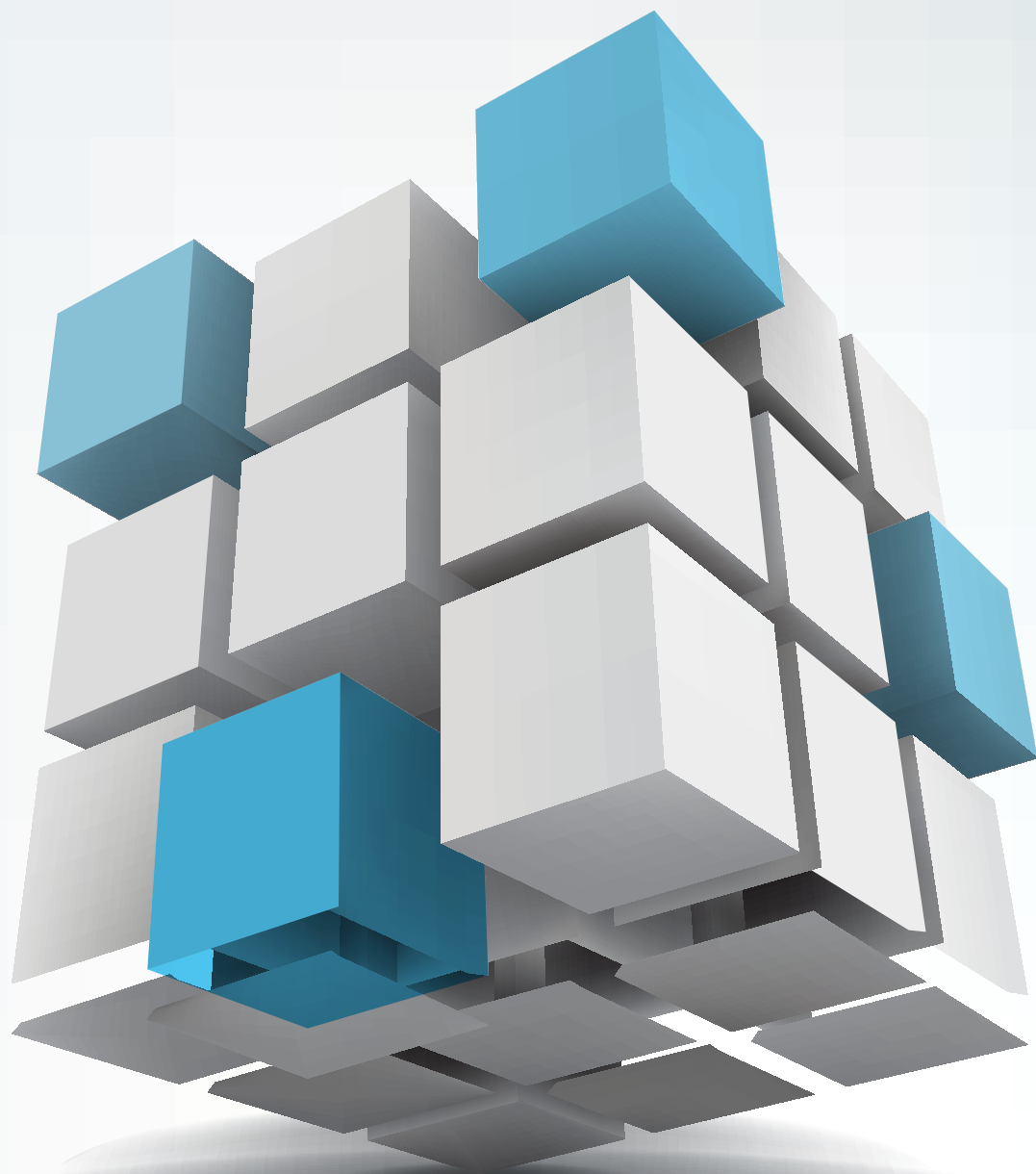


Filmcity Media Ltd.

18TH ANNUAL REPORT

2011 - 2012



BOARD & OTHER PARTICULARS

BOARD OF DIRECTORS

Mr.Shatrughana Singh	Chairman & Managing director (E.D.)
Ms.Ruchika Gupta	Director (N.E.D.)
Mr.Hemant Verma	Director (I & N.E.D.)
Mr.Saurabh Sanganeria	Director (I & N.E.D.)

