hemant Verma**	I & N.E.D	0	N	Nil	Nil	Nil	Nil

* Including shares allotted on merger.

** Resigned as a Director w.e.f. 18.2.2009

*** Resigned as Director w.e.f 30.6.2009

E.D. – Executive Director.

I & N.E.D. – Non-Executive Director,

\$ As required by the existing Clause 49 of the Listing Agreements entered into with the Stock Exchange, only Membership/Chairmanship of the Audit Committee, Remuneration Committee and Investors Grievance Committee of public companies have been considered.

All the Directors have made the requisite disclosures regarding Committee positions held by them in other companies as per Clause 49(I) (C) (iii).

• **Number of Board Meetings held during the year along with the dates of Meetings:**

During the year 2008-2009, Thirteen (13) Board Meetings were held as follows:-

April 08 to June 08	July 08 to Sept. 08	Oct. 08 to Dec. 08	Jan. 09 to March 09
05.04.2008	11.07.2008	27.10.2008	05.01.2009
10.04.2008	19.07.2008	—	12.01.2009
23.05.2008	30.07.2008	—	28.01.2009
18.06.2008	—	—	18.02.2009
25.06.2008	—	—	—

• **Information placed before the Board of Directors**

To enable the Board to discharge its responsibilities effectively and take informed decisions, necessary information is made available to the Board as per the Agenda Papers in advance of the Board Meetings.

In addition to matters statutorily required to be placed before the Board of Directors for its approval, all major decisions regarding resource mobilisation, capital expenditure, etc. are considered by the Board. Following information is regularly put up before the Board for its consideration and approval:

- Strategic plan and direction of the Company;
- Annual Business Plan, Sales Budget;
- Quarterly financial Results of the Company;
- Minutes of the meetings of Management Committee, Audit Committee, Shareholders and Investors Grievance Committee and Special Committee of the Board;
- Matters related to significant environmental issues, accidents, if any, etc.;
- Material information from Government bodies, which may have implications on the business of the Company, if any;
- Information on material transactions, which are not in the ordinary course of business;
- Disclosure of material transactions with potential conflict of interest, if any; and
- Compliance with various listing and statutory requirements.

• **Code of Conduct:**

The Board of Directors has laid down the Code of Conduct for Board Members and Senior Management of the Company. Requisite annual affirmations of compliance with the respective Codes have been made by the Directors and Senior Management of the Company. Copy of Code of conduct is available on Company's web site. A declaration signed by Managing Director affirming the compliance of code of conduct by Board Members and senior management executives is also annexed separately in this Annual Report.

3. **Audit Committee**

As per the existing clause 49 of the Listing Agreement entered into with the Bombay Stock Exchange. The Present composition of the Audit Committee is as follows:

Name	Designation	Category
Mr. Tilokchand Kothari	Chairman	Independent and Non Executive Director
Mr. Mahesh Shah	Member	Independent and Non Executive Director
Mr. Abhishek Palaparthi ***	Member	Independent and Non Executive Director

*** Resigned as a Director w.e.f 30.6.2009

The Managing Director and Head of Accounts are permanent invitees to the Audit Committee Meetings. The Statutory Auditor is also invited to attend the Audit Committee Meetings, as and when required.

The powers and role of the Audit Committee are as per Guidelines set out in Clause 49 of the Listing Agreement with the Stock Exchange and the Section 292A of the Companies Act, 1956. The salient features of powers and role of the Audit Committee are:

The Audit Committee is vested with the necessary powers, as defined in the Charter such as

- To investigate any activity of the Company;
- To seek and obtain any information and explanation;
- To obtain outside legal or professional advice and if necessary, secure their attendance at the meetings.
- To achieve its objectives.

The terms of reference of Audit Committee are briefly described as follows

- Meeting once in every quarter to review performance of the company along with the financial results of the Company.
- Appointment of statutory auditors, their fees and their payment of any other services is recommended by the committee.
- Reviews with the Management, Statutory Auditors and Internal Audit System, the adequacy and the compliances of internal control systems.
- Discussions with Statutory Auditors before the audit commence regarding nature and scope of audit as well as have post audit discussion to ascertain any area of concern.
- To look into the reasons for substantial defaults in payment to the depositors, shareholders and creditors.
- Review the financial statements.

Meetings and the attendance during the year

Five (5) meetings of the Audit Committee were held during the year. The attendance of each Member of the Committee is given below:

Name of Director	No. of Mtgs. Attended	Remarks
Mr. Mahesh Shah	5	—
Mr. Tilokchand Kothari	5	—
Mr. Abhishek Palaparthi ***	5	—

*** Resigned as a Director w.e.f 30.6.2009

The Compliance officer was present at all the meetings of the Audit Committee.

The Minutes of the Audit Committee Meetings are noted by the Board of Directors at the Board Meetings.

The Chairman of the Audit Committee was present at the Annual General Meeting held on 24th September, 2008.

4. Shareholders/Investors' Grievance Committee:

The Shareholders/Investors' Grievance Committee was constituted, to attend and redress the Shareholders' and Investors' grievances. The present composition of the Shareholders/Investors' Grievance Committee is as follows:

Name	Designation	Category
Mr. Tilokchand Kothari	Chairman	Independent and Non Executive Director
Mr. Mahesh Shah	Member	Independent and Non Executive Director
Mr. Abhishek Palaparthi***	Member	Independent and Non Executive Director

*** Resigned as a Director w.e.f 30.6.2009

Role of Shareholders/Investors' Grievance Committee:

- a) Review the existing "Investor Redressal System" and suggest measures for improvement.
- b) The Investors' Grievance Committee meets to review and to take note of the Compliance Report submitted to the Stock Exchange and Grievances of the shareholders and several meetings were held.
- c) To look into redressing of Shareholders and Investors Complaints regarding transfer of shares, non receipt of annual Reports etc.

