

**FILMCITY**  
*Media Limited*

13<sup>th</sup> Annual Report  
2006-2007



## BOARD & OTHER PARTICULARS

### BOARD OF DIRECTORS

<b>Mr. Surendra Gupta</b>	Chairman
<b>Mr. Deepak Patel</b>	Director
<b>Ms. Ruchika Gupta</b>	Director
<b>Mr. Haren Shah*</b>	Director
<b>Mr. Bhupendra Shah</b>	Director
<b>Mr. Mahesh Shah</b>	Director

\* Resigned on 21.4.2007

### AUDITORS

**ASHOK K. JAIN**

### COMPANY SECRETARIES

**JAGDISH PATEL & CO**  
(In Whole Time Practice)

### COMPLIANCE OFFICER

**MR SURENDRA GUPTA**

### BANKERS

**BANK OF MAHRASHTRA**  
**V. SAVARKAR ROAD, PRABHADEVI, MUMBAI – 400 025**

### REGISTERED OFFICE

Filmcity Media Limited Filmcity House, 307 Raut Lane,  
Opposite ISKCON, Juhu, Mumbai – 400049  
Tel No.022-26713919, Fax. No. 022-26235205  
[www.filmcitymedia.com](http://www.filmcitymedia.com)  
[investors\\_compliants@filmcitymedia.com](mailto:investors_compliants@filmcitymedia.com)

### REGISTRAR & SHARE TRANSFER AGENT

**Intime Spectrum Registry 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 Thirteenth Annual General Meeting of the Members of Filmcity Media Limited will be held at Madonna's Galleria, 19 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai - 400053 on 28th September, 2007 at 12.30 p.m. to transact following business:

**ORDINARY BUSINESS :**

1. To receive, consider and adopt the Balance Sheet as at March 31, 2007 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. Bhupendra Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Mahesh Shah, who retires by rotation, and being eligible, offers himself for re-appointment.
4. To appoint Auditors and fix their remuneration.

**SPECIAL BUSINESS**

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

"RESOLVED THAT pursuant to the provisions of section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification(s), or re-enactment(s) thereof for the time being in force) and in accordance with the Guidelines, Rules and Regulations of the Securities and Exchange Board of India ("SEBI"), including the SEBI (Substantial Acquisition of shares and Takeover) Regulations, 1997, the Reserve Bank of India, and the Government of India (including any statutory amendment(s) or re-enactments(s) thereof, for the time being in force) and the enabling provisions in the Memorandum and Articles of Association of the Company and subject to such terms, conditions and modifications as may be considered appropriate and approved by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any committee thereof for time being to which all or any of the power conferred on the Board by this Resolution, may have been delegated) and subject also to such approvals, consents, permissions or sanctions (including any conditions thereof, or modifications to the terms contained therein), if any, required by the appropriate authorities, as may be required and such terms and conditions, if any, as may be prescribed while granting such consents, approvals, permissions and sanctions, which may be agreed to by the Board, the Board of Directors be and is hereby authorised to offer, issue and allot, 28500000 warrants to the Non-Promoters as table hereinafter :

Sr. No.	Name of Non-Promoters	No. of Warrants
1	Mr. Shivraj Kishor Sharma	7000000
2	Mrs. Alka Mishra	6000000
3	Mr. Shalabh Shah	2500000
4	Mr. Ashish Shrivastava (HUF)	2500000
5	KGA Securities (I) Limited	8000000
6	Smriti Television Media and Film Pvt. Ltd	2500000
<b>TOTAL</b>		<b>28500000</b>

Providing holder of warrant entitlement of one fully paid up equity shares for one warrant at a subscription price of Rs.1.30 per Equity share (inclusive of premium of Rs.0.30 per Equity Share, or at price as may be mutually agreed but not less than price calculated as per DIP Guidelines 13.1.1.1 being higher of the following:

- a) The average of weekly high and low of the closing prices of the related shares quoted on the Stock exchange during the six months preceding the relevant date; or
- b) The average of weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date per equity shared on a preferential allotment basis for cash.
  - (i) The issued equity shares for exchange of warrants shall be subject to Memorandum and Articles of Association of the Company;
  - (ii) The issued equity shares shall rank pari passu in all respects with the existing equity shares of the company including right to dividend; and

- (iii) The "Relevant Date" for the preferential issue, as per the SEBI (Disclosure & Investor Protection) Guidelines, 2000, as amended up to date, for the determination of the applicable price for the issue of the abovementioned equity shares is 29th August, 2007 being the date 30 days prior to the date of passing of this Resolution.
- (iv) An amount equivalent to at least ten per cent of the price fixed in terms of Clause 13.1.1.1 above shall become payable for the warrants on or before the date of the allotment and balance amount shall be paid before the exchange of warrants for equity shares otherwise and the said amount be forfeited, in case the option to acquire Equity Shares is not exercised within period of 18 months from the date of issue of warrants.
- (v) The amount referred to in sub-clause (iv), shall be adjusted against the price payable subsequently for acquiring the shares by exercising an option for the purpose.
- (vi) The allotment is expected to be completed within 15 days of the date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval for such allotment by any Regulatory authority such as getting in principle approval of the Stock Exchange or any Central Government, the allotment is expected to be completed within 15 days from the date of such approval.

RESOLVED FURTHER THAT the warrants (including equity shares issued on exchange of warrants) issued **to the allottees being non promoters shall bear a lock – in period of 12 months** from the date of allotment of warrants.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board is hereby authorised to do all such acts, deeds, matters and things and resolve any doubts or questions that may arise in the issue and allotment of fresh Equity Shares, to effect any modification to the foregoing (including any modification to the terms of the issue) in the best interests of the Company and its shareholders and to execute all such writings and instrument as the Board may in its absolute discretion deem necessary or desirable

RESOLVED FURTHER THAT the Board is hereby authorised to accept such terms and conditions as the SEBI and/ or Stock Exchange may stipulate in that behalf.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the power conferred on its by or under this Resolution to any Committee of Directors of the Company or to any Director of the Company any other officer(s) or employee(s) of the Company or any professional as it may consider appropriate in order to give effect to this Resolution."

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

"RESOLVED THAT in accordance with the provisions of the Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company and subject to such other approvals, permissions, sanctions as may be necessary and subject to such modifications and conditions as the Board of Directors may consider expedient to make or as may be stipulated while granting such approvals, sanctions and permissions and which may be agreed by the Board of Directors of the Company, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to the issue of Equity shares for an amount not exceeding Rs. 4917909 to be offered to the shareholders and/or to such persons whether shareholders of the Company or not as the Board of Directors of the Company may in their absolute discretion deem fit.

