

FILMCITY MEDIA LIMITED

The Company was Incorporated under the Companies Act, 1956 on April, 22, 1994 in the name of Kavita Prakashan Pvt Ltd. On June 1, 1995 the name of the Company was changed to Filmcity Media Private Limited and was converted into Public Limited Company as Filmcity Media Limited on July 6, 1995.

(For Private circulation to the equity shareholders of the Company)

Registered Office : Filmcity House, 307, Raut Lane, Near Iskcon Temple, Juhu, Mumbai 400 049
Tel (022) 26713919 Fax (022) 26235205

Administrative Office : A-9, Shree Siddhivinayak Plaza, Plot No. B-31, Off New Link Road, Andheri (West), Mumbai – 400 053.
Tel: (022) 67077453, Fax: (022) 67077452

Offer for the issue of 49,17,909 Equity Shares of Re.1/- each for cash at par aggregating to Rs. 49,17,909/- on rights basis to the existing equity shareholders of the company in the ratio of 1 (One) Equity Share for every 11 (Eleven) Equity Shares of Re. 1/- each held on the Record Date 15th April, 2008.

GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and the Issue including the risks involved. The securities have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or the adequacy of this document.

The attention of investors is drawn to the statement of Risk Factors appearing on page no 3 of this Letter of Offer.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for, and confirms that this Letter of Offer contains all information with regard to the Issuer and the Issue, which is material in context of the Issue, that the information contained in this Letter of Offer is true and correct in all material respects and is not misleading in any material respect, that the opinions and intentions, expressed herein are honestly held and that there are no other facts, the omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. The issuer further takes the full responsibility for the compliance of all the statutory requirements and applicable rules, regulations, guidelines issued by various authorities in this regard.

LISTING

The existing equity shares of the company are listed on Bombay Stock Exchange Limited at Mumbai. Application will be made to Bombay Stock Exchange Limited, Mumbai for permission to deal in and for an official quotation in respect of the equity shares of the company being offered in terms of this Letter of Offer.

REGISTRAR TO THE ISSUE
Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B. S. Marg, Bhandup (W), Mumbai 400078
Tel (022)-25960320 Fax (022)-25960328 / 29
Email : fml.rights@intimespectrum.com
Contact person : Ms. Awani Thakkar

ISSUE OPENS ON	:	2 nd May, 2008
LAST DATE FOR RECEIVING REQUESTS FOR SPLIT FORMS	:	16 th May 2008
ISSUE CLOSSES ON	:	31 st May 2008

LETTER OF OFFER

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DECLARATION DEFINITIONS/ABBREVIATIONS	
The Company	FILMCITY MEDIA LIMITED
Articles	Articles of Association of FILMCITY MEDIA LIMITED
Memorandum	Memorandum of Association of FILMCITY MEDIA LIMITED
Board	Board of Directors of FILMCITY MEDIA LIMITED
BSE	Bombay Stock Exchange Limited, Mumbai
CAF	Composite Application Form
FII	Foreign Institutional Investor
GOI	Government of India
Letter of Offer (LOO) :	This Letter of Offer circulated to the equity shareholders of the Company
NRI	Non Resident Indian
OCB	Overseas Corporate Bodies
Offer/Issue	Offer for the issue of 49,17,909 Equity Shares of Re.1/- each for cash at par aggregating Rs. 49,17,909/- on rights basis to the existing equity shareholders of the company in the ratio of 1 (one) Equity Share for every 11 (Eleven) Equity Shares of Re. 1/- each held as on the Record Date (i.e 15th April, 2008).
RBI	Reserve Bank of India
SEBI	Securities and Exchange Board of India
The Act	The Companies Act, 1956

FILMCITY MEDIA LIMITED

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RISK FACTORS AND MANAGEMENT PERCEPTIONS THEREOF

A. INTERNAL

1. 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 pre-experience.

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

B. EXTERNAL

1. 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.

2. Company is mainly into Electronic Media business for last 12 years. In early years Company was making profit, but due to sharp increase in Telecasting fees and decrease in FCT, Company had to opt out from Doordarshan. As a result, in recent years company could not generate substantial profit. During last 3 years, there was a profit after tax of Rs. 5.18 Lacs (2004 – 05), profit after tax of Rs. 3.03 Lacs (2005 – 06), while a loss of Rs. 50.06 Lacs for the year ended 31st March, 2007. But company is confident of making huge profit in years to come after launching its Niche Health based Satellite Channel, by way of selling Slots, Spots and Subscription.

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I. IMPORTANT INFORMATION

1. This offer is made to the existing equity shareholders of the Company, whose names appear on the Register of Members of the Company as on 15th April, 2008. (the 'Record Date')
2. Please read this Letter of Offer and the instructions contained in the accompanying Composite Application Form (hereinafter referred to as 'CAF') carefully before making any investment in the issue.
3. The instructions contained in the enclosed CAF are an integral part of this Letter of Offer and must be carefully followed. Applications not conforming to the instructions are liable to be rejected.
4. All enquiries/ communications and clarifications in connection with this Letter of Offer should be addressed to the Registrar to the Issue quoting the Registered Folio Number, CAF No. and the name of the first shareholder as mentioned in the CAF at the following address:

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B. S. Marg, Bhandup (W), Mumbai 400078
Tel (022)-25960320 Fax (022)-25960328 / 29
 Email : fml.rights@intimespectrum.com
 Contact person : Ms. Awani Thakkar

LETTER OF OFFER

5. Adequate Funds will be provided to the Registrars to the Offer for posting of the Refund Orders/ Letters of Allotment/Share Certificates by registered post wherever applicable.
6. Equity shares of the company are listed on the Bombay Stock Exchange Limited, Mumbai (BSE).
7. **ELIGIBILITY** : FILMCITY MEDIA LIMITED is an existing listed Company. It is eligible to offer this Rights Issue in terms of Clause 2.4.1(iv) of the SEBI (DIP) Guidelines, 2000. The Company, its Promoters, Directors or any of the Company's associates or group companies with which the Directors of the Company are associated as Directors or Promoters have not been prohibited from accessing the capital market under any order or direction passed by SEBI.
8. **DECLARATION** : The Board of Directors of FILMCITY MEDIA LIMITED state that:-
 - i) All the complaints in respect of the Rights Issue shall be attended to by the Company expeditiously and satisfactorily.
 - ii) That the Company shall take necessary steps for the purpose of getting the securities listed on the concerned stock exchange within the specified time.
 - iii) That the Company shall apply in advance for the listing of new equity shares.
 - iv) That the funds required for dispatch of refund orders/ allotment letters/ certificates by registered post shall be made available to the Registrar to the Issue by the Company.
 - v) That the certificates of the securities/refund orders to the Non-Resident Indians shall be dispatched within in specific time.
 - vi) That no further issue of securities shall be made till the securities offered through this offer document are listed or till the application money is refunded on account of non-listing, under subscription etc.
 - vii) All monies received against this issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act, 1956.
 - viii) Details of all monies utilized out of issue referred to in sub-item(vii) shall be disclosed under an appropriate separate head in the Balance Sheet of the company indicating the purpose for which such monies have been utilized; and
 - ix) Details of all utilized monies out of the present issue, if any, shall be disclosed under an appropriate separate head in the Balance Sheet of the company indicating the form in which such utilized monies have been invested.
 - x) The Takeover Regulations are not applicable to the present issue and will be complied with, if applicable.
9. **DISCLAIMER IN RESPECT OF JURISDICTION** : This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are majors, Hindu Undivided Families, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, or any other Trust law and who are authorised under their constitution to hold and invest in shares and to NRIs, and FII's as defined under the Indian laws. This Offer Document does not, however, constitute an offer to sell or an invitation to subscribe to securities issued hereby in any other jurisdiction. Any person into whose possession this Offer Document comes is required to inform himself about and to observe any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in India only. No action has been or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Offer Document has been submitted to the SEBI. Accordingly, the equity shares represented thereby may not be offered or sold, directly or indirectly, and this Offer Document may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of Offer Document nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of FILMCITY MEDIA LIMITED since the date hereof or that the information contained herein is correct as of any time subsequent to this date.
10. **DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED**

BOMBAY STOCK EXCHANGE LIMITED ("THE EXCHANGE") HAS GIVEN VIDE ITS LETTER DATED 7TH MARCH 2008 , PERMISSION TO THIS COMPANY TO USE THE EXCHANGE'S NAME IN THIS LETTER OF OFFER AS ONE OF THE STOCK EXCHANGE ON WHICH THIS COMPANY'S SECURITIES ARE PROPOSED TO BE LISTED. THE EXCHANGE HAS SCRUTINISED THIS LETTER OF OFFER FOR ITS LIMITED INTERNAL PURPOSE OF DECIDING ON THE MATTER OF GRANTING THE AFORESAID PERMISSION TO THIS COMPANY. THE EXCHANGE DOES NOT IN ANY MANNER;

- A. WARRANT, CERTIFY OR ENDORSE THE CORRECTNESS OR COMPLETENESS OF ANY OF THE CONTENTS OF THIS LETTER OF OFFER; OR
- B. WARRANT THAT THIS COMPANY'S SECURITIES WILL BE LISTED OR WILL CONTINUE TO BE LISTED ON THE EXCHANGE; OR
- C. TAKE ANY RESPONSIBILITY FOR THE FINANCIAL OR OTHER SOUNDNESS OF THIS COMPANY, ITS PROMOTERS, ITS MANAGEMENT OR ANY SCHEME OR PROJECT OF THIS COMPANY;

AND IT SHOULD NOT, FOR ANY REASON BE DEEMED OR CONSTRUED THAT THIS LETTER OF OFFER HAS BEEN CLEARED OR APPROVED BY THE EXCHANGE. EVERY PERSON WHO DESIRES TO APPLY FOR OR OTHERWISE ACQUIRES ANY SECURITIES OF THIS COMPANY MAY DO SO PURSUANT TO INDEPENDENT INQUIRY, INVESTIGATION AND ANALYSIS AND SHALL NOT HAVE ANY CLAIM AGAINST THE EXCHANGE WHATSOEVER BY REASON OF ANY LOSS WHICH MAY BE SUFFERED BY SUCH PERSON CONSEQUENT TO OR IN CONNECTION WITH SUCH SUBSCRIPTION/ ACQUISITION WHETHER BY REASON OF ANYTHING STATED OR OMITTED TO BE STATED HEREIN OR FOR ANY OTHER REASON WHATSOEVER.

11. **MINIMUM SUBSCRIPTION:** If the Company does not receive application money for at least 90% of the issued amount the entire subscription will be refunded to the applicants within thirty days from the date of closure of the issue. If there is a delay in the refund of application money by more than 8 days after the Company becomes liable to pay the amount (i.e. thirty days after the closure of the issue), the company will pay interest for the delayed period, at prescribed rates in sub-section (2) and (2A) of Section 73 of the Companies Act, 1956.

12. **"ADDITIONAL SHARES":**

You are eligible to apply for additional shares provided you have applied for all the equity shares offered to you without renouncing them in full or in part.