Meetings and the attendance during the year

Four (4) meetings of the Shareholders/Investors' Grievance Committee were held during the year. The attendance of each Member of the Committee is given below:

Name of Director	No. of Mtgs. Attended	Remarks
Mr. Tilokchand Kothari	4	—
Mr. Mahesh Shah	4	—
Mr. Abhishek Palaparthi***	4	—

*** Resigned as a Director w.e.f 30.6.2009

The Compliance officer was present at all the meetings of the Shareholders/Investors' Grievance Committee.

The Minutes of the Shareholders/Investors' Grievance Committee Meetings are noted by the Board of Directors at the Board Meetings.

During the year 2008-2009, 29 complaints were received by the Company including complaints received through SEBI and no complaint was received through Stock Exchange. No complaint is pending to be resolved at the end of the financial year.

5. Remuneration Policy:

The Board of Directors is authorised to decide the remuneration of the Executive Directors. The remuneration structure comprises of Salary & Perquisites. Salary is paid to Executive Directors within the salary grade approved by the Members.

The Details of remuneration paid/payable to Executive Director during the Financial Year 2008-2009 are as under.

Executive Directors	Salary (Rs.)	Perquisite # (Rs.)	Total (Rs.)
Mr. Surendra Gupta	10,20,000	Nil	10,20,000
Ms. Ruchika Gupta	6,00,000	Nil	6,00,000

6. General Body Meetings:

Details of General Meeting

During the Year	AGM/ EOGM	Venue/ location	Date and time	Special Resolution Passed
2006-07	AGM	Filmcity House, 307, Raut Lane, Near ISKCON temple, Juhu, Mumbai 400 049	21st September, 2006 at 4.00 p.m.	4
2007-08	AGM	Madonna's Galleria, 19 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053	28th September, 2007 at 12.30 p.m.	5
2008-09	AGM	Madonna's Galleria, 19 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053	24th September, 2008 at 4.00 p.m.	1

No Special Resolutions requiring a postal ballot is being proposed at the ensuing Annual General Meeting.

7. Disclosure:

There were transactions between the Company and other companies in which its Directors who are Promoters are interested, however, the nature and volume of transaction was not of material nature that may not have potential conflict with the interest of the Company. The Register of Contracts containing transactions, in which Directors are interested, have been placed before the Board regularly.

Transactions with the related parties, as per requirements of Accounting Standard 18, are disclosed elsewhere in this Annual Report.

During the last three years, there has been no instance of non-compliance by the Company on any matter related to capital market. Hence, there were no strictures or penalties imposed either by SEBI or by the Stock Exchange or any statutory authority for non-compliance of any matter related to the capital market.

8. Implementation of Code of Conduct for Insider Trading:

FILMCITY MEDIA LIMITED has adopted Code of Conduct for Insider Trading and is based on the SEBI framework and is stringent than the statutory code being enforced by the SEBI. FILMCITY MEDIA LIMITED follows strict guidelines in respect of insiders' stock trading and related disclosures. Managing Director is designated as the Compliance Officer to oversee its implementation. Periodic disclosures have been obtained from all the Directors and 'designated employees'. Under the aforesaid code, all Directors and Designated Employees are required to conduct all their dealing in securities of the Company only in valid trading window after obtaining pre clearance form the Company as per the pre dealing procedure described in the Code.

9. Secretarial Audit for reconciliation of Capital:

As stipulated by SEBI, a Compliance officer carries out Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services (India) Limited and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchange as well as placed before the Board of Directors. The audit confirms that the total Listed and paid up capital is in agreement with the aggregate of the total number of Shares in dematerialised form (held by NSDL and CDSL) and total number of Shares in physical form.

10. Means of Communication with Shareholders:

Half Yearly Report sent to each of Shareholders As the Financial results of the Company are published in the newspaper and press release is issued in leading newspapers, a separate half-yearly report is not sent to each shareholder.

Quarterly Results The quarterly results of the Company are published in accordance with the requirements of the Listing Agreement of the stock Exchange, Mumbai.

News papers in which results are normally published I. Free Press Journal (English)

Web site II. Navshakti (Marathi)

e –mail: www.filmcitymedia.com

Registered Office investors_compliants@filmcitymedia.com

Administrative Office Filmcity House, 307, Raut Lane, Near ISKCON Temple, Juhu, Mumbai 400 049.

Whether Management Discussions and Analysis report is a part of Annual report or not A-9, Shree Siddhivinayak Plaza, 3rd Floor, Plot No. B-31, Andheri (west), Mumbai- 400 053.

General Shareholders' Information Yes

15th Annual General Meeting

Date & Time 30th September, 2009 at 11.00 a.m.

Venue Aishwarya Hall, 13 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053

Financial Calendars (Tentative)

Financial Reporting for the quarter ended 30th June, 2009 Last week of July, 2009

Financial reporting for the quarter ended 30th September, 2009 Last week of October, 2009

Financial reporting for the quarter ended 31st December, 2009 Last week of January, 2010

Financial reporting for the quarter ending 31st March, 2009 Last week of April, 2010

Book Closure Date 25th September, 2009 to 30th September, 2009 (both days inclusive)

Registered Office Filmcity House, 307, Raut Lane, Opp. ISKCON, Juhu, Mumbai 400 049.