RESOLVED FURTHER THAT any action already taken and acts done in this regard by and with the authority of the Board be and is hereby confirmed, approved and ratified.

RESOLVED FURTHER THAT 4917909 Equity shares of Re.1/- each in the share capital of the Company, be and are hereby issued to the persons who at the record date of the offer are holders of the equity shares of the Company in proportion of 1 (One) Equity shares for every 11 (Eleven) Equity share held on the aforesaid date inter-alia, on the following terms and conditions:

- i) That the Re. 1/- (Rupee One) per Equity shares be made payable on application.
- ii) The offer for new Equity shares now being made shall be limited to those persons who, as on record date of the offer are holders of Equity shares of the Company. Such persons are however, entitled to apply for additional shares out of those shares not taken up by any of the existing shares holders in the proportion to be decided by the Board of Directors at its discretion having regard to the proportion such equity shareholders have to the paid-up Equity Capital of the Company.
- iii) The offer aforesaid shall include a right exercisable by the persons to renounce the shares now being offered in favour of any other persons provided such renunciation is made before the time not being less than fifteen days from the date of offer.

- iv) Any fractional certificates and/or the Equity shares offer will be round off nearest to one part of the Promoters Quota of the Company.
- v) Director of the Company will fix record date for Right Issue consulting The Stock Exchange, Mumbai and that all the shareholders as on the date will be entitled to offer the Right shares."
7. To consider and if thought fit, to pass with or without modifications the following resolution as a **Special Resolution**:  
 "RESOLVED THAT subject to the provisions of section 198, 269,309 and other applicable provisions of the Companies Act, 1956, read with Schedule XIII to the Companies Act, 1956, consent of the members be and is hereby accorded to the appointment of Ms. Ruchika Gupta, as Whole time Director of the Company for a period of **Three** years with effect from 1.10.2007 to 30.09.2010 on the following terms and conditions:  
 (a) Basic Salary :- Rs. 15,000/- per month with annual increment of Rs. 5000/- per month.  
 (b) Perquisites :- Ms. Ruchika Gupta, Whole time Director shall also be eligible to such allowances and perquisites as may be paid or allowable to other senior executives of the Company and in addition to that be paid leave encashment, car with driver, Telephone at Home, mobile, Annuity or gratuity, Insurance, General Insurance, Life Insurance, including Key man policy.  
 RESOLVED FURTHER THAT the remuneration payable to the appointee, in the event of absence or inadequacy of profit, be paid within the permissible under, and in accordance with, the provisions of section 198 of the Companies Act, 1956, read with the provisions section II of Part II of Schedule XIII thereto.  
 RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to alter and vary any or all of the terms and conditions as approved vide this resolution as may be deemed fit or expedient or proper from time to time which may have the effect of increasing the remuneration or perquisites or benefits and for the purpose of giving effect to this resolution the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, expedient, usual or proper in the best interest of the Company.
8. To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:  
 "RESOLVED THAT subject to such consents, permissions or sanctions as may be required from any authority, statutory or otherwise, particularly from the Securities and Exchange Board of India (SEBI) and pursuant to section 61 and all other applicable provisions of the Companies Act, 1956 and Guidelines, Rules framed by SEBI in this regard, the Board Directors of the Company be and is hereby authorised to seek Voluntary Delisting of its Equity Shares listed at The Stock Exchange, Ahmedabad and for that matter to apply the concerned authorities for Voluntary Delisting of Equity Shares from the above Stock Exchange.  
 RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle all questions, difficulties or doubts as may arise, with regard to the voluntary Delisting of shares, as it may in its absolute discretion deem fit.  
 RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take all necessary steps in this regard in order to comply with all the legal and procedural formalities and further to authorise any of its Committee or Director(s) Officers of the Company to do all such acts, deeds or things, as may be necessary, to give effect to this resolution."
- 9 (a) To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Ordinary Resolution**:  
 "RESOLVED THAT pursuant to the provisions of section 94(1)a) of the Companies Act, 1956, and other applicable provisions, if any, the Authorised Share Capital of the Company be and is hereby increased from Rs.8,00,00,000/- (Rupees Eight Crores Only) divided into 8,00,00,000 (Eight Crore) Equity shares of Re.1/- (Rupee One only) each to Rs. 11,00,00,000/- (Rupees Eleven Crores Only) divided into 11,00,00,000 (Eleven Crore) Equity shares of Re.1/- (Rupee One only) each.
- 9 (b) To consider and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
 "RESOLVED that pursuant to the provisions of section 16 and other applicable provisions of the Companies Act, 1956, in the existing Clause V of the Memorandum of Association of the Company, for the words and figures:  
 Rs.8,00,00,000/-(Rupees Eight Crores Only) divided into 8,00,00,000 (Equity Crore) Equity shares of Re.1/- (Rupee One only) each be and is substituted by the following words and figures i.e.  
 Rs.11,00,00,000/- (Rupees Eleven Crores Only) divided into 11,00,00,000 (Eleven Crore ) Equity shares of Re.1/- (Rupee One only) each."

- 9 (c) To consider and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution:
- “RESOLVED that pursuant to the provisions of section 31 and other applicable provisions of the Companies Act, 1956, in the existing Article 3 of the Articles of Association of the Company, for the words and figures:
- Rs.8,00,00,000/- (Rupees Eight Crores Only) divided into 8,00,00,000 (Eight Crore) Equity shares of Re.1/- (Rupee One only) each be and is substituted by the following words and figures i.e.
- Rs.11,00,00,000/- (Rupees Eleven Crores Only) divided into 11,00,00,000 (Eleven Crores) Equity shares of Re.1/- (Rupee One only) each.”