The application for additional equity shares shall be considered and allotment shall be made at the sole discretion of the Board and in consultation if necessary with the Bombay Stock Exchange. This allotment of additional equity shares will be made on an equitable basis with reference to number of shares held by you on the record date.

* **Renounees can apply for additional shares.**

13. **BASIS OF ALLOTMENT**

The basis of allotment shall be finalized in consultation with the Bombay Stock Exchange in the following order of priority.

- (a) Full allotment to the shareholders who have applied for their rights entitlement either in full or in part and also to the renounees who have applied for shares renounced in their favour either in full or in part.
- (b) Allotment to the shareholders who have applied for all the shares offered to them as rights have also applied for additional shares. The allotment of such additional shares will be made as far as possible on an equitable basis with reference to the number of equity shares held on the Record Date i.e. 15th April, 2008.
- (c) Allotment to renounees who have applied for all the shares renounced in their favour applied for additional shares, provided there is a surplus remaining after (a), (b) and (c) above.
- (d) Allotment to any other person as the Board may in its absolute discretion deem fit provided there is a surplus available after making full allotment under (a), (b), and (c) above.

14. **UTILISATION OF PROCEEDS**

The sum received against right issue will be kept in separate bank account and the company will not have access to such unless it satisfies the Bombay Stock Exchange with suitable documentary evidence that the minimum subscription of 90% of the issue has been received.

15. **"TERMS OF PAYMENTS" HOW TO MAKE:**

Payment should be made in cash / or by cheques / demand draft / drawn on any bank (including a co-operative bank) which is situated at and is a member or sub-member of the banker's clearing house located at the centre where application is accepted. A separate cheques / draft / must accompany each application form. Outstation cheques / drafts will not be accepted and application (s) accompanied by such cheques / drafts will be rejected.

16. **APPLICATION IN FICTITIOUS NAMES:** Attention of the applicants is specifically drawn to the provisions of Sub-Section (1) of Section 68A of the Companies Act, 1956 which is reproduced below:

LETTER OF OFFER

"Any person who-

- (a) makes in a fictitious name an application to a Company for acquiring or subscribing for, any shares therein, or
- (b) otherwise induces a Company to allot or register any transfer of shares therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years

17. **FILING:** As the size of the rights issue is less than Rs. 50,00,000/- (Rupees Fifty Lacs Only) SEBI permission is not required. Also, due to the size of the right issue being less than Rs. 50,00,000/- (Rupees Fifty Lacs Only), SEBI DIP Guidelines 2000 is not applicable (clause 1.4). The Company will be submitting the final Letter of Offer (LOO) to SEBI for their record and information.
18. **STATUTORY DECLARATIONS:** Subscription received against the issue will be kept in specific bank accounts and the company would not have access to such funds unless it has received minimum subscription of 90% of application money towards this issue and the permission of the Bombay Stock Exchange, Mumbai is obtained to use the amount of subscription. The Company will obtain the permission of the Bombay Stock Exchange Limited, Mumbai by producing sufficient documentary evidence of subscription to the extent of 90% or more on the closure of issue to utilize the funds collected as per the present rules.
- The present rights issue to the existing shareholders of the company has been approved by the shareholders at the Annual General Meeting of the members held on 28.09.2007.
19. **CAUTION STATEMENT / COMPANY DISCLAIMER:** The Issuer Company accepts no responsibility for statements made otherwise than in this Letter of Offer or in the advertisement or in any other material issued by or at the instance of the company and the Lead Manager and any one placing reliance on any other source of information would be doing so at his/her/their own risks.

Dear Shareholder(s)

The Board of Directors of the Company (hereinafter referred to as "The Board") in pursuance to a resolution passed at the Annual General Meeting held on 28.09.2007 have decided to offer 49,17,909 equity shares of Re. 1/- each for cash at par aggregating to Rs. 49,17,909/- to the existing equity shareholders of the Company on rights basis in the ratio of 1 (One) Equity Shares for every 11 (Eleven) Equity Shares of Re.1/ - each) held as on 15th April, 2008.

II. GENERAL INFORMATION

Name of the Company : FILMCITY MEDIA LIMITED

Registered Office : Filmcity House, 307, Raut Lane, Near Iskcon Temple, Juhu, Mumbai: 400 049

Tel (022) 26713919 Fax (022) 26235205

Administrative Office : A-9, Shree Siddhivinayak Plaza, Plot No. B-31, Off New Link Road, Andheri (West), Mumbai – 400 053.

Tel: (022) 67077453, Fax: (022) 6707 7452

LICENSES AND OTHER APPROVALS: N.A.

LISTING

The existing Equity Shares of the Company are listed on Bombay Stock Exchange Limited, Mumbai (BSE). Application will be made to The Bombay Stock Exchange at Mumbai (BSE) for permission to deal in and for an official quotation in respect of the Equity Shares of the Company being offered in terms of this Letter of Offer.

In case the permission to deal in and for an official quotation of the Equity Shares is not granted by the Bombay Stock Exchange, Mumbai where the Listing application will be made, the issuer shall forthwith repay with interest, all monies received from the applicants pursuance of this LOO and if such money is not repaid within 8 working days after the delay from which the issuer is liable to repay it, then the Company and every Director of the Company who is an officer in default, on and from the expiry of 8 days, be jointly and severally liable to repay the money with interest as prescribed under Section 73(2)/ 73(2A) of the Companies Act,1956.

CORPORATE GOVERNANCE

The provisions of "Corporate Governance" as introduced vide Clause 49 of the Listing Agreement are complied with.

DATES RELATING TO THE ISSUE

ISSUE OPENS ON : 2nd May, 2008
LAST DATE FOR RECEIVING REQUESTS FOR SPLIT FORMS : 16th May 2008
ISSUE CLOSES ON : 31st May 2008

ISSUE MANAGEMENT TEAM

REGISTRARS TO THE ISSUE

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills Compound,
L.B. S. Marg, Bhandup (W), Mumbai 400078
Tel (022)-25960320 Fax (022)-25960328 / 29
E-mail : fml.rights@intimespectrum.com
Contact person: Ms. Awani Thakkar

AUDITORS TO THE COMPANY

Ashok K Jain
45, Kesar Building, 4th Floor,
201/211, Princess Street,
Mumbai - 400 002

COMPLIANCE OFFICER

Mr. Surendra Gupta (Managing Director)
Tel :- (022) 67077453

The investors may contact the aforesaid compliance officer in case of any pre-issue/post-issue related problems.

BANKERS TO THE COMPANY

Bank of Maharashtra
Prabhadevi Branch,
Mumbai – 400 025

BANKERS TO THE ISSUE

Bank of Maharashtra
Maker Tower, 'E' Wing,
Ground Floor, Cuffe Parade,
Mumbai: 400 005
Telefax: 022 – 22181031 / 22183081
Contact Person: Mr. P.R. Bawaskar, Asstt. General Manager
E-mail Id: bom485@mahabank.co.in

UNDERWRITING ARRANGEMENTS

The present issue has not been underwritten.

CREDIT RATING/DEBENTURE TRUSTEE

This being an Issue of Equity Shares, no Credit Rating or appointment of Debenture Trustee is required.

LETTER OF OFFER

III. CAPITAL STRUCTURE OF THE COMPANY

Particulars	Nominal Value	Share Premium (Rs.)	Total Value (Rs.)	(Rs.)
A AUTHORISED				
30,00,00,000 Equity shares of Re. 1/- per share		30,00,00,000	Nil	30,00,00,000
B ISSUED, SUBSCRIBED & PAID-UP SHARE CAPITAL				
5,40,97,000 Equity shares of Re. 1/- per share		5,40,97,000	Nil	5,40,97,000
C PRESENT ISSUE				
49,17,909 Equity shares of Re. 1/- per share being issued at a price of Re.1/- per share on a rights basis in the ratio of 1 (One) Equity Share for every 11 (Eleven) Equity Shares (1:11) held as on 15 th April, 2008.		49,17,909	Nil	49,17,909
D TOTAL PAID UP EQUITY SHARE CAPITAL AFTER THE RIGHTS ISSUE		5,90,14,909	Nil	5,90,14,909
E SHARE PREMIUM ACCOUNT				
Before the rights issue		Nil	Nil	Nil
After the rights issue		Nil	Nil	Nil

Lock-in period shares

The present issue being a rights issue, provisions of lock-in period shares are not applicable.

1. Present Rights Issue

Type of Instrument	Ratio	Face Value (Re.)	No. of Shares	Issue Price (Re.)	Consideration
Equity Shares	1:11	1	49,17,909	1/-	Cash

2. Existing shareholding pattern of the Company is given below:- As on 31.3.2008

	Category	Present No of Shares Held	Present % of Capital	Post Rights No of Shares Held	Post Rights % of Post Capital	
	ISSUE					
A	Promoter Holding					
1	Promoters					
	Indian Promoters	3074325	5.68	279484	3353809	5.68
	Foreign Promoters	0	0			
2	Persons Acting in Concern	0	0			
	Sub Total	3074325	5.68	279484	3353809	5.68
B	Non-Promoter Holding					
	Institutional Investors					
1	Mutual Funds & UTI	0	0	0	0	0
2	Banks, Financial Institutions, Insurance Companies	0	0	0	0	0
3	FIIS					
	Sub Total	0	0	0	0	0
C	Others					
1	Private Corporate Bodies	6183194	11.43	562108	6745302	11.43
2	NRIs/OCBs	460370	0.85	41852	502222	0.85
3	Employees	0	0	0	0	
4	Indian Public	44379111	82.04	4034465	48413576	82.04
	Sub-Total	51022675	94.32	4638425	55661100	94.32
	GRAND TOTAL	54097000	100	49,17,909	59014909	100

3. The shareholding pattern of the promoter group is as detailed below:

	Particulars	Present No of Equity Shares Held	Present % of Present Capital	Post Rights No of Equity Shares Held	Post Rights % of Post Capital	
a)	Promoters/Directors	3074325	5.68	279484	3353809	5.68
b)	Immediate relative of promoter (Spouse, parent, child, brother, sister)	Nil	Nil	Nil	Nil	Nil
c)	Company in which 10% or more of the share capital is held by the promoter his immediate relative firm or HUF in which the promoter or his immediate relative is a member	Nil	Nil	Nil	Nil	Nil
d)	Company in which the Company mentioned in (c) above holds 10% or more of the share capital	Nil	Nil	Nil	Nil	Nil
e)	HUF in which aggregate share of the promoter and his immediate relatives is equal or more than 10% of the total	Nil	Nil	Nil	Nil	Nil
TOTAL		3074325	5.68	279484	3353809	5.68

The promoters/directors/associates intend to subscribe to their entitlement in this rights issue in full. In case of under subscription promoters/directors/associates intend to subscribe to unsubscribed portion in full. The above computation does not take such subscription by promoters.