Share Transfers in physical form and other communication in that regard including share certificates, dividends and change of address etc. may be addressed to Link Intime India Private Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078

Listing on Stock Exchange at Tel No.: 022 - 25963838 Fax No.: 022 – 25946969

Company registration No. and State Code Bombay Stock Exchange Listing Fees have been paid to (BSE) F.Y.2009 -10

NSDL & CDSL – ISIN 11- 77927

INE600B01025

Month wise Stock Market Data (BSE) Relating To Equity Shares Of The Company

Month	Filmcity Media Limited		
	High	Low	Average
April, 2008	2.13	1.61	1.87
May, 2008	2.18	1.41	1.80
June, 2008	1.79	1.17	1.48
July, 2008	1.33	1.05	1.19
August, 2008	1.24	1.05	1.15
September, 2008	1.26	0.77	1.02
October, 2008	0.89	0.54	0.72
November, 2008	0.72	0.52	0.62
December, 2008	0.79	0.52	0.66
January, 2009	0.79	0.50	0.65
February, 2009	0.67	0.48	0.58
March, 2009	0.56	0.36	0.46
Average price per shares up to March 2009			1.02

(Source – www.bseindia.com)

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2009

No. of Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares	
1	500	11935	85.6784	21170872	29.2343
501	1000	1106	7.9397	8707731	12.0243
1001	2000	512	3.6755	7314270	10.0001
2001	3000	157	1.1271	3970693	5.4830
3001	4000	55	0.3948	1957231	2.7027
4001	5000	45	0.3230	2143539	2.9600
5001	10000	61	0.4379	4408423	6.0875
10001 and above		59	0.4235	22745150	31.4082
TOTAL	13930	100	72417909	100	
			Physical mode	6928712	9.57
			Electronic mode	65489197	90.43
			TOTAL	72417909	100.00

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2009

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1.	Other Bodies Corporate	259	5991097	8.2730
2.	Clearing Member	44	970375	1.34
3.	Foreign Institutional Investors	0	0	0
4.	GIC & its subsidiaries	0	0	0
5.	Mutual Funds	0	0	0
6.	Nationalised Banks	0	0	0
7.	Non Nationalised Banks	0	0	0
8.	Non Resident Indians	36	530140	0.7320
9.	Overseas Corporate Bodies	0	0	0
10.	Public	13588	57448972	79.3298
11.	Promoters and Directors & their Relatives (excluding promoter directors)	3	7477325	10.3252
	Total	13930	72417909	100.0000

Details of Equity Shares Under lock-in period	:	No. of Shares	Period
		52463000	up to 31.08.2012
Dematerialization of shares	:	As on March 31, 2009 a total of 72417909 equity shares constituting 90.43% of the equity share capital of the Company stand dematerialized and balance 9.57% shares are in physical mode.	
Investors' correspondence to be addressed to	:	Filmcity House, 307, Raut Lane, Opp. ISKCON, Juhu, Mumbai 400 049	
Telephone	:	022 - 26713919	
Fax	:	022 - 26235205	

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange(s), it is hereby declared that all the board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31.3.2009.

For and on behalf of the Board

Place :- Mumbai
Date :- 30.06.2009

(Surendra Gupta)
Chairman

CERTIFICATE

To The Members

FILMCITY MEDIA LIMITED

We have examined the compliance of the conditions of Corporate Governance by FILMCITY MEDIA LIMITED for the year ended March 31, 2009, as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

For **Ashok K. Jain**
Chartered Accountants

Place :- Mumbai
Date :- 30.06.2009

(Ashok K. Jain)
Proprietor
M.No.36120

AUDITORS' REPORT

TO THE MEMBERS OF FILMCITY MEDIA LIMITED

We have audited the attached Balance Sheet of Filmcity Media Limited, as at 31st March, 2009 and also the Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date which we have signed under reference to this report.

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.

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.

As required by the Companies (Auditors Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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 and 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 and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- V. On the basis of written representations received from the Directors, as on 31st March, 2009 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2009 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 said accounts give the information required by the Companies Act, 1956, in the manner so required and 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, 2009; and
 - (b) In the case of the Profit and Loss Account, of the Profit for the year ended on that date.
 - (c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

For **Ashok K. Jain**
Chartered Accountants

Place :- Mumbai
Date :- 30.06.2009

(Ashok K. Jain)
Proprietor
M.No.36120

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date to the members of Filmcity Media Ltd on the accounts for the Period ended 31st March, 2009.

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) During the year physical verification of Fixed Assets was carried out by the management as per its programme, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. As informed to us no material discrepancies were noticed between book records and physical inventory;
- (c) During the year, the company has not disposed off any major part of Fixed Assets.
- ii. (a) The Inventory has been physically verified during the year by the management. In our opinion, The frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. (a) (i) During the year under audit the company has taken loans from companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956. No. of party 1 (one) and amount of Loan Rs. 1838279/-
- (ii) The rate of Interest and other terms and conditions of such Loans are in our opinion prima facie not prejudicial to the interest of the Company.
- (iii) There is no Schedule of repayment of Principal and interest payment so we cannot offer any comment.
- (b) (i) During the year under audit the company has not granted loans to companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods.
During the course of our audit, no major weakness has been noticed in the internal controls.
- v. (a) Based on the audit procedures applied by us and according to the information and explanations provided by the management, we are of the opinion that there are transactions that need to be entered in to 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 have been made 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 during the year 2008-09.
- vii. In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii. As informed to us the Central Government has not prescribed maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 for any of the activities of the company.
- ix. (a) According to the records of the company, the company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees state insurance, Income tax, Sales tax, Wealth tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it.