FOR AND ON BEHALF OF THE BOARD

Place :- MUMBAI  
Date :- 30.8.2007

**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. Members are requested to bring their copy of the annual report along with them as copies of the report will not be distributed at the meeting.
3. The Explanatory statement pursuant to section 173(2) of the Companies Act, 1956 in respect of special business as set out above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **26.09.2007 to 28.09.2007 (both days inclusive)**.
5. Members/proxies are requested to produce the Attendance Slip at the entrance Hall.
6. Members are requested to immediately intimate change of address, if any, to the Company quoting reference to their Register Folio Number.
7. At the ensuing Annual General Meeting Mr. Bhupendra Shah and Mr. Mahesh Shah retire by rotation and being proposed for re appointment as Directors the detail as required under Clause 49 of the Listing Agreement is given as below:

Name	Age	Educational Qualification	Experience	No. of share hold
Mr. Bhupendra Shah	36	S.S.C	11 years	Nil
Mr. Mahesh Shah	39	S.S.C	14 year	Nil

FOR AND ON BEHALF OF THE BOARD

Place :- MUMBAI  
Date :- 30.8.2007

**Surendra Gupta**  
(Chairman)

## ANNEXTURE TO THE NOTICE

### EXPLANATORY STATEMENT AS REQUIRED UNDER SECTION 173(2) OF THE COMPANIES ACT 1956.

#### Item No.5

It has proposed to raise funds through preferential issue and allotment of Warrants entitling the warrant holder to exchange one equity share for one warrant in future, in terms of resolution to the persons mentioned in the resolution being Non Promoters, at price not being less the price calculated as per SEBI DIP Guidelines 2000.

The securities so issued shall be in a lock-in period of 12 months from the date of allotment.

The "relevant date" for the purpose of calculating the price of the Warrants being allotted pursuant to this resolution is 29th August, 2007 being the date 30 days prior to the date of passing of this Resolution.

The proposed preferential allotment shall not result in any change in the Management/Control, and that the existing promoters will remain in management and control.

Disclosures pursuant to the SEBI DIP Guidelines.

The following disclosures are made pursuant to the provisions of SEBI DIP Guidelines.

(i) **Object of the issue through preferential offer.**

The Object of the issue is for completion of project in hand for setting up 24 hours health based Satellite Channel and to fulfill the additional fund for normal capital expenditure, funding long-term working capital requirements, manufacturing facilities. The total project cost being Rs. 16 Crore. The Company has passed necessary resolution for preferential allotment on 15th January, 2007. The amount is required in phase wise for launching the satellite channel. It is proposed to meet the financial requirement by issue of securities on preferential basis, rights issue or borrowing.

(ii) **Promoters do not intend to subscribe.**

(iii) **Proposed time within which the allotment will be completed:**

The allotment of the Equity Shares is expected to be completed within 15 days of the date of passing of the above resolution. Provided that where the allotment is pending on account of pendency of any approval for such allotment by any Regulatory authority such as getting in principle approval of the Stock Exchange or any Central Government, the allotment is expected to be completed within 15 days from the date of such approval.

(iv) **The identities of the proposed allottees and the percentage of the post preferential issue capital that may be held by them:**

The proposed allottees are non promoters and bodies corporate known to the promoters of the company and the percentages of the post preferential issue capital is a mentioned herein above under item No. (iii) of Disclosures pursuant to the SEBI DIP Guidelines.

(v) **The consequential change in shareholding pattern will be as follows:**

	Existing shareholding		Post Conversion of warrants allotted on 15.1.2007		Post Conversion of warrants to be allotted on 28.9.2007	
	No. of shares	%	No. of shares	%	No. of shares	%
Promoters	3174325	5.87	7577325	10.45	7577325	7.50
Mr. Shivraj Kishor Sharma	0	0	0	0	7000000	6.93
Mrs. Alka Mishra	0	0	0	0	6000000	5.94
Mr. Shalabh Shah	0	0	0	0	2500000	2.48
Mr. Ashish Shrivastava (HUF)	0	0	0	0	2500000	2.48
KGA Securities (I) Limited	0	0	0	0	8000000	7.92
Smriti Television Media and Film Pvt. Ltd.	0	0	0	0	2500000	2.47
Public	50922675	94.13	64922675	89.55	64922675	64.28
	<b>54097000</b>	<b>100</b>	<b>72500000</b>	<b>100</b>	<b>101000000</b>	<b>100</b>

A copy of the certificate of statutory Auditors of the Company certifying that the issue of Warrants is being made in accordance with the requirements of SEBI's Guidelines for Preferential Issue as contained in the SEBI DIP Guidelines shall be placed before the shareholders at this General Meeting.

Issuance of shares on preferential basis is governed, inter alia, by the provisions of Section 81(1A) of the Companies Act, 1956 and the relevant provisions of the SEBI DIP Guidelines and which requires approval of the members of the Company by way of Special Resolutions for issuance of Warrants on preferential allotments basis.

The Board recommends for consent of the Shareholders by passing special resolution pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchange in India where the Equity Shares of the Company are listed.

The said Special Resolution, if passed, shall have the effect of allowing the Board on behalf of the Company to issue and allot the Securities otherwise than on pro-rata basis to the existing shareholders.

The Board of Directors believes that such issue is in the interest of the Company and therefore recommends this special resolution for your approval.

None of the directors are concerned and interested to the extent of their acquisition of warrants.

**Item No. 6**

Your Company intends to raise further Share Capital amounting to Rs. 4917909/- (Rupees Forty Nine Lac Seventeen Thousand Nine Hundred Nine only) to part finance its requirement for expansion and diversification and way of allotment to the persons who may be shareholders of the Company as on Record Date fixed by the Board of Directors after consulting with The Stock Exchange, Mumbai.

Section 81 of the Companies Act, 1956 provides that where increase in the subscribed capital of the Company is proposed by allotment of further shares, such further shares in the Company unless the Board of Directors is authorized by Special Resolution passed by the Company in General Meeting to issue such further shares to any persons whether or not those persons are the existing holders of Equity Shares of the Company.

The proposed resolution will enable the Board of Directors of your Company to raise Capital in such form and manner as may be decided with approval of appropriate authorities and in accordance with the SEBI guidelines and also to issue further shares to employees and to such persons who may or may not be the shareholders of the Company.

The Board may offer shares to the members whose names would appear on the Register of Members on the record date.

Application will be made at appropriate time for listing of the proposed securities on The Stock Exchange, Mumbai where the Company's Shares is presently listed.

No Directors is concerned or interested in the resolution except in so far as it relates to the offer to be made to them or their relatives on right basis. Your Directors recommends the resolution for approval of the shareholders.

**Item No. 7**

Ms. Ruchika Gupta is proposed to be appointed as a Whole time Director for the period of Three years with effect from 1.10.2007 to 30.09.2010 on the terms and conditions stated in the resolution. Ms. Ruchika Gupta, has contributed towards the growth of company's business and is able to run the affairs of the Company, and was able to manage Marketing and, administration.