- The company has not issued convertible loan, debenture or any other securities convertible at a later date into equity, which would entitle the holders to acquire further equity shares of the company.
- No transactions have been made by the promoters / their associate concerns during last 6 months.
- The ten largest shareholders **two years** prior to **31.3.08**:

Sr. No.	Name of the Shareholder	Number of Shares	% of issued capital
001	Anagram Stockbroking Ltd	691069	1.2775
002	Nalin Pravin Shah	334560	0.6184
003	Ina Stock Broking Co. Pvt.Ltd	283000	0.5231
004	Varsha Madhukar Ugaonkar	265000	0.4899
005	R. R. Nabar & Co. Share Brokers Pvt. Ltd	258652	0.4781
006	Asif W Parkar	222500	0.4113
007	Anandkumar Aggarwal	214480	0.4202
008	Abhay Kantilal Tathed	209040	0.3864
009	B N Praksh	203188	0.3756
010	Pace Stock Broking Services Pvt. Ltd	200300	0.3703
	Total	2881789	5.3508

- The ten largest shareholders as on **10 days** prior to **31.3.08**:

Sr. No.	Name of the Shareholder	Number of Shares	% of issued Capital
001	Filmcity Communication Technologies Ltd	2460000	4.5474
002	Fortis Securities Ltd	691007	1.2773
003	Anagram Stockbroking Ltd	668220	1.2352
004	Angel Broking Limited.	524890	0.9703
005	Shri Parasram Holding Pvt. Ltd	362685	0.6704
006	Surendra Gupta	314325	0.5810
007	Renu Surendra Gupta	300000	0.5546
008	Varsha Madhukar Ugaonkar	263000	0.4862
009	Indus Portfolio Pvt. Ltd	256306	0.4738
010	Gopibhai Lalchand	241000	0.4455
	Total	6081433	11.2417

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8. The ten largest shareholders as on 31.3.08

Sr. No.	Name of the Shareholder	Number of Shares	Ca% of issued pital
001	Filmcity Communication Technologies Ltd	2460000	4.5474
002	Religare Securities Ltd	713222	1.3184
003	Anagram Stockbroking Ltd	666220	1.2315
004	Angel Broking Limited.	545700	1.0087
005	Surendra Gupta	314325	0.5810
006	Renu Surendra Gupta	300000	0.5546
007	Shri Parasram Holding Pvt. Ltd	288385	0.5331
008	Indus Portfolio Pvt. Ltd	275806	0.5098
009	Varsha Madhukar Ugaonkar	263000	0.4862
010	Gopibhai Lalchand	241000	0.4455
	Total	6067658	11.2162

9. The Company/Promoters/Directors have not entered into buyback or similar arrangements for purchase of securities issued by the Company.
10. There are no bridge loans or any other financial arrangements made for incurring expenditure on the project which will be repaid out of the proceeds of the this rights issue.
11. At any given time there shall be only one denomination for the shares of the Company and the disclosures and accounting norms specified by SEBI from time to time shall be complied with.
12. The Company shall not make any further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or public issue or in any other manner during the period commencing from the submission of the Letter of Offer to SEBI for the Rights Issue till the securities referred in the Letter of Offer have been listed or application money refunded on account of failure of the issue.
13. The Company does not propose to alter the capital structure by way of split or consolidation of the denomination of the shares or the issue of shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities within a period of six months from the date of opening of the present issue.
14. The Promoters (including Promoters and Persons acting in concert), hereinafter referred to as "Promoter Group" have confirmed that they intend to subscribe to the full extent of their entitlement in the issue. The Promoter Group intends to apply beyond their entitlement to ensure minimum subscription of 90% of the issue is received. As a result of this subscription and consequent allotment, the Promoter Group may acquire shares over and above their entitlement in the Issue, which may result in their shareholding in the Company being above their current shareholding. This subscription and acquisition of additional shares by Promoters Group, if any, will not result in change of control of the management of the Company and shall be exempt in terms of provision to Regulation 3(1) (b) (ii) of the SEBI (Substantial Acquisition of Shares and Takeover) Regulations, 1997. There is no other intention/purpose for this Issue, including any intention to delist the Company, even if, as a result of allotments to the Promoter Group in this Issue, the shareholding of the Promoter Group in the Company exceeds their current shareholding. In view of the size of the issue and the current shareholding pattern, even if the issue gets fully subscribed only by the shares applied for by the Promoter Group, the public shareholding, after the allotment of shares under this Rights Issues will not fall below the "minimum permissible level" as specified in the Listing Agreement.

IV. PRINCIPAL TERMS OF PRESENT ISSUE

AUTHORITY FOR THE PRESENT ISSUE

The Board of Directors of the Company (hereinafter referred to as "The Board") in pursuance to a resolution passed at the Annual General Meeting held on 28.09.2007 have decided to offer 49,17,909 equity shares of Re. 1/- each aggregating to Rs. 49,17,909/- to the existing equity shareholders of the Company on rights basis in the ratio of 1 (One) Equity Share for every 11 (Eleven) Equity Shares held as on 15th April, 2008.

BASIS OF OFFER

49,17,909 Equity Shares of Re. 1/- each are being offered on a rights basis in the ratio of 1 (One) Equity Share for every 11 (Eleven) Equity Shares of Re. 1/- each to those equity share holders whose names appear on the Register of Members of the Company at the close of business hours on 15th April, 2008 being the Record Date fixed by the Company in consultation with Bombay Stock Exchange Limited, Mumbai.

FRACTIONAL ENTITLEMENT

For Equity Shares being offered on rights basis under this issue. If the shareholding of any of the Equity Shareholders is less than 11 or is not in the multiples of 11, then the fractional entitlement of such holders for Equity Shares shall be rounded up to the next higher integer. The Equity Shares needed for such shares will be first adjusted from the un-subscribed portion of the Issue, if any and should there be further requirement, the same will be adjusted from the Promoter Group entitlement at the time of the allotment.

ISSUE OF SHARE CERTIFICATE

The Equity Shares of the Company are tradable only in dematerialized form. The market lot for trading Equity Shares in demat form is one. In case of applications made by shareholders for receiving Equity Shares in physical form, the Company would issue one certificate for the equity shares allotted to one person ("Consolidated Certificate"). In respect of consolidated certificate, the company will only upon receipt of a request from the equity shareholder split, such consolidated certificate into smaller denomination, which will be returned within 7 days from the date of receipt of application. The company, for splitting the consolidated certificate, would charge no fee.

RIGHTS ENTITLEMENT

As your name appears in the Register of Members of the Company on the Record Date, you are entitled to this Rights Offer on the basis mentioned above. The number of equity shares to which you are entitled as a Shareholder of the Company is shown in Part A of the CAF.

OFFER TO NON RESIDENT and FIs SHAREHOLDERS

The Right issue process shall be in Compliance of applicable to provisions of RBI.

NOMINATION

Nomination furnished on the CAF will not be considered. For Nomination the physical shareholders need to comply with the Form-2B formality and the demat shareholders need to approach their respective Depository Participants only.

TERMS OF OFFER

The equity shares now offered are subject to the terms of this Letter of Offer, CAF, Memorandum and Articles of Association of the Company (hereinafter referred to as "The Articles"), the Guidelines issued from time to time by the Government of India and Securities and Exchange Board of India, the relevant provisions of the Act as amended from time to time and such terms and conditions as may be incorporated in the share certificates or any deed or document executed by the Company regarding the Rights Issue.

ACCEPTANCE OF OFFER

You may accept and apply for the equity shares hereby offered to you wholly or in part by filling part A of the enclosed composite application form (CAF) and submit the same along with the application money to the Bankers of the Issue as mentioned on the reverse of the CAF before the close of business hours on 31st May 2008. The Board or Committee of Directors of the Company will have the power to extend the last date of receipt and acceptance of CAF for such period as it may deem fit but in no case will the offer for subscribing to the issue be kept open for more than 60 days. If for any reason whatsoever, the CAF together with the amount payable is not received by the bankers to the issue as mentioned on the reverse of the CAF on or before the close of business hours on 31st May 2008 or such extended date as may be determined by the Board or duly authorized committee of Directors of the Company, the offer contained in the letter of offer shall be deemed to have lapsed.

Applicants residing in a place where the collection branch of the Bankers to the Issue is not available can only send their CAF together with the cheques drawn on a local branch at Mumbai/Demand Draft payable at Mumbai to the Registrars to the Issue at **Intime Spectrum Registry Limited C-13, Pannalal Silk Mills Compound, L.B. S. Marg, Bhandup (W), Mumbai 400078**. The Company will not be liable for any postal delays and any application received by mail after closure of the issue date is liable to be returned to the applicants. The date of mailing by the applicant will not be the criteria for acceptance.

TERMS OF PAYMENT

The amount payable on application is Re. 1/- per share for all shareholders/applicants.

APPLICATION FOR ADDITIONAL EQUITY SHARES

You are also eligible to apply for additional equity shares over and above the number of equity shares offered to you provided you have applied for all the Equity Shares offered without renouncing them in whole or in part in favor of any other person(s). However, the additional equity shares cannot be renounced in full or in part, in favor of any other person(s). If you desire to apply for additional equity shares, you may fill in the number of additional equity shares in Part A of the CAF. The allotment of additional equity shares will be at the sole discretion of the

LETTER OF OFFER

Board on an equitable basis with reference to the number of Equity Shares held by you on the Record Date in consultation with **Bombay Stock Exchange Limited**.

In the case of requests for additional equity shares by Non Residents, the allotment will be subject to the approval of Reserve Bank of India. The Board may reject any application for additional equity shares without assigning any reasons thereof.

RENUNCIATION

You may renounce all or any of the equity shares; you are entitled to in favor of any individual, limited Companies, or statutory corporations / institutions.

However renunciation in favor of:

1. More than three persons including joint holders
2. Trust/ Society (unless the trust is registered under the Societies Registration Act, 1860 or any other applicable trust / Societies laws and is authorized under its constitution to hold shares in a Company)
3. Minors (unless acting through natural or legal guardians)
4. Partnership Firms, or their nominees,
5. Hindu Undivided Family (HUF) will not be accepted.

Any renunciation from Resident (Indian) share holder(s) to Non- Resident Indian(s) or from Non Resident Indian shareholder(s) to Resident or Non Resident Indian(s) to Non Resident Indian(s) is subject to the renouncer(s)/ renounee(s) obtaining requisite approval(s) of the Reserve Bank of India (RBI) and the said permission must be attached to the CAF.

PROCEDURE FOR RENUNCIATION

(i). To Renounce in WHOLE

If you wish to renounce this offer in whole, please complete PART 'B' of the CAF enclosed with the Letter of Offer for the number of equity shares renounced and deliver the CAF duly signed to the person(s) in whose favour the equity shares are so renounced. All joint holders must sign as per specimen signatures recorded with the Company at the place provided for the purpose and in the same order.

The person(s), in whose favour the offer has been renounced (renounees) should complete and sign PART C of the CAF. In case of joint renounees, all joint renounees must sign.