According to the information and explanations given to us, no undisputed amounts in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at 31st March, 2009 for a period of more than six months from the date they became payable.

- (b) According to the information and explanation given to us by the management no disputed amount is payable in case of Sale tax, Income Tax, Custom duty, Excise duty, Cess.
- x. There are no accumulated losses and company has not incurred any cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi. As informed to us the Company has not defaulted in repayment of dues to any financial institution, Bank or debenture holders.
- xii. Based on our examination of documents records and information given by the company, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. Provisions of Chit Fund nidhi/mutual benefit fund/societies are not applicable to the company.
- xiv. The company is not dealing or trading in shares , securities, debentures or other investments' and hence, the related reporting requirement of Para 4 (xiv) are not applicable to the company.
- xv. The company has not given any guarantee for loans taken by others from bank or financial institutions the terms and conditions whereof are prejudicial to the interest of the company.
- xvi. The Company has received term loan during the year and has applied for the purposes for which they were raised.
- xvii. The company has neither applied short term funds raised for long-term investments nor applied long term funds raised for short-term investments.
- xviii. The company has made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act ,and the price at which shares have been issued is not prejudicial to the interest of the company.
- xix. During the period covered by our audit report, the company has not issued debentures.
- xx. During the period covered by our audit report, the company has not raised any money by public issues but due to amalgamation there has been increase in paid up capital of the company as mentioned in note no.13 to notes to accounts.
- xxi. Based upon the audit procedures performed and 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.

For **Ashok K. Jain**
Chartered Accountants

Place :- Mumbai
Date :- 30.06.2009

(Ashok K. Jain)
Proprietor
M.No.36120

BALANCE SHEET AS AT 31ST MARCH, 2009

PARTICULARS	SCHEDULE	31/03/2009 Rs.	31/03/2008 Rs.
SOURCES OF FUNDS			
A. SHAREHOLDERS FUNDS			
Share Capital	1	276,947,909	68,580,000
Reserves & Surplus	2	1,550,630	1,490,750
B. LOAN FUNDS			
Secured Loans	3	11,969,675	1,896,210
Unsecured Loans	4	1,838,279	100,000
C. DEFERRED TAX LIABILITY			
		3,892,370	
		<u>296,198,863</u>	<u>72,066,960</u>
APPLICATION OF FUNDS			
A. FIXED ASSETS			
Gross Block	5	36,133,060	24,656,020
Less : Depreciation		15,670,875	11,461,593
Net Block		<u>20,462,185</u>	<u>13,194,427</u>
B. INVESTMENTS			
	6	3,072,777	49,500
C. CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	154,328,960	73,986,657
Sundry Debtors	8	33,043,094	23,165,816
Cash & Bank Balances	9	3,341,773	226,584
Loans & Advances	10	21,192,455	16,829,246
		<u>211,906,282</u>	<u>114,208,303</u>
Less : Current Liabilities & Provisions			-
Sundry Creditors & Provs.	11	56,442,997	62,894,137
		155,463,285	51,314,166
D. MISC. EXPENDITURE			
Profit & Loss A/c	12	1,733,568	833,568
		<u>115,467,048</u>	<u>6,675,299</u>
		<u>296,198,863</u>	<u>72,066,960</u>
NOTES ON ACCOUNTS	17		

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR **ASHOK K. JAIN**
CHARTERED ACCOUNTANTS

ASHOK K. JAIN
PROPRIETOR
M.No.36120

SURENDRA GUPTA
Managing Director

RUCHIKA GUPTA
Director

PLACE : MUMBAI
DATED : 30-06-2009

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	SCHEDULE	31/03/2009	31/03/2008
		Rs.	Rs.
INCOME			
Sales & Other Income	13	20,707,001	19,850,000
Increase/(Decrease) in Stock	14	7,128,741	2,427,983
		<u>27,835,742</u>	<u>22,277,983</u>
EXPENDITURE			
Direct Expenses	15	16,513,274	17,211,246
Administrative Expenses	16	8,118,366	2,249,842
		<u>24,631,640</u>	<u>19,461,088</u>
GROSS PROFIT/(LOSS) BEFORE DEPRECIATION AND WRITE OFFS		3,204,102	2,816,895
Less: (i) Miscellaneous Exp. W/off		100,000	-
(ii) Depreciation		1,794,858	740,551
Net Profit/(Loss) for the year		1,309,244	2,076,344
Profit/(Loss) before Tax		1,309,244	2,076,344
Deferred Tax Liability/(Assets)		(207,852)	-
Income Tax Paid		105,642	-
FBT	-	7,270	-
FBT Paid		4,000	-
Profit/(Loss) after Tax		1,407,454	2,069,074
Add : Prior Period Adjustment		2,332,243	-
Balance of Profit/(Loss)		3,739,697	2,069,074
Add : Brought forward from previous year		(6,675,299)	(8,744,373)
Profit available for appropriation		(2,935,602)	(6,675,299)
Surplus/(Deficit) carried to Balance Sheet		(2,935,602)	(6,675,299)
Earnings per Share (Rs)		0.01	0.04