Her services to the Company are very essential and therefore the Board recommends to pass this resolution as an ordinary resolution.

This may be treated as an abstract under section 302 of the Companies Act, 1956

None of the Directors of the Company, except Ms. Ruchika Gupta and Mr. Surendra Gupta, being directors are interested and concerned in this resolution.

**Item No.8**

Presently, the Company's Equity Shares are listed at Ahmedabad, Mumbai Stock Exchanges. There have been no more trading in the equity shares of the Company on the stock Exchanges at Ahmedabad for the past 3-4 years and the investors do not derive any benefit for the fees paid by the Company to this Stock Exchanges. Further, owing to

Expansion of the BSE and their extensive networking and extension of their terminal to other cities, investors have access to on-line dealings in the Company's equity shares on such terminal across the Country. Company's equity shares are one of the scripts which the Securities and Exchange Board of India (SEBI) has specified for settlement only in demater ialized form by all investors since 25th September 2000 and accordingly there is no physical movements (giving or taking delivery) of share certificates for transactions taking place in the Stock Exchanges.

In this background the Board of Directors recommend for your approval by Special Resolution, Delisting of Equity Shares of the Company from Ahmedabad Stock Exchanges at the time as may be deemed appropriate and subject to SEBI (Delisting of Securities) Guidelines, 2003 and requisite approval / exemption as may be required to be obtained from them. In Bombay Stock Exchange Limited (BSE), it is proposed not to delist as the trading volumes are high and in terms of the SEBI Guidelines, it is compulsory to remain listed on at least one stock Exchange including The Stock Exchange, Mumbai.

Due to continued Listing at BSE and availability of trading facilities across the country as mentioned above, the Delisting proposal will not prejudicial to the interest of the investors.

In terms of the relevant guidelines, approval of members is being sought by way of a Special Resolution for enabling voluntary delisting as above. A special Notice is also being given separately in a newspapers for the said enabling resolution with relevant details.

None of the directors may be deemed to be concerned or interested in the resolution.

**Item No.9(a), (b) and (c)**

The present Authorised Share Capital of the Company is Rs. 8,00,00,000/- divided into 8,00,00,000 (Eight Crore Equity Shares of Re.1/- (Rupee One only) each. It is proposed to increase the authorised share capital to Rs.11,00,00,000/- (Rupees Eleven Crores only) divided into 11,00,00,000 (Eleven Crore) Equity Shares of Re. 1/- (Rupee One only) each due to issue of proposed warrants at Resolution No. 9 above.

In terms of Section 94 (1) (a) of the Companies Act, 1956 and the Articles of Association of the Company, increase in share capital requires approval of the Members and the Directors recommend this resolution for your approval.

The above increase in Authorised Share Capital, when approved would require certain consequential amendments in the Memorandum and Articles of Association of the Company to incorporate the increase in Authorised Share Capital. For alteration in clause V of the Memorandum, ordinary resolution and for alteration of Article No. 3 of the Articles of Association, special resolution is recommended.

None of the Directors are concerned or interested in these resolutions.

FOR AND ON BEHALF OF THE BOARD

Place :- MUMBAI  
Date :- 30.8.2007

**Surendra Gupta**  
(Chairman)

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their Thirteenth Annual Report of the Company together with the Audited Accounts for the financial year ended **31 March, 2007**.

### FINANCIAL RESULTS:

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

Particulars	Rs. in Lac	
	2006-2007	2005-2006
Sales and other Income	174.20	33.91
Operating Profit/ (Loss)	(41.32)	14.69
Depreciation & other write offs	9.18	11.59
Profit/ (loss) before tax	(50.51)	3.10
Provisions for Tax (FBT)	0.15	0.07
Profit/ (loss) After Tax	(50.66)	3.03
Share Capital	540.97	510.37
Reserves	14.91	14.91

### OPERATIONS

During the year the total income of Rs.174.20 Lacs. Due to disposal of old stock the company has incurred the loss.

The company has having all new health based software which will be utilized for the purpose of lunching is 24 hour satellite channel.

As the members are aware, during the year , company raised the funds through Preferential basis to promoters and allotted the shares on 31st March, 2007. The paid up capital of the Company has increased to Rs. 5,40,97,000/-. The Company is about to start the health based 24 hours satellite channel for which funds will be raised through one or more preferential issues, rights issue and borrowings. The funds are expected to be required in phase wise.

### 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 Company raised Rs.66,40,000/- through Preferential issue of 3060000 equity shares and 18403000 warrants. The funds raised through Preferential Issue have been utilized for the purposes Satellite Channel and to meet the working capital.

### INSURANCE

The Company has taken adequate insurance to cover risk to its assets.

### DIRECTORS

During the year Mr. Haren Shah has resigned from Directorship. In accordance with the requirements of the Companies Act, 1956, Mr. Bhupendra Shah and Mr. Mahesh Shah, will retire by rotation at conclusion of ensuing Annual General Meeting and, being eligible, have offered themselves for re-appointment.

### 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 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. Till date the Company has not imported any technologies and not 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 Stock Exchanges, 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 :- 30.8.2007

**Surendra Gupta**  
(Chairman)

**CORPORATE GOVERNANCE  
MANAGEMENT DISCUSSION AND ANALYSIS**

Industry structure and developments, opportunities and threats, segment wise performance, out-look, risk and concerns of the Company and discussion on financial performance with respect to the operational performance, has been covered in the Directors' Report more specifically under the sections on Financial Results and Operation, Exports and Business Development.

The Company has an adequate system of internal control systems is supplemented by well documented policies, guidelines and procedures and review carried out by the Company's internal audit function which submits reports periodically to the Management and the Audit committee of the Board.

There has been no material development in Human Resources/ Industrial relations during the period covered by this Annual Report. Your Company has favorable work environment that motivates performance, customer focus and innovation while adhering to the highest degree of quality and integrity.

**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 (Five ) Directors out of which 1 (One ) are Executive Director and 3 (Three) are Independent Non Executive Directors and 1 (One) is Non Executive Director.

The composition of the Board as on date, category of the directors and their attendance at the board meetings and the last Annual General Meeting, Number directorships in other companies and Memberships and Chairmanship of specified committees is given below.