(ii). To Renounce in PART

If you wish to either accept this offer in part and renounce the balance of this offer the CAF must first be split into the requisite number of forms, by applying to the Registrars to the Issue. Please indicate your requirement of split forms in the space provided for this purpose in PART D of the CAF and return the original CAF to the Registrars to the Issue so as to reach them latest by the close of business hours on or before the last date for receiving requests for split forms i.e. on receipt of the required number of split forms from the Registrar, the procedure as mentioned shall have to be followed.

If you wish to apply for equity shares jointly with any person(s) who is/are not already joint holder(s) with you, then it would amount to renunciation and the procedure of renunciation as mentioned above shall have to be followed. Even a change in sequence of the name of the joint holders shall amount to renunciation and the procedure as stated above shall have to be followed.

Further, this right of renunciation is subject to the express condition that the Board shall be entitled in its absolute and unqualified discretion to reject any such request for allotment of equity shares from renounee(s) without assigning any reason thereof save where the equity shares have been renounced in favor of a person who is already a member of the Company.

Please note that:

- a) Part A of the CAF must not be used by any person(s) other than those in whose favor this offer has been made. If used, this will render the application invalid.
- b) Only the person to whom this Letter of Offer has been addressed and NOT the renounees shall be entitled to split forms. Forms once split cannot be re-split.

REQUEST FOR SPILT FORMS

Request for Split Forms should be addressed to the Registrars to the Issue so as to reach them on or before the last date for receiving of request for split forms by filling in PART D of the CAF.

Requests for Split Forms will be entertained only once.

HOW TO APPLY

You may apply for the equity shares offered wholly or in part by filling in the enclosed CAF and submitting the same along with the application money to the Bankers to the Issue or its designated branches on or before the closure of the subscription list. The CAF should be complete in all respects, as explained in the INSTRUCTIONS indicated in the CAF. The CAF should not be detached under any circumstances; otherwise the application(s) will be rejected forthwith.

All applications should be made only on the printed CAF provided by the Company or on blank paper in case of non-receipt of CAF.

You may exercise any one of the following options with regard to the equity shares offered to you, using the enclosed CAF:

Sr. No	Options available	Action Required
01	Accept whole or part of the equity shares offered to you without renouncing the balance as mentioned above.	Fill in and sign part A by indicating in Block III of part A the number of Equity shares accepted. If you accept all the equity shares offered in Block II of Part A you may apply for additional equity shares. Indicate in Block IV the additional equity shares applied for.
02	Renounce all the equity shares offered to you to one person (joint renounees are deemed as one person) without your applying for any of the equity shares offered to you.	Fill in and sign Part B indicating renounced in Block VII & Handover the ENTIRE FORM to the renounee. The renounee/ joint renounee(s) must fill in and sign Part C of CAF.
03	Accept a part of your entitlement and renounce the balance or part of it to one or more Renounee(s).	Fill in and sign Part D for the Split Form and send The ENTIRE CAF to the Registrar to the Issue.
		Option Available On receipt of Split Forms :
OR		
04	Renounce your entitlement or part of it in- to one or more persons (joint renounees are deemed as one person).	A. For the Equity Shares you are accepting. Fill in & sign Part A. B. For the equity shares you are renouncing fill in and sign Part B indicating the number of equity shares renounced in Block VII. Each of the renounees should fill in and sign Part C.

Note: If application is made jointly with any other person(s) who is/are not already joint holders, it will amount to renunciation and the procedure mentioned in (2) above will have to be followed.

MODE OF PAYMENT

For Resident Applicants

Payment(s) must be made by Cash/ Cheque/Demand Draft drawn on any bank (including a co-operative bank) which is situated at and is a member or a sub-member of the Bankers' Clearing House located at the centre where the CAF is submitted. A separate Cheque/Draft must accompany each CAF. Only one mode of payment should be used. Money orders, postal orders and outstation cheques will not be accepted and applications accompanied by any such instruments will be rejected.

Shareholders/Applicants residing at places other than those mentioned in the CAF and applicants who wish to send their applications but not having collection centers should send their application by Registered Post, ONLY to the Registrar to the Issue, enclosing a Demand Draft drawn on a clearing Bank and payable at Mumbai ONLY net of bank charges and postal charges, before the closure of the issue.

Such cheques/drafts should be payable to **"FML-RIGHTS ISSUE"**.

No receipt will be issued for the application money received. However, the Registrar after receiving the application will acknowledge receipt of the application by stamping and returning the acknowledgement slip at the bottom of each CAF.

The Company is not responsible for any postal delay/loss in transit on this account.

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QUOTING OF PAN/GIR NO. IN THE APPLICATION FORMS

Where an application is for allotment of securities in response to a rights issue, each of the applicants should mention his/her permanent account number (PAN) allotted under the Income-Tax Act, 1961. Application forms without this information will be considered incomplete and are liable to be rejected.

For Non-Resident Applicants

Payments by Non-Resident Shareholders will be accepted by Indian Rupee Drafts purchased abroad or cheques/drafts drawn on Non-Resident External Account (NRE Account) or Foreign Currency Non-Resident Account (FCNR Account) maintained anywhere in India but payable at Mumbai or by Telegraphic Transfer in favour of the collecting Bankers by the concerned shareholders.

However, in case shares are held on a non-repatriable basis, payment may also be made by cheque /draft drawn on Non-Resident Ordinary Account (NRO A/c) maintained anywhere in India but payable at Mumbai. Such cheques/drafts should be drawn in favour of “**FML – RIGHTS ISSUE-NR**” payable at Mumbai, India and shall be crossed A/c Payee Only, Banker’s Certificate regarding source of payment must be submitted with the CAFs wherever necessary.

The CAF alongwith cheques/drafts should be sent to the Registrar to the Issue before the closure of the issue.

NON RECEIPT OF CAF

In case if original CAF is not received, or is misplaced by the applicant, the Registrar to the Issue will, on the request of the applicant, issue a duplicate CAF. The applicant should furnish the Registered Folio Number/DP and Client ID No. and his/her full name and address to the Registrar to the Issue. Please note that those who are making the application in the duplicate form should not utilize the original CAF for any purpose including renunciation, even if it is received/found subsequently. In case the original and duplicate CAFs are lodged for subscription, allotment will be made on the basis of the duplicate CAF and the original CAF will be ignored.

Application on plain paper

An Equity Shareholder who has neither received the original CAF nor is in a position to obtain the duplicate CAF may make an application to subscribe to the Rights Issue on plain paper, along with an Account Payee cheque drawn on a local bank at Mumbai/Demand Draft payable at Mumbai which should be drawn in favor of the “**FML-Rights Issue**” and send the same by the Registered Post directly to the Registrar to the Issue subscribed “Intime Spectrum Registry Limited, Unit: Filmcity Media – Rights Issue”

The application on plain paper, duly signed by the applicant including joint holders, in the same order as per specimen recorded with the Company, must reach the office of the Registrar to the Issue on or before the date of closure of the issue and should contain the following particulars:

- Name of the Issuer company
- Name and address of the Equity Shareholder including joint holders’
- Registered Folio Number/DP and Client ID no.
- Number of shares held as on Book Closure Date
- Number of Rights Equity Shares entitled
- Number of Rights Equity Shares applied for
- Number of additional Equity Shares applied for, if any
- Total Number of Equity Shares applied for
- Total amount paid @ Re. 1/- per Equity Share
- Particulars of Cheque / Draft
- Saving/Current Account Number and Name and address of the bank where Equity Shareholder will be depositing the refund order
- PAN number for the applicant and for each applicant in case of joint names, and
- Signature of Equity Shareholders to appear in the same sequence and order as they appear in the records of the Company

Payments in such cases, should be through a cheque/demand draft payable at Mumbai be drawn in favour of the Bankers to the issue crossed “A/c Payee” and marked “**FML-Rights Issue**”.

In respect of Non Residents they should follow the mode of payment which is indicated elsewhere in the Letter of Offer.

Please note that those who are making the application otherwise than on original CAF shall not be entitled to renounce their Rights and should not utilize the original CAF for any purpose including renunciation even if it is received subsequently. If the applicant violates any of these requirements, he/she shall face the risk of rejection of both the applications as well as forfeiture of amounts remitted along with the applications.

LAST DATE FOR SUBMISSION OF CAF

The last date for receipt of CAF by the Bankers to the Issue together with the amount payable on application is 31st May 2008. If the relevant CAF together with amount payable there under is not received by the Registrar to the Issue on or before the close of banking hours on the aforesaid last date the offer contained in this Letter of Offer shall be deemed to have been declined and the Board shall be at liberty to dispose of the equity shares hereby offered as provided under "Basis of Allotment".

INCOMPLETE APPLICATION

CAFs, which are not complete or are not accompanied with the application money amount payable, are liable to be rejected.

MINIMUM SUBSCRIPTION

The minimum subscription which must be raised by this issue of equity shares is 90% of the total issue of Rs. 49,17,909/- being the aggregate issue size of 49,17,909 equity shares of Re. 1/- each for cash at a price of Re.1/- per share offered in terms of this Letter of Offer. The Board of Directors will proceed to allot the shares on receipt of the application money payable on 90% of the 49,17,909 equity shares.

If the Company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of issue on account of cheques having been returned unpaid or withdrawal of applications, the Company shall forthwith refund the entire subscription amount received within 30 days from the date of closure of the issue. If there is a delay beyond 8 days after the Company becomes liable to pay the amount, the Company shall pay interest for the delayed period as per Section 73 of the Companies Act, 1956.

DISPOSAL OF APPLICATION AND APPLICATION MONEY

No receipt will be issued for application money received. However, the Bankers to the Issue receiving the CAF(s) will acknowledge its receipt by stamping and returning the acknowledgement slip at the bottom of each CAF. In the event of shares not being allotted in full, the excess amount paid on application will be refunded to the applicant within thirty days of the date of closure of the issue. The Board reserves its full, unqualified and absolute right to accept or reject any application in whole or in part and in either case without assigning any reason. In case an application is rejected in full, the whole of the application money received will be refunded and where an application is accepted in part the excess money will be refunded after adjusting the money payable for the shares allotted. All refunds will be made within 30 days of the date of closing of the Subscription List.

RANKING OF EQUITY SHARES

The Equity Shares offered and allotted through this Letter of Offer shall be subject to the Memorandum and Articles of Association of the company and shall rank pari passu with the existing Equity Shares in all respects including dividend, if any, declared.

RIGHTS OF EQUITY SHAREHOLDERS

The Shareholders are entitled to receive dividend, as and when declared, bonus and rights shares, as and when issued. Further, the rights of the above and other holders of shares are subject to the provisions of the Companies Act, the Memorandum and the Articles, the terms of this Letter of Offer and other laws as applicable from time to time.

ALLOTMENTS/REFUNDS

The Company will issue, allot and credit the allotted securities to the respective DP accounts or dispatch the Letter of Allotment / share certificates and / or Letter of Regret along with the Refund Order, if any within 30 days from the date of closure of the subscription list. If such money is not repaid within 8 days from the day the Company becomes liable to pay it, the Company and every Director of the Company who is an officer in default shall on and from expiry of the 8th day be jointly and severally liable to repay that money with interest @ 15% p.a.