NOTES TO ACCOUNTS

17

AS PER OUR REPORT OF EVEN DATE ATTACHED

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR **ASHOK K. JAIN**

CHARTERED ACCOUNTANTS

SURENDRA GUPTA
Managing Director

RUCHIKA GUPTA
Director

ASHOK K. JAIN
PROPRIETOR
M.No.36120

PLACE : MUMBAI
DATED : 30-06-2009

SCHEDULE FORMING PART OF THE BALANCE SHEET

	31/03/2009 Rs.	31/03/2008 Rs.
SCHEDULE 1 - SHARE CAPITAL		
AUTHORISED		
300,000,000 Equity Shares of Rs.1/- each	300,000,000	300,000,000
(Previous year 300,000,000 share of Rs.1/- each)		
ISSUED SUBSCRIBED & PAID UP		
267,417,909 Equity Shares of Rs.1/- each	267,417,909	54,097,000
(Previous year 54097000 Equity Shares of Rs.1/- each)		
Paid up value of Share Warrants 26,000,000 of Rs.1/ each	9,530,000	14,483,000
	<u>276,947,909</u>	<u>68,580,000</u>

Note: Under the scheme of Amalgamation approved by the court 200,000,000 shares of Re.1/- each allotted to existing Shareholders of Filmcity Communication Technologies Ltd.(Transferor Company) holding 80,000,000 shares in the ratio of 2.5 shares for each shares held, for consideration other than Cash.

SCHEDULE 2 - RESERVES & SURPLUS

Share Premium	1,550,630	735,000
Capital Reserve		755,750
	<u>1,550,630</u>	<u>1,490,750</u>

SCHEDULE 3 - SECURED LOANS

From The North Kanara G.S.B. Co. Op. Bank Ltd.	9,491,819	1,896,210
Bank Overdraft	2,477,856	
From The North Kanara G.S.B. Co. Op. Bank Ltd. (Secured against Office Building, Studio Plant & Machinery & Office Exp.)		-
	<u>11,969,675</u>	<u>1,896,210</u>

SCHEDULE 4 - UNSECURED LOANS

S G Software Entertainment Pvt Ltd	-	100,000
Mrs. Renu Gupta Loan	1,838,279	-
	<u>1,838,279</u>	<u>100,000</u>

SCHEDULE 5 – FIXED ASSETS AS ON 31/03/2009

Particulars	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 1/4/2008	Additions/ (Transfer)	As at 31/3/2009	Up to 31/3/2008	During the Year	Up to 31/3/2009	As At 31/3/2009	As at 31/3/2008
A. TANGIBLE ASSETS									
Land	-	8,379,376	-	8,379,376	-	-	-	8,379,376	8,379,376
Building	3.34%	4,181,672	-	4,181,672	1,590,157	139,668	1,729,825	2,451,847	2,591,515
Office Equipments	4.71%	2,948,147	8,990	2,991,367	2,948,147	128	2,952,528	38,839	-
Computer	16.21%	23,662	195,575	307,671	118	29,198	66,080	241,591	23,544
Plant & Machinery	7.07%	3,144,434	-	9,175,184	2,717,746	222,311	4,112,879	5,062,305	426,688
Furniture & Fixtures	6.33%	4,974,457	-	5,751,707	3,475,945	314,883	3,914,346	1,837,361	1,498,512
Electrical Fittings	6.33%	1,004,272	-	1,065,031	729,480	63,570	803,124	261,907	274,792
Paper Shedder	7.07%	-	(7,650)	-	-	-	-	-	-
Air conditioner	7.07%	-	-	156,052	-	-	29,593	126,459	-
B. INTANGIBLE ASSETS									
Film & T.V Software Rights	25.00%	-	-	4,125,000	-	-	2,062,500	2,062,500	-
TOTAL		24,656,020	196,915	36,133,060	11,461,593	769,758	15,670,875	140,462,185	13,194,427
Previous Year		24,632,358	23,662	24,656,020	10,721,042	740,551	11,461,593	13,194,427	13,911,316

	31/03/2009 Rs.	31/03/2008 Rs.
SCHEDULE 6 - INVESTMENTS		
Long Term Investments		
Quoted		
M/S Zee Telefilms Lt 100	144,568	-
Zee Telefilms Ltd 100	144,939	-
Unquoted		
NGSB 6200+7500	137,000	-
Tcom Technologies Ltd 500	296,770	-
4950 Shares of North Kanara	49,500	49,500
KGA Securities (I) Ltd	2,300,000	-
	<u>3,072,777</u>	<u>49,500</u>
SCHEDULE 7 - INVENTORIES		
(As taken valued and certified by the management)		
Paper	-	815,761
TV Software(Work in Progress)	81,309,760	73,170,896
Stock In Hand	-	-
Stock In Hand Film	12,957,639	-
Stock In Hand Health Based	9,346,561	-
Stock In Hand Soap	36,965,000	-
Stock In Hand Songs	13,750,000	-
	<u>154,328,960</u>	<u>73,986,657</u>
SCHEDULE 8- SUNDRY DEBTORS		
(Unsecured considered good)		
1. Debts due from Group Companies		
Outstanding for a period exceeding 6 Months	-	-
Other Debtors	282,843	2,150,565
2. Other Debtors		
Outstanding for a period exceeding 6 Months	21,285,251	2,740,251
Other Debtors	11,475,000	18,275,000
	<u>33,043,094</u>	<u>23,165,816</u>
SCHEDULE 9 - CASH & BANK BALANCES		
Cash in hand	502,002	167,411
2. With Scheduled Bank in Current/Saving A/c		
a. UTI Bank	19,824	3,214
c. Bank of India	14,427	-
c. Bank of Maharashtra	2,211,782	10,112
d. The North Kanara G.S.B.Coop. Bank.	583,738	40,847
3. Fixed Deposit (Lodged with Bank towards Margin Money for Bank Guarantee)	5,000	5,000
4. Parking Deposits	5,000	-
	<u>3,341,773</u>	<u>226,585</u>