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

Name of Director	Category of Directors hip #	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.	11	P	Y	Nil	Nil	414325
Mr. Deepak Patel	I & N.E.D.	11	P	Nil	Nil	Nil	Nil
Ms. Ruchika Gupta	N.E.D.	08	N.A.	Nil	Nil	Nil	Nil
Mr. Haran Shah*	I & N.E.D.	0	P	Y	Nil	Nil	Nil
Mr. Bhupendra Shah	I & N.E.D.	11	P	Y	Nil	Nil	Nil
Mr. Mahesh Shah	I & N.E.D.	11	P	Y	Nil	Nil	Nil

\* Resigned on 21.4.2007

# E.D. – Executive Director

I – Independent Director

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.

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

During the year 2006-2007, Eleven (11) Board Meetings were held as follows:-

April 06 to June 06	July 06 to Sept. 06	Oct. 06 to Dec. 06	Jan. 07 to March 07
15.04.2006	27.7.2006	16.10.2006	23.01.2007
30.06.2006	31.07.2006	13.11.2006	27.01.2007
	19.08.2006	18.12.2006	31.03.2007

• **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 Agreements entered into with the Stock Exchange. The Present composition of the Audit Committee is as follows:

Name	Designation	Category
Mr. Deepak Patel	Chairman	Non Executive and Independent Director
Mr. Bhupendra Shah	Member	Non Executive and Independent Director
Mr. Mahesh Shah	Member	Non Executive and Independent Director

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.
- Discussion with statutory auditors before the audit commences 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

Six (6) 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. Deepak Patel	6	—
Mr. Bhupendra Shah	6	—
Mr. Mahesh Shah	6	—

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 21st September, 2006

#### 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. Deepak Patel	Chairman	Non Executive and Independent Director
Mr. Bhupendra Shah	Member	Non Executive and Independent Director
Mr. Mahesh Shah	Member	Non Executive and Independent Director

#### Role of Shareholders/Investors' Grievance Committee:

- Review the existing "Investor Redressal System" and suggest measures for improvement.
- 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.
- 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. Deepak Patel	4	—
Mr. Bhupendra Shah	4	—
Mr. Mahesh Shah	4	—

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 2006-2007, 51 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 Director. The remuneration structure comprises of Salary & Perquisites. Salary is paid to Executive Director within the salary grade approved by the Members.

The Details of remuneration paid/payable to Executive Director during the Financial Year 2006-2007 are as under.

Executive Directors	Salary (Rs.)	Perquisite # (Rs.)	Total (Rs.)
Mr. Surendra Gupta	180000	Nil	180000

**6. General Body Meetings:**

Year	AGM/EGM	Venue/ location	Date and time	Special Resolution Passed
2004-2005	AGM	Filmcity House, 307, Raut Lane, Near Iskon temple, Juhu, Mumbai 400 049	17th September, 2004 at 4.00 p.m	0
2005-2006	AGM	Filmcity House, 307, Raut Lane, Near Iskon temple, Juhu, Mumbai 400 049	30th June, 2005 at 4.00 p.m	5
2006-2007	AGM	Filmcity House, 307, Raut Lane, Near Iskon temple, Juhu, Mumbai 400 049	21 <sup>st</sup> September, 2006 at 4.00 p.m	0
2006-2007	EGM	Filmcity House, 307, Raut Lane, Near Iskon temple, Juhu, Mumbai 400 049	15 <sup>th</sup> January, 2007 at 3.30 p.m.	2

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

**7. Disclosure:**

There were no transactions of material nature between the Company and its Directors or Senior Management and their relatives or Promoters that may 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 over see 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	1. Free Press Journal (English) 2. Navshakti (Marathi)
Web site	www.filmcitymedia.com
e -mail:	investors_compliants@filmcitymedia.com
Administrative Office :-	Filmcity House, 307, Raut Lane, Opp. ISKON, Juhu, Mumbai 400 049
Tel:-	022-26713919
Fax :-	022-26235205
Whether Management Discussions and Analysis report is a part of Annual report or not	Yes

**General Shareholders' Information**

13th Annual General Meeting Date & Time	28 <sup>th</sup> September, 2007 at 12.30 p.m.
Venue	Madonna's Galleria, 19 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai - 400053
<b>Financial Calendars (Tentative)</b>	
Financial Reporting for the quarter ended 30 <sup>th</sup> June, 2007	27 <sup>th</sup> July, 2007
Financial reporting for the quarter ended 30 <sup>th</sup> September, 2007	Last week of October, 2007
Financial reporting for the quarter ended 31 <sup>st</sup> December, 2007	Last week of January, 2008
Financial reporting for the quarter ending 31 <sup>st</sup> March, 2008	Last week of April, 2008
Book Closure Date	26 <sup>th</sup> September, 2007 to 28 <sup>th</sup> September, 2007 ( both days inclusive)

Registered Office	Filmcity House, 307, Raut Lane, Opp. ISKON, 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	Intime Spectrum Registry Limited Registrar & Share Transfer Agent C-13, Pannalal Silk Mills Compound L. B. S. Marg, Bhandup (W) Mumbai-400078 Tel No.: 022 - 25963838 Fax No.: 022 - 25946969

Listing on Stock Exchange at	1. The Mumbai Stock Exchange Listing Fees have been paid fo (BSE) r F.Y.2007 -2008
Company registration No. and State Code	11-77927
NSDL & CDSL – ISIN	<b>INE600B01025</b>

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

Month	Filmcity Media Limited	
	High	Low
April, 2006	0.82	0.58
May, 2006	0.96	0.62
June, 2006	0.70	0.51
July, 2006	0.67	0.46
August, 2006	0.70	0.39
September, 2006	0.90	0.46
October, 2006	0.55	0.41
November, 2006	0.69	0.43
December, 2006	0.88	0.52
January, 2007	1.16	0.61
February, 2007	1.59	0.84
March, 2007	0.93	0.63

(Source – [www.bseindia.com](http://www.bseindia.com))

**DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2007**

No. of Shares held		No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares
1	500	10585	86.2810	20386128	37.6840
501	1000	946	7.7110	7981027	14.7530
1001	2000	445	3.6270	6682773	12.3530
2001	3000	128	1.0430	3248760	6.0050
3001	4000	51	0.4160	1818448	3.3610
4001	5000	29	0.2360	1400175	2.5880
5001	10000	50	0.4080	3712192	6.8620
10001	and above	33	0.2770	8867497	16.3920
<b>TOTAL</b>		<b>12267</b>	<b>100</b>	<b>54097000*</b>	<b>100</b>
				<b>Physical mode</b>	7341900
				<b>Electronic mode</b>	43695100
				<b>TOTAL</b>	<b>51037000</b>

\* 30,60,000 yet to be Credited in Demat mode pending for final Listing Approval.

**CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2007**

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1.	Other Bodies Corporate	262	4858662	8.98
2.	Clearing Member	10	34490	0.06
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	34	479590	0.89
9.	Overseas Corporate Bodies	0	0	0
10.	Public	11958	45549933	84.20
11.	Promoters and Directors & their Relatives (excluding promoter directors)	3	3174325	5.87
	<b>Total</b>	<b>12267</b>	<b>54097000*</b>	<b>100</b>

\* 30,60,000 yet to be Credited in Demat mode pending for final Listing Approval.

Details of Equity Shares Under lock-in period	:	<b>No. of Shares</b> 114325 3060000	<b>Period</b> up to 01.11.2007 up to 30.03.2010
Dematerialization of shares	:	As on March 31, 2007 a total of 54097000 equity shares constituting 80.77 % of the equity share capital of the Company stand dematerialized and balance 19.23% shares are in physical mode.	
Investors' correspondence to be addressed to	:	Filmcity House, 307, Raut Lane, Opp. ISKON, 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 31.3.2007

FOR AND ON BEHALF OF THE BOARD

Place :- MUMBAI  
Date :- 30.6.2007

**Surendra Gupta**  
(Managing Director)

## 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, 2007, 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

Sd/-  
**(Ashok K. Jain)**  
Proprietor

Place : Mumbai  
Date:- 30.6.2007

## AUDITORS' REPORT

TO THE MEMBERS OF FILMCITY MEDIA LIMITED

We have audited the attached Balance Sheet of Filmcity Media Limited, as at 31st March, 2007 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, 2007 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2007 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, 2007; 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  
DATED : 30.06.2007

**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 year ended 31st March, 2007.

- 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) During the year under audit the company has not taken/granted any loans from/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 2006-07.
- 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, 2007 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. The accumulated losses of the company are not more than fifty percent of its net worth. The 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. No term loans have been received during the year.
- 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.
- 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

**ASHOK K. JAIN**  
PROPRIETOR  
M. No. 36120

PLACE : MUMBAI  
DATED : 30.06.2007

**BALANCE SHEET AS AT 31ST MARCH, 2007**

PARTICULARS	SCHEDULE	31/03/2007 Rs.	31/03/2006 Rs.
<b>SOURCES OF FUNDS</b>			
<b>A. SHAREHOLDERS FUNDS</b>			
Share Capital	1	57,677,000	51,037,000
Reserves & Surplus	2	1,490,750	1,490,750
<b>B. LOAN FUNDS</b>			
Secured Loans	3	912,000	–
Unsecured Loans	4	100,000	100,000
		<u>60,179,750</u>	<u>52,627,750</u>
<b>APPLICATION OF FUNDS</b>			
<b>A. FIXED ASSETS</b>			
Gross Block	5	24,632,358	24,632,358
Less : Depreciation		10,721,043	9,806,592
Net Block		<u>13,911,315</u>	<u>14,825,766</u>
<b>B. INVESTMENTS</b>			
4950 Shares of North Kanara GSB CoopBank of Rs.10/each		49,500	–
<b>C. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
Inventories	6	71,558,674	43,401,060
Sundry Debtors	7	4,640,816	4,548,843
Cash & Bank Balances	8	181,165	1,022,374
Loans & Advances	9	17,079,246	49,741
		<u>93,459,901</u>	<u>49,022,018</u>
Less : Current Liabilities & Provisions Sundry Creditors	10A	56,818,907	15,735,889
		<u>36,640,994</u>	<u>33,286,129</u>
<b>C. MISC. EXPENDITURE</b>			
Profit & Loss A/c	11	833,568	837,614
		8,744,373	3,678,241
<b>NOTES ON ACCOUNTS</b>			
	17		
		<u>60,179,750</u>	<u>52,627,750</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

PLACE : MUMBAI  
DATED : 30-06-2007

**SURENDRA GUPTA**  
Managing Director

**RUCHIKA GUPTA**  
Director

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH, 2007**

<b>PARTICULARS</b>	<b>SCHEDULE</b>	<b>31/03/2007 Rs.</b>	<b>31/03/2006 Rs.</b>
<b>INCOME</b>			
Sales & Other Income	<b>12</b>	17,420,000	3,390,565
Increase/(Decrease) in Stock	<b>13</b>	28,157,614	14,500,000
		<u>45,577,614</u>	<u>17,890,565</u>
<b>EXPENDITURE</b>			
Consumption of Paper	<b>14</b>	–	–
Direct Expenses	<b>15</b>	48,444,268	15,000,000
Administrative Expenses	<b>16</b>	1,265,513	1,421,822
		<u>49,709,781</u>	<u>16,421,822</u>
<b>GROSS PROFIT/(LOSS) BEFORE DEPRECIATION AND WRITE OFFS</b>		<b>(4,132,167)</b>	<b>1,468,743</b>
Less: (i) Miscellaneous Exp. W/off		4,046	302,335
(ii) Depreciation		914,451	856,481
<b>Net Profit/(Loss) for the year</b>		<b>(5,050,664)</b>	<b>309,727</b>
Profit/(Loss) before Tax		(5,050,664)	309,727
Provision for Taxation		–	–
FBT		15,468	7,344
Profit/(Loss) after Tax		(5,066,132)	302,583
Balance of Profit/(Loss)		(5,066,132)	302,583
Add : Brought forward from previous year		(3,678,241)	(3,980,824)
<b>Profit available for appropriation</b>		<b>(8,744,373)</b>	<b>(3,678,241)</b>
<b>Surplus/(Deficit) carried to Balance Sheet</b>		<b>(8,744,373)</b>	<b>(3,678,241)</b>
<b>Earning per Share (Rs.)</b>		<b>0.00</b>	<b>0.01</b>
<b>NOTES TO ACCOUNTS</b>	<b>17</b>		