Letter of Allotment/ share certificates / refund orders above the value of Rs.1500/- will be dispatched by Regd. Post /Speed Post to the sole / first applicant's registered address. However, refund orders for value not exceeding Rs. 1500/- shall be sent to the applicants under Postal Certificate. Such cheques or pay order will be payable at par at all the centers where the application were originally accepted and will be marked " A/c Payee" and would be drawn in the name of sole / first applicant. Adequate funds would be made available to the Registrar

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For application by Non-Resident Indians / Foreign Institutional Investors (FIIs)

In case of Non-Resident Indians/FIIs who remit their application money from funds held in NRE/FCNR/NRO Accounts, refund/payment of interest and other disbursements, if any, shall be credited to such account, details of which should be furnished in the column provided for that purpose in the CAF.

Mode of making refunds:

Applicants should note that on the basis of name of the Applicants, Depository Participant's name, Depository Participant-Identification number and Beneficiary Account Number provided by them in the CAF, the Registrar to the Issue will obtain from the Depository the Applicant's bank account details including nine digit MICR code. Hence, Applicants are advised to immediately update their bank account details as appearing on the records of the depository participant. Please note that failure to do so could result in delays in credit of refunds to Applicants at the Applicants sole risk and neither the Lead Manager nor the Bank shall have any responsibility and undertake any liability for the same.

The payment of refund, if any, would be done through various modes in the following order of preference.

- i) Direct credit – for investors having their Bank account with the Banker to the Issue, the refund amount would be credited directly to their Bank account with the Bankers to the Issue.
- ii) RTGS – Investors desirous of taking direct credit of refund through RTGS, will have to provide the IFSC Code in the CAF.
- iii) ECS – Payment of refund would be done through ECS for applicants residing at one of the 68 centers, namely- Ahmedabad, Bangalore, Bhuvaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram and 53 other Centres as listed in SEBI Circular dated 01.02.2008, where clearing houses for ECS are managed by RBI. This would be subject to availability of complete Bank Account details including MICR code from the depository.

For all the other applicants except for whom payment of refund is possible through I, II and III, the refund orders would be dispatched "Under Certificate of Posting " for refund orders less than Rs.1500/- and through Speed Post / Registered Post for refund orders exceeding Rs.1500/-.

ALLOTMENT / DISPATCH OF REFUND ORDERS

The subscription received in respect of the issue will be kept in Separate Bank Account(s). The Company would not have access to such funds unless it has received the minimum subscription of 90% of the issue and the permission of Bombay Stock Exchange Limited to use the amount of subscription.

The Company agrees that as far as possible allotment of securities offered to the public shall be made within 30 days of the closure of the issue.

GROUNDINGS FOR TECHNICAL REJECTIONS

Applicants are advised to note that applications are liable to be rejected on technical grounds, including the following:

- a. Amount paid does not tally with the amount payable for.
- b. Bank account details (for refund) are not given.
- c. Age of First Applicant not given while completing Part C of the CAF.
- d. PAN number not provided.
- e. In case of Application under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not submitted.
- f. If the signature of the existing shareholder does not match with the one given on the Application Form and for renouncee(s) if the signature does not match with the records available with their depositories.
- g. If the Applicant desires to have shares in electronic form, but the Application Form does not have the Applicant's depository account details.
- h. Application Forms are not submitted by the Applicants within the time prescribed as per the Application Form and the Abridged Letter of Offer / Letter of Offer.
- i. Applications not duly signed by the sole/joint Applicants.
- j. Applications by OCBs.
- k. Applications accompanied by Stockinvest.
- l. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Applicants (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity.
- m. Applications that do not include the certification set out in the CAF to the effect that the subscriber is not a "U.S. person" (as defined in Regulation S), and does not have a registered address (and is not otherwise

located) in the United States and is authorized to acquire the rights and the Securities in compliance with all applicable laws and regulations.

- n. Applications which have evidence of being executed in/dispatched from the US.
- o. Applications by ineligible Non-residents (including on account of restriction or prohibition under applicable local laws) and where a registered address in India has not been provided.
- p. Applications where the Company believes that CAF is incomplete or acceptance of such CAF may infringe applicable legal or regulatory requirements.
- q. Duplicate Applications including cases where an applicant submits CAF along with a plain paper application.

INTEREST IN CASE OF DELAY IN ALLOTMENT / DISPATCH

The Company agrees that it shall pay interest at the rate of 15% per annum if the allotment has not been made and/or the equity share allotment letters/refund orders have not been dispatched and relevant equity shares have not been credited to the beneficiary account of the investors within 30 days from the date of closure of the issue.

All the pay orders / refund orders and Letter(s) of Allotment / Share Certificates will be dispatched to the first named / sole applicant at his / her own risk. The Refund Orders will be payable at par in India at all the centers where the applications were originally accepted. The instruments will be marked "Account Payee Only" and in the name of the sole/first applicant. Bank charges, if any, for encashing such refund orders / pay orders will be payable by the applicants.

The Company has given an undertaking that the requisite funds will be made available to the Registrar for complying with the requirement of dispatch of refund orders / allotment letters. The Company shall ensure dispatch of refund orders of value over Rs.1,500/- by Registered Post only and adequate funds will be made available to the Registrar.

APPLICATION UNDER POWER OF ATTORNEY

In case of applications under Power of Attorney or by Limited Companies or Bodies Corporate or Societies registered under the applicable laws, a certified copy of the Power of Attorney or the relevant authority, as the case may be, along with the certified copy of the Memorandum and Articles of Association or Bye-laws, as the case may be, must be lodged separately by registered post at the office of the Registrar to the Issue simultaneously with the submission of the CAF, indicating the serial number of the CAF and the name of the bank and the branch office where the application is submitted within 10 days of closure of the offer, failing which the application is liable to be rejected. In case the Power of Attorney is already registered with the Company, then the same need not be furnished again. However, the serial number of the Registration under which the Power of Attorney has been registered with the Company must be mentioned below the signature of the Applicant.

BANK DETAILS OF THE APPLICANT

The applicant must fill in the relevant column in the CAF giving particulars of Savings Bank/Current Account Number and the name of the Bank with whom such accounts is held, to enable the Registrar to the Issue to print the said details in the Refund Orders, if any, after the name of the payees.

APPLICATION NUMBER ON THE CHEQUE/DEMAND DRAFT

To avoid any misuse of instruments, the applicants are advised to write the application number and name of the first applicant on the reverse of the cheque / demand draft.

GENERAL

- (a) All applications should be made on the printed CAF provided by the Company and should be complete in all respects.
Applications which are not complete in all respects or are made otherwise than as herein provided or not accompanied by proper application money in respect thereof will be refunded without interest.
- (b) Please read the instructions in the enclosed CAF carefully.
- (c) ALL COMMUNICATIONS IN CONNECTION WITH YOUR APPLICATION FOR THE EQUITY SHARES INCLUDING ANY CHANGE IN YOUR REGISTERED ADDRESS SHOULD BE ADDRESSED TO THE REGISTRAR TO THE ISSUE.
- (d) Application Forms must be filled in ENGLISH in BLOCK LETTERS.
- (e) Signatures should be either in English or Hindi or the languages specified in the Eighth Schedule to the constitution of India. Signatures other than in the aforementioned languages or thumb impressions must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal.
- (f) In case of Joint Holders, all joint holders must sign the relevant parts of the Application Form in the same order and as per the specimen signature recorded with the Company.
- (g) In case of joint applicants, refunds and all payments will be made to the person whose name appears first on the application form and all communications will be addressed to him/her. To prevent any fraudulent

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encashment of refund orders by third parties, the Sole/First Applicant must indicate Saving / Current Account number and the name of the bank and its branch with whom such account is held in the space provided in the CAF for the purpose so that Refund Orders are printed with these details after the name. Applications without this information are liable to be rejected.

- (h) The Application Form should be presented to the Bank in its entirety. If any of the Part(s) A,B,C and D of the Application Form(s) is /are detached or separated, such application will forthwith be rejected.
- (i) All shareholders must submit the CAF along with remittance only to the Bankers to the Issue mentioned elsewhere in this Letter of Offer and not to the Company, the Registrar or the Lead Manager.
- (j) Any dispute or suit action or proceedings arising out of or in relation to this Letter of Offer or in respect of any matter or thing herein contained and claimed by either party against the other shall be instituted or adjudicated upon or decided solely by the appropriate Court where Registered Office of the Company is situated.
- (k) The last date for receipt of CAF along with the amount payable is 31st May 2008. However, the Board will have the right to extend the same for such period as it may determine from time to time, but not exceeding 60 days from the date of opening of the subscription list. If the CAF together with the amount payable there under is not received by the bankers to the issue on or before the closure of the banking hours on the aforesaid date, or such date as may be extended by the Board, the offer contained in this Letter of Offer shall be deemed to have been declined and the Board shall be at liberty to dispose the Rights hereby offered.
- (l) The payment against the application should not be effected in cash if the amount to be paid is Rs. 20,000/- or more. In case payment is effected in contravention of this, the application may be deemed invalid and the application money will be refunded and no interest will be paid thereon. Payment against the application if made in cash, subject to conditions as mentioned above, should be made only to the Bankers to the issue.

For further instructions please read CAF carefully.

DEMATERIALISATION

As per the provisions of the Depositories Act, 1996, the shares of a body corporate may be held in dematerialized form i.e. not in the form of physical certificates but be fungible and be represented by the statement issued through electronic mode.

The equity shares of Filmcity Media Limited may be traded in the demat segment. The Company has also entered into a tripartite agreement with the Central Depository Services Limited (CDSL) and Intime Spectrum Registry Limited., Company has also entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Intime Spectrum Registry Limited for dematerialization of the equity shares of the Company. The ISIN No. granted to the equity shares of the Company is INE600B01025.

An applicant has the option to seek allotment in physical or demat mode. An applicant who seeks allotment in demat mode must have Beneficiary Account with CDSL and NSDL registered with SEBI, prior to the application. Such applicants must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's ID Number) appearing under the head "APPLICANTS DEPOSITORY ACCOUNT DETAILS" in the CAF.

Applicant must indicate in the CAF, the number of shares they wish to receive in electronic form out of the total number of equity shares applied for. In case of partial allotment, shares will first be allotted in electronic form and the balance, if any, will be allotted in physical form.

Names in the CAF should be identical to those appearing in the account details in the Depository. In case of joint holders, the name should necessarily be in the same sequence as they appear in the account details in the Depository.

No separate application for demat and physical shares is to be made. If such applications are made the application for physical shares will be treated as multiple application and rejected accordingly. It may be noted that electronic shares can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL.

Non transferable allotment letters/ refund orders will be directly sent to the applicant by the Registrar to the Issue.

The applicant is responsible for the correctness of the applicant's demographic details given in the share application form vis-à-vis those with his/her DP. Equity shares allotted in demat mode will be credited directly to the respective Beneficiary Account.