	31/03/2009 Rs.	31/03/2008 Rs.
SCHEDULE 10 - LOANS & ADVANCES		
Advances recoverable in cash or in kind/or for values to be received	21,135,795	16,800,000
Advance Income Tax & TDS	-	21,766
Deposits	56,660	7,480
	<u>21,192,455</u>	<u>16,829,246</u>
SCHEDULE 11- CURRENT LIABILITIES & PROVISIONS		
A.Sundry Creditors(Other than small or Medium enterprises)		
For Goods, Services & Expenses	56,088,402	62,886,867
FBT provision	9,911	7,270
Other Provision	344,684	-
	<u>56,442,997</u>	<u>62,894,137</u>
SCHEDULE 12 - MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)		
Pre-operative Expenses - Export	833,568	833,568
Channel License Fees	1,000,000	-
less: written off	100,000	900,000
	1,733,568	833,568
Profit and Loss Account	2,935,602	6,675,299
Less : Difference of excess capital issued on Amalgamation to Transferor Company's Shareholders	108,277,202	
less: Deferred tax Liability of earlier years	4,254,244	
	<u>115,467,048</u>	<u>6,675,299</u>
SCHEDULE 13 - SALES & OTHER INCOME		
Sale of T.V. Serial / Documentary sale	20,700,001	19,850,000
Other Income	7,000	-
	<u>20,707,001</u>	<u>19,850,000</u>
SCHEDULE 14- INCREASE/DECREASE IN STOCK		
Opening Stock		
Stock In Hand	150,000	-
Stock In Hand Film	13,000,000	-
Stock In Hand Health Film	9,348,561	-
Stock In Hand Soap	36,965,000	-
Stock In Hand Songs	13,750,000	-
T.V. Software (WIP)	73,170,897	70,742,913
Paper	815,761	815,761
	<u>147,200,219</u>	<u>71,558,674</u>
Closing Stock		
Stock In Hand	-	-
Stock In Hand Film	12,957,639	-
Stock In Hand Health Film	9,346,561	-
Stock In Hand Soap	36,965,000	-
Stock In Hand Songs	13,750,000	-
T.V. Software (WIP)	81,309,760	73,170,896
Paper	-	815,761
	<u>154,328,960</u>	<u>73,986,657</u>
Increase/(Decrease)	<u>7,128,741</u>	<u>2,427,983</u>

	31/03/2009 Rs.	31/03/2008 Rs.
SCHEDULE 15- DIRECT EXPENSES		
Serial Shooting Expenses	2,082,824	994,304
Web Designing Charges	30,450	126,942
Purchase of Serial	14,400,000	16,090,000
	<u>16,513,274</u>	<u>17,211,246</u>
SCHEDULE 16- ADMINISTRATIVE EXPENSES		
Advertisements & Publicity Expenses	129,614	81,642
Bank Charges/Interest	971,277	275,862
Conveyance Expenses	17,114	2,999
Postage, Telegram & Telephone	478,781	275,696
Travelling Expenses	42,509	20,264
Miscellaneous Expenses	-	239
Salaries (including Directors Remuneration)	1,845,000	482,500
Printing & Stationery	311,842	143,365
Electricity Charges	120,526	47,839
Motor Car Expenses	21,417	26,242
Professional Charges	1,318,449	161,857
Professional tax	-	2,500
Repairs & Maintenance		
Building	171,133	117,380
Machinery	54,896	84,073
Others	136,512	362,541
	15,931	217,384
Auditors Remuneration	64,000	40,000
Donation	11,255	10,300
Rent, Rates & Taxes	108,647	22,958
Membership fee/Subscription	235,696	81,842
Municipal Taxes	-	57,344
Books & Periodicals	16,196	5,930
Staff Welfare Expenses	6,580	-
Computer Expenses	-	-
Filing Fees	1,912,782	288,486
Courier Charges	3,475	3,192
Loan Processing Expense	133,671	-
Sale Tax Paid	-	1,401
Insurance Expense	6,994	-
	<u>8,118,366</u>	<u>2,249,842</u>

SCHEDULE 17 - NOTE TO ACCOUNTS

A. ACCOUNTING POLICIES :

- 1 System of accounting
 - a) The accounts are prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of the companies Act, 1956 are adopted consistently by the company.
 - b) The company generally follows the mercantile system of Accounting and recognises income and expenditure on accrual basis.
- 2 Use of Estimates The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amount of revenue and expenses for the year. Actual result could differ from these estimates .Any revision to accounting estimates is recognized prospectively in current and future periods.
- 3 Fixed Assets & Depreciation
 - a) Fixed Assets have been stated at cost less depreciation.
 - b) Depreciation on Fixed Assets have been charged on straight line method at rates prescribed in Schedule XIV of the Companies Act, 1956 and in the manner so provided.
 - c) Method of Depreciation on Fixed Assets of Amalgamating Company has been changed from Written Down Value to Straight Line Method to have common Accounting Policies for Charging Depreciation.
 - d) Due to Change of Method of Depreciation on Fixed Assets there is a difference of Rs. 2,332,243 /- which has been debited to Profit and loss Account.
- 4 Impairment Of Assets In accordance with AS 28 on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India ,where there is an indication of impairment of the Company's assets related to cash generating units ,the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is recognized whenever the carrying amounts of such assets exceeds its recoverable amount, and impairment loss is recognized in the profit and loss account.
- 5 Sales The Company has accounted gross sales and there is no change.
- 6 Inventories
 - a) Stock has been valued at Lower of Net Realizable Value and Cost.
 - b) There has been a change in stock valuation Method from at cost to lower of Net Realisable Value and Cost and there is no effect on Profit and loss of the company due to such change.
 - c) The cost of manufacturing of the T.V. Software has been accounted as work in progress, as these software will generate sales (receipts) during the subsequent years.
- 7 Gratuity No provision made for Gratuity during the year.
- 8 Miscellaneous Expenditure
 - a) Preliminary and Public issue expenses have been amortised over a period of 10 years.
 - b) Channel License fees will be Amortized over a period of 10 years.
- 9 Directors remuneration is within the limit specified in Schedule XIII of the Companies Act, 1956.
- 10 Income Tax No provision for income tax is made during the year due to b/f losses. Deferred tax provision has been made amounting to Rs. 3,892,370/- as per Accounting Standard-22 .**SCHEME OF**