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

PLACE : MUMBAI  
DATED : 30-06-2007

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	31/03/2007 Rs.	31/03/2006 Rs.
<b>SCHEDULE - 1 - SHARE CAPITAL</b>		
AUTHORISED		
80,000,000 Equity Shares of Rs.1/- each (Previous year 55,00,000 share of Rs.10/- each)	<b>80,000,000</b>	80,000,000
ISSUED SUBSCRIBED & PAID UP		
54,097,000 Equity Shares of Rs.1/- each (Previous year 51,03,700 Equity Shares of Rs.10/- each)	<b>54,097,000</b>	51,037,000
Paid up value of Share Warrants 25,903,000 of Rs.1/ each	<b>3,580,000</b>	-
	<b>57,677,000</b>	51,037,000
<b>SCHEDULE - 2 - RESERVES &amp; SURPLUS</b>		
Capital Reserve *	<b>755,750</b>	755,750
Share Premium #	<b>735,000</b>	735,000
	<b>1,490,750</b>	1,490,750
* On forfeiture of 1,47,000 equity share		
# On reissue of 1,47,000 equity shares of Rs.10/- each at a premium of Rs.5/-		
<b>SCHEDULE - 3 - SECURED LOANS</b>		
From The North Kanara G.S.B. Co. Op.Bank Ltd. (Secured against Studio Plant & Machinery & Office Eqp.)	<b>912,000</b>	-
<b>SCHEDULE - 4 - UNSECURED LOANS</b>		
Lever Pool Finance Ltd.	<b>100,000</b>	100,000

**SCHEDULE - 5 - FIXED ASSETS**

Particulars	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at 4/1/2007	Additions/ (Transfer)	As at 3/31/2007	Up to 3/31/2006	During the Year	Up to 3/31/2007	As At 3/31/2007	As at 3/31/2006
Land		8,379,376	-	8,379,376	-	-	-	8,379,376	8,379,376
Building	3.34	4,181,672	-	4,181,672	1,310,821	139,668	1,450,489	2,731,183	2,870,851
Office Equipments (Computer RS 1672880)	4.71 16.21	2,948,147	-	2,948,147	2,774,129	174,018	2,948,147	-	174,018
Studio Plant & Machinery	7.07	3,144,434	-	3,144,434	2,273,124	222,311	2,495,435	648,999	871,310
Furniture & Fixtures	6.33	4,974,457	-	4,974,457	2,846,178	314,883	3,161,061	1,813,396	2,128,279
Electrical Fittings	6.33	1,004,272	-	1,004,272	602,340	63,570	665,910	338,362	401,932
<b>TOTAL</b>		24,632,358	-	24,632,358	9,806,592	914,451	10,721,043	13,911,315	14,825,766
Previous Year		24,451,731	180,627	24,632,358	8,950,111	856,481	9,806,592	14,825,766	15,501,620

**SCHEDULE - 6 - INVENTORIES**

(As taken valued and certified by the management)

Paper	<b>815,761</b>	815,761
TV Software(Work in Progress)	<b>70,742,913</b>	42,585,299
	<b>71,558,674</b>	43,401,060

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	31/03/2007 Rs.	31/03/2006 Rs.
<b>SCHEDULE - 7- SUNDRY DEBTORS</b>		
(Unsecured considered good)		
1. Debts due from Group Companies Outstanding for a period exceeding 6 Months	2,150,565	2,500,565
2. Other Debtors Outstanding for a period exceeding 6 Months	2,490,251	2,048,278
	<b>4,640,816</b>	<b>4,548,843</b>
<b>SCHEDULE - 8 - CASH &amp; BANK BALANCES</b>		
1. Cash in hand	112,369	217,034
2. With Scheduled Bank in Current/Saving A/c		
a. UTI Bank	19,985	799,024
b. Samta Sahakari Bank Ltd	-	-
c. Bank of Maharashtra	71,168	1,216
d. Citi Bank	(896)	(-) 896
e. HDFC Bank Ltd.	(6,765)	996
f. The North Kanara G.S.B.Coop. Bank.	(19,695)	-
3. Fixed Deposit(Lodged with Bank towards Margin Money for Bank Guarantee)	5,000	5,000
	<b>181,165</b>	<b>1,022,374</b>
<b>SCHEDULE 9 - LOANS &amp; ADVANCES</b>		
Advances recoverable in cash or in kind/or for values to be received	17,050,000	-
Advance Income Tax & TDS	21,766	39,261
Deposits	7,480	10,480
	<b>17,079,246</b>	<b>49,741</b>
<b>SCHEDULE 10 - CURRENT LIABILITIES &amp; PROVISIONS</b>		
A. Sundry Creditors For Goods, Services & Expenses	62,083,907	15,735,889
<b>SCHEDULE 11 - MISCELLANEOUS EXPENDITURE</b>		
(To the extent not written off or adjusted)		
Preliminary Expenses	-	-
Pre-operative Expenses - Export	833,568	833,568
Public Issue Expenses	-	4,046
	<b>833,568</b>	<b>837,614</b>
<b>SCHEDULE 12 - SALES &amp; OTHER INCOME</b>		
Sale of T.V. Serial / Documentary sale	17,410,000	3,300,565
Other Income	10,000	90,000
	<b>17,420,000</b>	<b>3,390,565</b>
<b>SCHEDULE 13- INCREASE/DECREASE IN STOCK</b>		
Opening Stock		
T.V. Software (WIP)	42,585,299	28,085,299
Closing Stock		
T.V.Software (WIP)	70,742,913	42,585,299
	<b>28,157,614</b>	<b>14,500,000</b>

**SCHEDULE FORMING PART OF THE BALANCE SHEET**

	31/03/2007 Rs.	31/03/2006 Rs.
<b>SCHEDULE 14 - CONSUMPTION OF PAPER</b>		
Opening Stock	815,761	815,761
Less : Closing Stock	815,761	815,761
	<u>NIL</u>	<u>NIL</u>
<b>SCHEDULE 15- DIRECT EXPENSES</b>		
Serial Shooting Expenses	12,444,268	-
Purchase of Serial	36,000,000	15,000,000
	<u>48,444,268</u>	<u>15,000,000</u>
<b>SCHEDULE 16- ADMINISTRATIVE EXPENSES</b>		
Advertisement & Publicity Expenses	15,891	10,245
Bank Charges/Interest	53,329	11,349
Conveyance Expenses	3,889	13,350
Postage, Telegram & Telephone	186,312	92,992
Travelling Expenses	14,524	162,708
Miscellaneous Expenses	5,603	1,420
Salaries (including Directors Remuneration)	260,000	200,000
Printing & Stationery	36,616	21,362
Electricity Charges	109,755	157,289
Motor Car Expenses	14,260	-
Professional Charges	285,156	142,796
Professional tax	15,900	-
Repairs & Maintenance		
Building	7,556	57,689
Machinery	12,177	35,020
Others	-	-
	<u>19,733</u>	<u>92,709</u>
Auditors Remuneration	44,896	44,000
Donation	1,000	1,100
Rent, Rates & Taxes	-	8,578
Membership fee/Subscription	80,187	79,559
Municipal Taxes	86,166	77,526
Books & Periodicals	4,190	8,245
Staff Welfare Expenses	8,575	10,392
Computer Expenses	4,785	30,732
Filing Fees	11,848	180,300
Courier Charges	2,448	8,109
Freight Coolie & Cartage	450	57,952
Sales Tax Paid	-	9,109
	<u>1,265,513</u>	<u>1,421,822</u>