TAX BENEFITS TO THE COMPANY AND ITS SHAREHOLDERS

The Company has been advised by **Ashok Jain Chartered Accountants** the Statutory Auditors of the Company that under the current provisions of Income Tax Act 1962 and existing laws for the time being in force, the following benefits inter-alia will be applicable to the Company and the members:

We neither express any opinion nor provide any assurance as to whether :

The Company or its shareholders will continue to obtain these benefits in future or

The conditions prescribed for availing the benefits have been/would be met with.

A. To the Company- Under the Income Tax Act, 1961

Subject to Compliance of certain conditions laid down in Section 32 of the Income Tax Act, 1961 (herein after referred to as "the Act") the Company will be entitled to a deduction for depreciation— a) in respect of tangible assets.

- b) in respect of intangible assets being in the nature of know how, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998 at the rates prescribed under Income Tax Rules, 1962.
- c) in the case of any new machinery or plant (other than ships and aircraft) which has been acquired and installed after the 31st day of march, 2005, by an assessee engaged in the business of manufacture or production of any article or thing, a further sum equal to 20% of the actual cost of such machinery or plant shall be allowed as deduction under clause (ii) subject to certain conditions.

B. Benefits available to Resident Shareholders:

- 1) Under Section 10(34) of the Income Tax Act,1961 dividend income referred to in Section 115 O of the Income Tax Act,1961 is exempt from tax in the hands of the shareholder.
- 2) Under Section 10(38) any income arising from transfer of a long term capital assets, being an equity share in a company or a unit of an equity oriented fund is fully exempt where – a) the transaction for sale of such equity shares or units is entered on or after the date on which Chapter VII of the Finance (No. 2) Act, 2004 comes into force and such transaction is chargeable to Securities Transaction Tax under that chapter.
- 3) Under Section 88E Where total income of an assessee in a previous year includes any income, chargeable under the head " Profits and Gains of business or profession", arising from taxable securities transaction tax paid by him in respect of the taxable securities transactions entered into in the course of his business during that previous year: provided that the amount of deduction under this sub section shall not exceed the amount of income tax on such income computed in the manner provided in sub section (2).
- 4) Under section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(36) if the Act) arising on the transfer of the shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in notified bonds.
- 5) As per the provisions of Section 54ED of the Income Tax Act,1961 and subject to the conditions specified therein, capital gains arising from transfer of long term assets, being listed securities or units shall be exempt from capital gains tax, if such gains are invested within six months of date of transfer in equity shares forming part of 'eligible issue of share capital' and held for a period of at least one year.
- 6) Under section 54F of the Income Tax Act, 1961 long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other condition, if the sale proceeds from such share are used for purchase of residential house property within a period of one year before and two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- 7) Under Section 111A where the total income of an assessee includes any income chargeable under the head "Capital Gain", arising from the transfer of a short term capital asset, being an equity share in a company or a unit of an equity oriented fund and a) the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force b) and such transaction is chargeable to Securities Transaction Tax under that chapter, the tax payable by the assessee on the total income shall be aggregate of (i) the amount of income tax calculated on such short term capital gains at the rate of ten percent and (ii) the amount of income tax payable on the balance amount of the total income as if such balance amount were the total income of the assessee.

C) Benefits available to Non resident shareholders (other than FII and Foreign Venture Capital Investors)

- 1) Under Section 10(34) of the Income Tax Act,1961 dividend income referred to in Section 115 O of the Income Tax Act,1961 is exempt from tax in the hands of the shareholder.
- 2) Under Section 10(38) any income arising from transfer of a long term capital assets, being an equity share in a company or a unit of an equity oriented fund is fully exempt where – a) the transaction for sale of such equity shares or units is entered on or after the date on which Chapter VII of the Finance (No. 2) Act, 2004 comes into force and such transaction is chargeable to Securities Transaction Tax under that chapter.
- 3) Under Section 88E Where total income of an assessee in a previous year includes any income, chargeable under the head " Profits and Gains of business or profession", arising from taxable securities transaction tax paid by him in respect of the taxable securities transactions entered into in the course of his business during that previous year: provided that the amount of deduction under this sub section shall not exceed the amount of income tax on such income computed in the manner provided in sub section (2).
- 4) Under section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(36) if the Act) arising on the transfer of the shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in notified bonds.

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- 5) As per the provisions of Section 54ED of the Income Tax Act, 1961 and subject to the conditions specified therein, capital gains arising from transfer of long term assets, being listed securities or units shall be exempt from capital gains tax, if such gains are invested within six months of date of transfer in equity shares forming part of 'eligible issue of share capital' and held for a period of at least one year.
- 6) Under section 54F of the Income Tax Act, 1961 long term capital gains arising to an individual or Hindu Undivided Family (HUF) on transfer of shares of the company will be exempt from capital gain tax subject to other condition, if the sale proceeds from such share are used for purchase of residential house property within a period of one year before and two year after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer.
- 7) Under Section 111A where the total income of an assessee includes any income chargeable under the head "Capital Gain", arising from the transfer of a short term capital asset, being an equity share in a company or a unit of an equity oriented fund and a) the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force b) and such transaction is chargeable to Securities Transaction Tax under that chapter, the tax payable by the assessee on the total income shall be aggregate of (i) the amount of income tax calculated on such short term capital gains at the rate of ten percent and (ii) the amount of income tax payable on the balance amount of the total income as if such balance amount were the total income of the assessee. Apart from these they are also eligible for exemptions under section 115 –I, 115E, 115G and 48 of the Income Tax Act, 1961.

D. Benefits available to Foreign Institutional Investors (FII)

- 1) Under Section 10(34) of the Income Tax Act, 1961 dividend income referred to in Section 115 O of the Income Tax Act, 1961 is exempt from tax in the hands of the shareholder.
- 2) Under Section 10(38) any income arising from transfer of a long term capital assets, being an equity share in a company or a unit of an equity oriented fund is fully exempt where – a) the transaction for sale of such equity shares or units is entered on or after the date on which Chapter VII of the Finance (No. 2) Act, 2004 comes into force and such transaction is chargeable to Securities Transaction Tax under that chapter.
- 3) Under Section 88E Where total income of an assessee in a previous year includes any income, chargeable under the head " Profits and Gains of business or profession", arising from taxable securities transaction tax paid by him in respect of the taxable securities transactions entered into in the course of his business during that previous year: provided that the amount of deduction under this sub section shall not exceed the amount of income tax on such income computed in the manner provided in sub section (2).
- 4) Under Section 115AD where the total income of an assessee includes any income chargeable under the head "Capital Gain", arising from the transfer of a short term capital asset, as referred under section 111A, being an equity share in a company or a unit of an equity oriented fund and a) the transaction of sale of such equity share or unit is entered into on or after the date on which Chapter VII of the Finance (No.2) Act, 2004 comes into force b) and such transaction is chargeable to Securities Transaction Tax under that chapter, the tax payable by the assessee on the total income shall be aggregate of (i) the amount of income tax calculated on such short term capital gains at the rate of ten percent.
- 5) Under section 54EC of the Income Tax Act, 1961 and subject to the conditions and to the extent specified therein, long term capital gains (in cases not covered under section 10(36) if the Act) arising on the transfer of the shares of the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer for a period of 3 years in notified bonds.
- 6) As per the provisions of Section 54ED of the Income Tax Act, 1961 and subject to the conditions specified therein, capital gains arising from transfer of long term assets, being listed securities or units shall be exempt from capital gains tax, if such gains are invested within six months of date of transfer in equity shares forming part of 'eligible issue of share capital' and held for a period of at least one year.

E) Benefits available to Venture Capital companies/ Funds

Section 10(23FB) provides that any income of a "Venture Capital Company" or "Venture Capital Fund" set up to raise funds for investments in a "Venture Capital undertaking" is exempt subject to conditions that such company or fund is registered with SEBI and fulfils the specific conditions issued by SEBI.

Benefits available to Resident Shareholders under Wealth Tax Act, 1957.

Shares of the Company held by the shareholders will not be treated as an assets within the meaning of Section 2(ea) of the Wealth Tax Act, 1957, hence shares are not liable to wealth Tax Act, 1957.

Benefits available to Resident Shareholders under Gift Tax

Act, 1958 Gifts made after 1st October, 1998 is not liable for any Gift Tax and hence gift of shares of the Company would not be liable for any gift tax.

NOTES

All the above benefits are as per the current tax laws as amended by Finance Act, 2006 and will be available only to the sole/first named holder in case the shares are held by joint holders.

In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the double Taxation Avoidance Agreements, if any between India and the country in which the non-resident has fiscal domicile.

V. PARTICULARS OF THE ISSUE

OBJECT OF THE ISSUE

The object of the present rights issue is:

- To consolidate its capital base and further augment its long term resources to meet the needs of its expanding business by infusion of long term fund in the form of equity capital.
- To finance Company's Media Ventures especially satellite business
- To meet the Issue Expenses.

Means of Finance

Right Issue 49,17,909

Uses of Funds

Investments in Media Ventures 41,17,909

Issue & Other Expenses 8,00,000

Total 49,17,909

The other main object clause of the Memorandum of Association of the Company enables the Company to undertake the activities for which the funds are being raised and also for the activities, which the Company has been carrying on till date.

Utilization of Right Issue of Rs. 49,17,909/-

The fund of Rs. 49,17,909/- to be raised through Rights Issue which will be open for subscription from 2nd May, 2008 in the terms of Letter of Offer will be utilized for following purpose, the break – up of expenses is as follows:

Sr. No.	Particulars	Rupees
1.	Channel Licensing Fee	13,00,000
2.	Other Prof. / Legal Fee	3,00,000
3.	Purchase of Video Equipments	15,00,000
4.	Working Capital	10,17,909
5.	Right Issue Expenses	8,00,000
	Total	49,17,909

VI. COMPANY, MANAGEMENT

BRIEF HISTORY OF THE COMPANY

The Company was Incorporated under the Companies Act, 1956 on April, 22, 1994 in the name of Kavita Prakashan Pvt Ltd. On June 1, 1995 the name of the Company was changed to Filmcity Media Private Limited and was converted into Public Limited Company as Filmcity Media Limited on July 6, 1995.

MAIN OBJECTS OF THE COMPANY

The main objects of the Company as set out in Memorandum and Articles of Association are :

1. To carry on the business of Printer, Publisher, distributor, editor, creator of magazines, newspapers, periodicals, books, bulletins, literatures in different languages.
2. To carry on the business of Communication Technologies of printer, publisher, Distributor, editor, Creator of Magazines in different languages as proprietor or in partnership with firm, Companies and also to carry on the business of advertising and media agency In India and abroad and to acquire the necessary interest, rights, licenses quotas, benefits, permission, patent rights, secrets for these business and also to carry on business of Media, Communication and entertainment and to Produce or exhibit in India or abroad through satellite or by way of any other mode of communication or through buy, sell, run, import, export, and to act as brokers, agents, distributors, proprietors of all kinds of cinematography motion pictures, Television Software, Print Media, advertisement, product promotion, telefilms, Documentary films, advertisement films, video films, publicity, Marketing Facilities and other activities relating to multiple entertainment television serials, cine films, slides and other entertainment software in all languages prevailing in India and abroad.