AMALGAMATION (of FilmCity Communication Technologies Limited (FCTL) with the Company [scheme])

- 11 Pursuant to the Shareholders approval at the meeting held on 12/02/2009 which was convened as per the Orders of the Hon'ble High Court of Judicature at Bombay (Court) and its Order in Company Petition Nos 150 on 16/02/2009 sanctioning the Scheme, the assets and liabilities of FCTL whose principal business was Production /Trading of TV Softwares were transferred to and vested in the company with effect from the appointed date 31/07/2008 in accordance with the Scheme so sanctioned. The Scheme has, accordingly, been given effect to in the Accounts.
- 12 The amalgamation has been accounted for under the Pooling of Interest Method of Accounting as prescribed by Accounting Standard 14 (AS-14) book issued by the Institute of Chartered Accountants of India. The assets and liabilities of the erstwhile FCTL as at 31/07/2008 have been taken over at their book values.
- 13 Pursuant to the Scheme as approved by the Hon'ble High Court of Judicature at Bombay, referred to in (a) above, the company has allotted necessary 200,000,000.Equity shares of Rs1/- each fully paid to the shareholders of the erstwhile FCTL on 16/05/2009 after the receipt of sanction order from the Court.
- 14 The difference between the value of the net assets acquired on amalgamation and the amount of shares issued to the shareholders of the amalgamation and the amount of shares issued to the shareholders of the amalgamating company FCTL resulting in excess shares issued Rs 120,000,000/-crores which has been accounted for as follows (AS-14.)

Balance of Profit & Loss A/C of Amalgamating Company FCTL	10,467,048
General Reserves	500,000
Capital Reserves	755,750
Balance debited to Profit & Loss A/c	108,277,202
	120,000,000
	120,000,000

- 15 Contingent liabilities not provided for - NIL
- 16 Estimated amount of contracts remaining to be executed on capital account and not provided for - NIL
- 17 Auditors' Remuneration
- | | |
|-------------------------|-------------------|
| | 31/03/2009 |
| Audit Fees | 40,000 |
| Tax Audit fees | 15,000 |
| Other Services | 9,000 |
| | 64,000 |
| Directors' Remuneration | 16,20,000 |
- 18 Debts/Advances due by/to Companies in which Directors are interested -
- | | |
|--------------------------------------|---------------|
| Wellness Communications Pvt. Ltd. | 9479190 (Cr.) |
| S G Software Entertainment Pvt. Ltd. | 282843(Dr.) |
- 19 Expenditure in Foreign Currency NIL
- 20 Value of Import on CIF basis NIL

- 21 Earning of Foreign Exchange on Exports NIL
- 22 Segment Reporting - During the year company's main revenue is from only one segment sale of T.V. serials, Films and Songs. As such there are no other separate reportable segments as specified in Accounting standard (AS-17) "Segment Reporting" of the Institute of Chartered Accountants of India.
- 23 Earning per Share
 Net Profit/(Loss) for the year 1,407,454
 Number of Equity Shares 267,417,909
 Nominal Value of Shares (Rs.) 1.00
 Earning per Share (Rs.) 0.01

24 Related Party Disclosures -

Name of the Party	Relationship During the Year	Transaction	Amount Rs.	Balance As on 31/03/2009
i) M/s Wellness Communications Pvt Ltd	Controlled by key Managerial Personnel	Purchases	-	9479190(Cr.)
		Sales	-	
ii) M/s S.G.Software Entertainment Pvt Ltd	Controlled by key Managerial Personnel	Purchases	300,000	282843(Dr.)
	Sales		2,000,000	

25 Quantitative details in respect of opening stock, Production, Purchases, Consumption, Sale & Closing Stock.

	31/03/2009		31/03/2008	
	Qty	Rs.	Qty	Rs.
Licensed Capacity	N.A.		N.A.	
Installed Capacity	N.A.		N.A.	
Raw Material				
Opening Stock	30.00 MT	815,761.00	30.00 MT	815,761.00
Purchases	NIL	NIL	NIL	NIL
Sale	30.00 MT	815,761.00	NIL	NIL
Closing Stock	NIL	NIL	30.00 MT	815,761.00

In the opinion of the Board of Directors and to the best of their knowledge and belief the value of realisation of Current Assets, Loans & Advances in the ordinary course of business will not be less than the amount at which they are stated in the Balance Sheet. No confirmations are obtained from the Sundry Debtors, Sundry Creditors and those pertaining to loans & advances.