**SCHEDULE 17 - NOTES TO THE 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.
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 Companys'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 cost.
  - b) 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
 

Gratuity liability is determined on the basis of actuarial valuation.
8. Miscellaneous Expenditure
 

Preliminary and Public issue expenses have been amortised 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 assets have not been recognised as there is no vertual certainty of profits in future.

**B. OTHER NOTES**

11. Contigent liabilities not provided for - NIL
12. Estimated amount of contracts remaining to be executed on capital account and not provided for - NIL
13. Auditors' Remuneration

	<b>3/31/2007</b>
Audit Fees	<b>20,000</b>
Tax Audit fees	<b>10,000</b>
Other Services	<b>14,000</b>
	<hr/> <b>44,000</b> <hr/>
14 Debts/Advances due by Companies in which Directors are interested - Wellness Communications Pvt Ltd.	2,150,565
15 Expenditure in Foreign Currency	NIL
16 Value of Import on CIF basis	NIL
17 Earning of Foreign Exchange on Exports	NIL

18 Segment Reporting - During the year company's main revenue is from only one segment sale of T.V. serials . 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 of Chartered Accountants of India.

19 Earning per Share	<b>3/31/2007</b>	3/31/2006
Net Profit/(Loss) for the year	<b>(5,066,132)</b>	302,583
Number of Equity Shares	<b>54,097,000</b>	51,037,000
Nominal Value of Shares (Rs.)	<b>1</b>	1
Earning per Share (Rs.)	-	0.01

20 Related Party Disclosures

Name of the Party	Relationship	Transaction During the Year	Amount Rs.	Balance As on 3/31/2006
i) M/s Filmcity Communication Technologies Limited	Controlled by key Managerial Personnel		-	Cr.74143.26
ii) M/s Wellness Communications Pvt Ltd	Controlled by key Managerial Personnel		-	Dr.2150565
iii) Mr. Surendra Gupta	Managing Director	Remuneration	180,000/-	Cr.28056.00

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

	3/31/2007		3/31/2006	
	Qty	Rs.	Qty	Rs.
Licensed Capacity	N.A.		N.A.	
Installed Capacity	N.A.		N.A.	
<u>Raw Material</u>				
Opening Stock	30.00 MT	815,761	30.00 MT	815,761
Purchases	NIL	NIL	NIL	NIL
Consumption	NIL	NIL	NIL	NIL
Closing Stock	30.00 MT	815,761	30.00 MT	815,761

22 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.

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

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

**SURENDRA GUPTA**  
Managing Director

**RUCHIKA GUPTA**  
Director

**ASHOK K. JAIN**  
PROPRIETOR

PLACE : MUMBAI  
DATED : 30-06-2007

**CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT FOR THE  
YEAR ENDED 31ST MARCH, 2007**

<b>Particulars</b>	<b>31/03/2007 Rs.</b>	<b>31/03/2006 Rs.</b>
Net Profit before tax & extra-ordinary items	<b>(5,066,132)</b>	302,583
Adjustment for :		
Depreciation	<b>914,451</b>	856,481
Interest Paid	-	-
Interest earned	-	-
Miscellaneous Expenses W/O	<b>4,046</b>	302,335
<b>Operating Profit before working capital changes</b>	<b>(4,147,635)</b>	1,461,399
Adjustment for :		
Trade and other receivables	<b>(91,973)</b>	(1,820,033)
Inventories	<b>(28,157,614)</b>	(14,500,000)
Trade Payables	<b>41,083,018</b>	14,693,080
Advances Recoverable in Cash or Kind	<b>(17,029,505)</b>	1,074,184
<b>NET CASH FROM OPERATING ACTIVITIES (A)</b>	<b>(8,343,709)</b>	908,630
Cash Flow From Investment Activities		
Purchase/Sale of Fixed Assets	-	(180,627)
Purchase /Sale of Investments	<b>(49,500)</b>	-
<b>NET CASH USED IN INVESTMENT ACTIVITIES (B)</b>	<b>(49,500)</b>	(180,627)
Cash Flow From Financing Activities		
Deposit	-	-
Net Proceeds From Long Term Borrowing	<b>912,000</b>	100,000
Increase in Share Capital	<b>6,640,000</b>	-
Interest Paid	-	-
Interest earned	-	-
<b>NET CASH USED IN FINANCE ACTIVITIES ( C )</b>	<b>7,552,000</b>	100,000
<b>Net Increase in Cash and Cash Equivalent (A+B+C)</b>	<b>(841,209)</b>	828,003
Cash and Cash Equivalent Opening Balance	<b>1,022,374</b>	194,371
Cash and Cash Equivalent	<b>181,165</b>	1,022,374

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Director

**ASHOK K. JAIN**  
PROPRIETOR

PLACE : MUMBAI  
DATED : 30-06-2007

**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 : 31/3/2007		
2. Capital Raised during the year (Amount Rs in Thousand)	Public Issue : Nil	Right Issue : Nil	
	Bonus Issue : Nil	Private Placement : 3060	
3. Position of Mobilisation and Deployment of Funds (Amount Rs. In Thousand)	Total Liabilities : 60180	Total Assets : 60180	
	Sources of Funds		
	Paid-up Capital : 57677	Reserves & Surplus : 1491	
	Secured Loans : 912	Unsecured Loans : 100	
	Application of Funds		
	Net Fixed Assets : 13911	Investments : 50	
	Net Current Assets : 36641	Misc. Expenditure : 834	
	Accumulated Losses : 8744		
	4. Performance of Company (Amount Rs. in Thousand)	Turnover : 57236	Total Expenditure : 49710
		Profit/Loss before Tax : -5051	Profit/Loss after Tax : -5066
Earning Per Share in Rs. : 0		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		

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PLACE : MUMBAI  
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