DIRECTORS AND THEIR BACKGROUND

1. Mr. Surendra Gupta aged 51 years, is a commerce graduates. He has been in the field of Media business since last over 22 years. During this period he has established good contacts with producers, directors and artists of Film Industry as also with advertising agencies.

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- Ms. Ruchika Gupta is a Degree Holder in M.B.A. and is responsible for looking after the Accounts, Finance and Administration, Audit and Secretarial Department of the Company.
- Mr. Mahesh Shah is under Graduate having experience in Manufacturing & Trading Business of Textile. He has got wide experience in Investment, Finance, Properties & Construction.
- Mr. Tilokchand Kothari is a Graduate having 20 years experience in the field of Finance, Broking, Media and Textile.
- Mr. Abhishek Palaparthi is a graduate in Business Administration having expertise in the field of Production of Television Serials alongwith experience of Hospitality Trade.

KEY MANAGERIAL PERSONNEL

Apart from the above professionals the Company has recruited persons from the functional areas like Marketing and Finance besides other professionals who are on the permanent roles of the Company. The Directors alongwith the professionals are responsible for the smooth functioning of the Company. A profile of the Key Personnel is as follows:

Name, Age and Qualification	Designation & Nature of Experience	Years of Experience
Mr. Surendra Gupta, (51), B. Com	Managing Director	22 years
Ms. Ruchika Gupta, (24), M.B.A.	Whole time Director	4 years

Sr. No.	Name, Address of Directors	Designation	Director in other Company
1.	Mr. Surendra Gupta 4, Amit 1104, Murari Ghag Marg, Prabhadevi, Mumbai - 400 025.	Managing Director	1. Filmcity Communications Technologies Ltd. 2. Wellness Communications Pvt. Ltd. 3. S. G. Software Entertainment Pvt. Ltd.
2.	Ms. Ruchika Gupta 4, Amit 1104, Murari Ghag Marg, Prabhadevi, Mumbai - 400 025.	Whole Time Director	No
3.	Mr. Mahesh Shah 104, Nirja Apartments, B/H Navrangpura GPO, Ahemedabad - 380 009.	Director	1. Agam Infrastructure Ltd. 2. Interface financial Services Ltd. 3. Uttam Synthetics Pvt. Ltd. 4. Mahshri Enterprises Pvt. Ltd.
4.	Mr. Tilok Kothari 18, Madon House, 4 th Floor, Wanka Mohalla, Dr. M.B. Street, Chira Bazaar, Mumbai – 400 002.	Director	1 Visagar Polytex Limited 2 Shalimar Productions Limited 3 Sagar Portfolio Services Ltd 4 Visagar Textiles Pvt. Ltd 5 Sibsagar Textiles Pvt. Ltd
5.	Mr. Abhishek Palaparthi A-601, Sunmist, Near Rizvi College, Bandra(west), Mumbai- 400 050	Director	1 Abhirama Hotels And Resorts Pvt.Ltd. 2 Abhirama Homes(India)Pvt. Ltd. 3 Srivani Creations Pvt. Ltd

STOCK MARKET DATA

High, low and average market prices of the share of the company during the preceding three years :

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No of Shares	No of Trades
2005	9.00	13.35	1.10	9.32	1562889	5132
2006	0.98	1.22	0.39	0.64	9750450	5757
2007	0.61	1.93	0.61	1.87	18814144	11628

Monthly high and low prices for the six months prior to 31st March 2008.

Date	Open (Rs.)	High (Rs.)	Low (Rs.)	Close (Rs.)	No of Shares	No of Trades
October 2007	1.36	1.60	0.97	1.10	1523964	1034
November-2007	1.10	1.69	0.85	1.69	1431291	757
December 2007	1.77	3.43	1.57	3.43	6924147	3821
January 2008	3.60	4.77	2.03	2.03	11439384	7105
February 2008	1.93	2.32	1.53	1.82	3092732	2371
March 2008	1.80	1.91	1.13	1.59	2390633	2030

FINANCIAL PERFORMANCE OF THE COMPANY

(Rs. In Lacs)

PARTICULARS	AUDITED FOR THE PERIOD 4/1/2007 TO 31/01/08	AUDITED YEAR ENDED			
		2007	2006	2005	2004
Income					
Sales	180.00	174.10	33.00	59.00	105.50
Other Income	-	0.10	0.91	8.78	9.73
Increase/(Decrease) in Stock	23.28	281.58	145.00	200.24	(66.93)
Total Income	203.28	455.78	178.91	268.02	48.30
Expenditure					
Direct Expenses	171.10	484.44	150.00	224.27	12.25
Administrative/Selling & Dist. Expenses	14.11	12.66	14.22	25.01	20.01
Total Expenditure	185.21	497.10	164.22	249.28	32.26
Operating Profit/(Loss)	18.07	(41.32)	14.69	18.74	16.04
Less: Deprecation	6.17	9.15	8.57	10.46	12.12
Misc. Expenditure	-	0.04	3.02	3.10	3.10
Profit after Depreciation before Tax	11.90	(50.51)	3.10	5.18	0.82
Provision for Tax	0.07	0.15	0.07	0.00	0.00
Profit/(Loss) after Tax	11.83	(50.66)	3.03	5.18	0.82
Profit/(Loss) brought from Previous Year	(87.44)	(36.78)	(39.81)	(44.98)	(45.80)
Net Profit/(loss) carried over to B/Sheet	(75.61)	(87.44)	(36.78)	(39.80)	(44.98)

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Initially the company was engaged in Publication activities and was publishing two leading Hindi Film Weeklies namely FILMCITY and AAR PAAR, with a total circulation of approximately 1.05 lakh copies per week.

The company soon realized the potential that the Electronic Media and especially the Television segment held. With this realization backed by secondary research reports, the company thought of expanding its operations further into the media industry by entering the genre of Television. In the result, Company Produced & successfully telecasted various kinds of T.V. Programmes & T.V. Serials on Doordarshan & on Private Channels.

After dabbling with Entertainment topics, the company found scope in infotainment topic of Health. Slowly there has been an evident increased consciousness among people about Lifestyle Diseases and their cascading repercussions.

The company draws inspiration from the famous saying "Health is Wealth". Thus the company envisions an effort to integrate Health and Fitness in its total sense encompassing Mind, Body, Beauty and Soul.

OPPORTUNITIES

The Indian economy provides attractive growth opportunities. The various boosts given by the Government to the Media Sector in the recent budget will go a long way in improving the growth of the Company. The Company is well positioned to take advantage of favorable conditions provided by the Government.

Looking at the scope that the television industry has to offer (24% CAGR for next 5 years, source: FICCI Frames 2006) coupled with the growing health consciousness company found it strategically fit to take a plunge in the Satellite Television industry by conceptualizing a 24 hour Health based Niche Channel .

A very important source of revenue for the Channel will be the Pharmaceutical companies. This Niche Channel can prove to be a good Promotional Platform for these companies through various avenues.

Risks

The media industry has grown tremendously out lots many channels are being launched. There is a competition from other channels especially in the Cable Distribution Sectors.

Operational

Your company responded remarkably well to the upward movement of overall economy, financial and stock markets during the year under review. With Launching this Health based Satellite Channel; the Company estimates a high turnover growth in first year and hopes to grow more in coming years.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES

The Company has already formed a Shareholder Grievance Committee apart from Registrar to the Company,

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who take care of all the shareholders' complaints. The Agreement between the Registrar to the Issue Intime Spectrum Registry Limited and the Company, will provide for retention of records with the Registrar to the Issue for a period of at least one year from the last date of dispatch of letter of allotment, refund orders to enable investor to approach the Registrar to the issue for redressal of their grievances. All grievances relating to the issue may be addressed to Registrar to the issue, giving full details such as Registered Folio Number, CAF No. and the name of the first shareholder.

We estimate that the time required by us or Registrar to the issue for redressed of various type of investor grievances will be seven business days from the date of receipt of the complaint.

MATERIAL DEVELOPMENTS

There are no material developments after the date of Auditors' Report appearing in this Letter of Offer which are likely to effect the performance and prospects of the Company.

DETAILS OF OTHER VENTURES PROMOTED BY THE PROMOTERS OF THE COMPANY

There are 3 other companies promoted by the promoters of the Company. The names of the same are as under:

1. Filmcity Communications Technologies Ltd.
2. Wellness Communications P. Ltd.
3. S. G. Software Entertainment P. Ltd.

BASIS FOR ISSUE PRICE

1) QUALITATIVE FACTORS

- Filmcity Media Limited is a profit making Company for last Thirteen years.
- The Equity shares of the Company are listed on Bombay Stock Exchange Limited.

2) QUANTITATIVE FACTORS

A) EARNING PER SHARE			
Weighted average basis			
	Year	EPS	Weights Used
A	2004-2005	0.10	1
B	2005-2006	0.01	2
C	2006-2007	(0.09)	3
Weighted Avg. EPS		0.065	

B) PRICE/ EARNING RATIO IN RELATION TO ISSUE PRICE WHICH IS Re.1/- EACH SHARE

Based on 2006-2007 EPS is Rs.(11.11) per Equity Share: Not Meaningful

C) AVERAGE RETURN ON NETWORTH

Weighted average basis			
	Year	RONW (%)	Weights Used
A	2004-2005	1.09%	1
B	2005-2006	0.63%	2
C	2006-2007	-11.4%	3
Weighted Avg. RONW is		-5.31%	

A. GENERAL INFORMATION

CONSENTS

Consents in writing of the Directors, Auditors, Registrar to the issue, Bankers to the Issue to act in their respective capacities have been obtained and filed with the Registrar of Companies, Maharashtra required under section 60 of the Act, and none of them have withdrawn the said consents upto the time of delivery of a copy of this offer for registration with the said Registrar of Companies, Maharashtra

EXPERT OPINION

Expert for the various tax benefits available to the Company and its members expressed by the auditors of the Company given elsewhere in the offer, the Company has not obtained any other expert opinion.

CHANGE IN THE DIRECTORS AND AUDITORS OF THE COMPANY DURING THE LAST THREE YEARS.**DIRECTORS**

Sr. No.	Name	Date of Appointment	Date of Cessation
1.	Mr. Surendra Gupta	22.04.1994	---
2.	Mrs. Renu Gupta	22.04.1994	30.08.2005
3.	Mr. Kanti Gandhi	10.07.1995	30.08.2005
4.	Ms. Ruchika Gupta	27.07.2006	---
5.	Mr. Haren J. Shah	30.04.2005	21.04.2007
6.	Mr. Deepak Patel	30.04.2005	26.02.2008
7.	Mr. Bhupendra Shah	01.02.2006	31.12.2007
8.	Mr. Mahesh Shah	01.02.2006	---
9.	Mr. Tilok Kothari	01.01.2008	---
10	Mr. Abhishek Palaparthi	26.02.2008	-----

AUDITORS

Ashok Jain is Auditors of the Company since last four years.