26 Previous years figures have been regrouped/rearranged, where necessary.

27 Signature of Schedule 1 to 17

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR **ASHOK K. JAIN**
CHARTERED ACCOUNTANTS

ASHOK K. JAIN
PROPRIETOR
M.No.36120

SURENDRA GUPTA
Managing Director

RUCHIKA GUPTA
Director

PLACE : MUMBAI
DATED : 30-06-2009

CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT FOR THE YEAR ENDED 31ST MARCH, 2009

PARTICULARS	3/31/2009 Rs.	3/31/2008 Rs.
Net Profit before tax & extra-ordinary items	1,309,244	2,069,074
Adjustment for :		
Depreciation	1,794,858	740,551
Interest Paid	-	-
Interest earned	-	-
Miscellaneous Expenses W/O	100,000	-
Operating Profit before working capital changes	<u>3,204,102</u>	<u>2,809,625</u>
Adjustment for :		
Trade and other receivables	7,850,283	(18,525,000)
Inventories	(7,128,742)	(2,427,983)
Trade Payables	(20,674,927)	6,075,230
Advances Recoverable in Cash or Kind	282,589	250,000
IncomeTax Paid	(835,535)	
Prior Period Adjustment		
NET CASH FROM OPERATING ACTIVITIES (A)	<u>(17,302,230)</u>	<u>(11,818,128)</u>
Cash Flow From Investment Activities		
Purchase/Sale of Fixed Assets	(204,048)	(23,663)
Purchase /Sale of Investments	-	-
NET CASH USED IN INVESTMENT ACTIVITIES (B)	<u>(204,048)</u>	<u>(23,663)</u>
Cash Flow From Financing Activities		
Deposit	-	-
Net Proceeds From Long Term Borrowing	6,298,472	984,210
Increase in Share Capital	13,867,909	10,903,000
Interest Paid	-	-
Interest earned	-	-
NET CASH USED IN FINANCE ACTIVITIES (C)	<u>20,166,381</u>	<u>11,887,210</u>
Net Increase in Cash and Cash Equivalent (A+B+C)	2,660,103	45,419
Cash and Cash Equivalent Opening Balance	681,670	181,165
Cash and Cash Equivalent	<u>3,341,773</u>	<u>226,584</u>

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR **ASHOK K. JAIN**
CHARTERED ACCOUNTANTS

ASHOK K. JAIN
PROPRIETOR
M.No.36120

SURENDRA GUPTA
Managing Director

RUCHIKA GUPTA
Director

PLACE : MUMBAI
DATED : 30-06-2009

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE AS PER SCHEDULE VI, PART (IV) OF THE COMPANIES ACT, 1956.

(Amount Rs. in Thousand)

1. Registration Details	Registration No : 77927	State Code : 11
	Balance Sheet Date : 31/03/2009	
2. Capital Raised during the year. (Amount Rs in Thousand)	Public Issue : Nil	Right Issue : 4918
	Bonus Issue : Nil	Private Placement : 8950
3. Position of Mobilisation and Deployment of Funds (Amount Rs. In Thousand)	Total Liabilities : 296199	Total Assets : 296199
	Sources of Funds	
	Paid-up Capital : 276948	Reserves & Surplus : 1551
	Secured Loans : 1896	Unsecured Loans : 1838
	Deffered Tax Liability : 3892	
	Application of Funds	
	Net Fixed Assets : 20462	Investments : 3073
	Net Current Assets : 155463	Misc. Expenditure : 1734
	Accumulated Losses : 115467	
	4. Performance of Company. (Amount Rs. In Thousand)	Turnover : 27836
Profit/Loss before Tax : 1309		Profit/Loss after Tax : 1407
Earning Per Share in Rs. : 0.01		Dividend Rate % : Nil
5. Generic name of Three Principal Products/Services of Company (As per monetary terms)	Item Code No. (ITC Code) : N.A.	
	Product Description : Magazines & TV Serials	

AS PER OUR REPORT OF EVEN DATE ATTACHED FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

FOR **ASHOK K. JAIN**
CHARTERED ACCOUNTANTS

ASHOK K. JAIN
PROPRIETOR
M.No.36120

SURENDRA GUPTA
Managing Director

RUCHIKA GUPTA
Director

PLACE : MUMBAI
DATED : 30-06-2009

FILMCITY MEDIA LIMITED

Regd. Office: Filmcity House, 307 Raut Lane, Opposite ISKCON, Juhu, Mumbai – 400049

ATTENDANCE SLIP

PLEASE FILL IN ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

Joint shareholder may obtain additional slip on request.

D.P. Id*		Folio No.	
Client Id*		No. of Share /(s) held	
Name of the Shareholder :		Name of the Proxy:	

I hereby record my presence at 15th ANNUAL GENERAL MEETING of the Company held at Aishwarya Hall, 13 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053 on 30th September, 2009 at 11.00 a.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

* Applicable for investors holding shares in electronic form.

FILMCITY MEDIA LIMITED

Regd. Office: Filmcity House, 307 Raut Lane, Opposite ISKCON, Juhu, Mumbai – 400049

PROXY FORM

D.P. Id*		Folio No.	
Client Id*		No. of Share /(s) held	

I/We of in the district of being a Member/Members of the above-named company, hereby appoint of in the district of or failing him of in the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the 15th ANNUAL GENERAL MEETING of the Company held Aishwarya Hall, 13 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053 on 30th September, 2009 at 11.00 a.m.

Signed this day of 2009

Affix 15 Paise
or more
Revenue
Stamp

*Applicable for investors holding shares in electronic form.

NOTE: The proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than FORTYEIGHT HOURS before the time for holding the aforesaid meeting. The Proxy need not be a member of the Company.

Book-Post

If undelivered, please return to :

FILMCITY MEDIA LIMITED

Regd. Office: Filmcity House, 307 Raut Lane,
Opposite ISKCON, Juhu, Mumbai – 400049

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