AUTHORITY FOR THE PRESENT ISSUE

Pursuant to Section 81 (1A) of the Act, the present issue has been approved by a Special Resolution of the Company passed at the Annual General Meeting of the Company held on 28th September, 2007.

PROCEDURE FOR REFUND/ALLOTMENT**A) For applications made by Cheques/Drafts.**

Refunds, if any, will be made alongwith Allotment Letters and /or Regret Letters by refund order / pay order drawn on the Bankers to the Company and will be dispatched within 30 days from the date of closure of Issue, by Registered Post if the amount of such refund exceeds Rs.1500/-. Such cheque refund order / pay order will be payable at par during their validity period. In case of joint applications, Refund Orders, if any, will be made out in the First applicant's name and all communication will be addressed to the person whose name appears on the CAF.

B) For application by Non-Resident Indians / Foreign Institutional Investors (FIIs)

In case of Non-Resident Indians/FIIs who remit their application money from funds held in NRE/FCNR/ NRO Accounts, refund/payment of interest and other disbursements, if any, shall be credited to such account, details of which should be furnished in the column provided for that purpose in the CAF.

ALLOTMENT / DISPATCH OF REFUND ORDERS

The subscription received in respect of the issue will be kept in Separate Bank Account(s). The Company would not have access to such funds unless it has received the minimum subscription of 90% of the issue and the permission of Bombay Stock Exchange Limited to use the amount of subscription.

The Company agrees that as far as possible allotment of securities offered to the public shall be made within 30 days of the closure of the issue.

The company undertakes to make available to the Registrar to the issue, adequate funds for the purpose of dispatch of refund orders/allotment letters by registered post.

VII. FINANCIAL INFORMATION**AUDITORS' REPORT**

TO THE MEMBERS OF FILMCITY MEDIA LIMITED

We have audited the attached Balance Sheet of Filmcity Media Limited, as at 31st January, 2008 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

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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 January, 2008 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st January, 2008 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 January 31, 2008; 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

ASHOK K. JAIN
PROPRIETOR
M. No. 36120

PLACE : MUMBAI
DATED : 10.04.2008

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 January, 2008).

- 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 01.04.2007 to 31.01.2008.
- 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 January, 2008 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 unser 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 : 10.04.2008

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FINANCIAL INFORMATION

FINANCIAL PERFORMANCE OF THE COMPANY

STATEMENT OF PROFIT & LOSS ACCOUNT

(Rs. In Lacs)

PARTICULARS	AUDITED FOR THE PERIOD 4/1/2007 TO 31/01/08	AUDITED YEAR ENDED			
		2007	2006	2005	2004
Income					
Sales	180.00	174.10	33.00	59.00	105.50
Other Income	-	0.10	0.91	8.78	9.73
Increase/(Decrease) in Stock	23.28	281.58	145.00	200.24	(66.93)
Total Income	203.28	455.78	178.91	268.02	48.30
Expenditure					
Direct Expenses	171.10	484.44	150.00	224.27	12.25
Administrative/Selling & Dist.Expenses	14.11	12.66	14.22	25.01	20.01
Total Expenditure	185.21	497.10	164.22	249.28	32.26
Operating Profit/(Loss)	18.07	(41.32)	14.69	18.74	16.04
Less: Depreciation	6.17	9.15	8.57	10.46	12.12
Misc,Expenditure	-	0.04	3.02	3.10	3.10
Profit after Depreciation before Tax	11.90	(50.51)	3.10	5.18	0.82
Provision for Tax	0.07	0.15	0.07	0.00	0.00
Profit/(Loss) after Tax	11.83	(50.66)	3.03	5.18	0.82
Profit/(Loss) brought from Previous Year	(87.44)	(36.78)	(39.81)	(44.98)	(45.80)
Net Profit/(loss) carried over to B/Sheet	(75.61)	(87.44)	(36.78)	(39.80)	(44.98)

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In Lacs)

PARTICULARS	AUDITED FOR THE PERIOD 4/1/2007 TO 31/01/08	AUDITED YEAR ENDED			
		2007	2006	2005	2004
Fixed Assets					
Gross Block	246.32	246.32	246.32	244.52	262.11
Less: Depreciation	113.38	107.21	98.07	89.50	89.96
Net Block	132.94	139.11	148.25	155.02	172.15
Current Assets ,Loans and Advances					
Investments	0.50	0.50	0.00	0.00	0.00
Stock	738.87	715.59	434.01	289.01	92.04
Cash & Bank Balance	1.44	1.81	10.22	1.94	15.98
Loans & Advances	165.29	170.79	0.50	11.24	62.32
Sundry Debtors	190.16	46.41	45.49	27.28	166.30
Miscellaneous Expenses	8.34	8.34	8.38	11.40	14.50
Profit& Loss	75.61	87.44	36.78	39.81	44.98
Total Assets	1,313.15	1169.99	683.63	535.70	568.27
Liabilities and Provisions					
Secured Loan	19.78	9.12	0.00	0.00	0.00
Unsecured Loan	1.00	1.00	1.00	0.00	3.32
Sundry Creditors	646.92	568.19	157.36	10.02	36.95
Provisions	0.07	0.00	0.00	0.41	2.73
Total Liabilities &Provisions	667.77	578.31	158.36	10.43	43.00
Share Capital	630.47	576.78	510.37	510.37	510.37
Reserves & Surplus	14.91	14.90	14.90	14.90	14.90
Total Liabilities	1,313.15	1169.99	683.63	535.70	568.27

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 recognizes 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 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 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 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 assets have not been recognized as there is no virtual certainty of profits in future.

B. OTHER NOTES

11 Contingent 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

	31.1.2008
Audit Fees	20,000
Tax Audit fees	10,000
Other Services	10,000
	<u>40,000</u>
	<u><u>40,000</u></u>

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- 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.
- 19 Earning per Share 31.01.2008 31.03.2007
Net Profit/(Loss) for the year 1,182,905 (5,066,132)
Number of Equity Shares 54,097,000 54,097,000
Nominal Value of Shares (Rs.) 1 1
Earning per Share (Rs.) - -
- 20 Related Party Disclosures -
Name of the Party Relation Ship Transaction Amount Balance As on
During the Year Rs. 31.1.2008
M/s Filmcity Communication Controlled by key
Technologies Limited Managerial Personnel Cr.1509143.26
M/s Wellness Controlled by key
Communications Pvt Ltd Managerial Personnel Dr.2150565
- 21 Quantitative details in respect of opening stock, Production, Purchases, Consumption, Sale and Closing Stock.
31.01.2008 31.03.2007
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 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.

Accounting Ratio

	31.03.2007	31.03.2006	31.03.2005	31.03.2004
Earning per Share (EPS) (Rs.)	(0.09)	0.01	0.10	0.02
Return on Net Worth (RONW) (%)	-11.4%	0.63%	1.09%	0.18%

EXPENSES OF THE PRESENT ISSUE

The expenses of the present issue includes mandatory costs such as fees to the Registrars to the Issue, Bankers to the issue, Advisors fee, Registration, Advertising, Printing etc. estimate Rs. 8.00 Lacs and are payable by the Company out of the proceeds of this Issue.

MINIMUM SUBSCRIPTION

The Minimum Subscription which must be raised by this Issue of Equity Shares is 90% of the Total Issue of Rs. 49,17,909/- being the aggregate issue size of 49,17,909 Equity shares of Re. 1/- each for cash at a price of Re. 1/- per share offered in terms of this letter of offer. The board of directors will proceed to allot the shares on receipt of the application money payable on 90% of the 49,17,909 Equity shares.

If the company does not receive the minimum subscription of 90% of the issued amount on the date of closure of the issue, or if the subscription level falls below 90% after the closure of issue on account of cheques having been returned unpaid or withdrawal of applications, the company shall forthwith refund the entire subscription amount received within 30 days from the date of closure of the issue. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest for the delayed period as per Section 73 of the Companies Act, 1956.

FEES PAYABLE TO REGISTRARS TO THE ISSUE

The fees of Registrars to the Issue will depend on number of application in the issue; the detailed terms and conditions of the contract with registrar will be as set out in the offer letter duly accepted by the Company.

CLASSES OF SHARES

The Company has one class of shares viz. Equity Shares of Nominal Value Re. 1/- each as on date.

INTEREST OF PROMOTERS/DIRECTORS

All the Directors may be deemed to be interested to the extent of the sitting fees and other remuneration for the services rendered and the reimbursement of expenses, if any, payable to them under the articles. The Directors may also be deemed to be interested to the extent of; the shares, if any, held by them or by the relatives or by firms or companies of which any of them is a partner and a Director/ Member respectively.

The shares if any, out of the present Offer that may be subscribed for and allotted to them or their relatives or any Company in which they are Directors / Members of firms in which they are partners.

VIII. MATERIAL CONTRACTS AND INSPECTION OF DOCUMENTS

The following material contracts and documents not being contracts entered into the ordinary course of business carried on or intended to be carried on by the Company or contracts entered into more than two years before the date of this offer of letter. Which are/or may be deemed to be material have been entered into by or on behalf of the Company. Copies of these contracts together with copies of documents referred below may be inspected at the Registered Office of the Company between 11.00 A.M. and 1.00 P.M. on any working day from the date of this offer until the date of closing of the subscription list.

MATERIAL CONTRACTS

MOU dated 3rd April 2008 between FILMCITY MEDIA LIMITED and INTIME SPECTRUM REGISTRY LIMITED for acting as Registrars to the issue.

DOCUMENTS FOR INSPECTION

1. Memorandum and Articles of association of the Company.
2. Copy of Resolution passed under section 81(1A), 293(1)(a).
3. Copies of Audited Balance Sheet & Accounts of FILMCITY MEDIA LIMITED for the year 2002-2003, 2003-2004, 2004-2005, 2005-2006 and 2006-2007.
4. Certified copy of letter dated 12th April 2008 from Auditors of the Company regarding tax benefits available to the Company and its Members.
5. Copy of Approval letter No. **DCS/PREF/JA/IP-RT/3463/07-08** dated **March 7, 2008** received from **Bombay Stock Exchange Limited**.

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DECLARATION

We the Signatories to the Letter of Offer and Directors of Filmcity Media Limited declare that all the relevant provisions of the Companies Act, 1956 and the guidelines issued by the Government of India have been compiled with and no statement in this prospectus is contrary to the Provisions of Companies Act, 1956 and rules made thereunder.

SIGNED BY DIRECTORS

Mr. Surendra Gupta (Managing Director)

Ms. Ruchika Gupta (Whole time Director)

Mr. Mahesh Shah (Director)

Mr. Tilokchand Kothari (Director)

Mr. Abhishek Palaparthi (Director)

Encl.

Composite Application Form

Date: 12th April 2008