COMPANY SECRETARY & COMPLIANCE OFFICER CS. NIRAV SHAH

AUDITORS CA. ASHOK K. JAIN

**COMPANY SECRETARIES
(In Whole Time Practice)** JAGDISH PATEL & CO.

BANKERS

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

REGISTERED OFFICE

Filmcity Media Limited
A-9, Shree Siddhivinayak Plaza,
3rd Floor, Plot No.B-31, Off. Link Road,
Andheri (W), Mumbai – 400053.
Tel. No.: 022 – 67077453
Fax No.: 022 – 67077452
www.filmcitymedia.com
investors_complaints@filmcitymedia.com

REGISTRAR & SHARE TRANSFER AGENT

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

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NOTICE

NOTICE is hereby given that the Eighteenth Annual General Meeting of the Members of Filmcity Media Limited will be held at 1008, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai -400092 on 29th September, 2012 at 2.00 p.m. to transact following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March 2012 and Statement of Profit and Loss Account for the year ended on that date together with the Directors' Report and Auditors' Report thereon.
2. To appoint a Director in place of Ms. Ruchika Gupta, who retires by rotation, and being eligible, offer herself for re-appointment.
3. To appoint Auditors and fix their remuneration.

On behalf of the Board of Directors

Sd/-

(Shatrughana Singh)

Managing Director

Place:- Mumbai

Date:- 27th August, 2012

NOTES

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

Name	Age	Educational Qualification	Experience	No. of shares held
Ms. Ruchika Gupta	29	M.B.A. (Marketing)	8 Years experience in Media and Entertainment.	2500

On behalf of the Board of Directors

Sd/-

(Shatrughana Singh)

Managing Director

Place:- Mumbai

Date :- 27th August, 2012

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the Eighteenth Annual Report of the Company together with the Audited Accounts for the financial year ended 31st March, 2012.

FINANCIAL RESULTS

The financial highlights of the Company, for the year ended is summarised below.

Particulars	(Rs. in Lac)	
	For the year ended	
	31st March, 2012	31st March, 2011
Sales and other Income	22.22	76.09
Operating Profit/ (Loss)	(1291.43)	(37.48)
Depreciation & other write offs	1.53	11.85
Profit/ (loss) before tax	(1309.79)	(49.33)
Deferred Tax Liability/(Assets)	--	(62.12)
Income Tax/ FBT Paid	--	0.03
Profit/ (loss) After Tax	(1318.12)	12.77
Brought forward loss from previous year	(1157.77)	(1170.55)
Surplus/(deficit) carried to Balance sheet	(2475.90)	(1157.78)

OPERATIONS

During the year under review there was no business activities as expected, and on the contrary the Company has losses of Rs. 11,66,11,393/- (including pre-operative expenses Rs. 8,33,568/-) as of 31st March, 2011 and further losses of Rs. 13,07,35,547/- arising due to obsolescence of software stock material total losses amounting to Rs. 24,73,46,940/-. The company expresses its high gratitude for the support given by members for passing special resolution u/s 100 of the Companies Act, 1956 for reduction of share capital from Rs. 27,79,17,909/- to Rs. 3,05,70,969/- in the Extra Ordinary General Meeting held on 27th March, 2012. The company is pleased to state that Company has received the sanction from the Hon. High Court of Bombay on 27th July, 2012 , and the same has been registered by the Registrar of Companies, Mumbai, Maharashtra on 27th August, 2012. The Company is in process of giving effect by following the procedure of listing as well as corporate action with the Depositories. It is proposed to infuse new funds and to commence the business operations thereafter.

PUBLIC DEPOSITS

Your Company has not accepted any Deposits within the meaning of Section 58A of Companies Act, 1956 and Rules made there under.

FINANCE

During the Year your Company had no borrowings.

DIRECTORS

In accordance with the requirements of the Companies Act 1956, Ms. Ruchika Gupta will retire by rotation and, being eligible offered herself for re-appointment, which is proposed in the Notice of the ensuring Annual General Meeting.

AUDITORS

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

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

The Auditors have confirmed that they have subjected themselves to the peer review process of the institute of Chartered Accountants of India (ICAI) and holds a valid certificate issued by the Peer Review Board of the ICAI.

PARTICULARS OF EMPLOYEES

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

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, your directors hereby confirm:

- (i) That in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made from the same;
- (ii) That they have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year 31.3.2012 and of the Profit or Loss of the Company for that period;
- (iii) That to the best of their knowledge and information, they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) That they have prepared the annual accounts on a going concern basis.

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

Information as per section 217(1)(e) read with Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 are not applicable to the Company.

There are no transaction involving any foreign exchange earning & outgo.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORTS

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

The Company is in full compliance with the requirements and disclosures that have to be made in this regard.

The Management Discussion and Analysis Report are also appearing in this Annual Report elsewhere and both the aforesaid Reports are incorporated as reference herein.

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

AUDIT COMMITTEE

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

ACKNOWLEDGEMENT

Your Directors take this opportunity to express their grateful appreciation for the excellent assistance and co-operation received from the Banks, Government Authorities, Suppliers, Customers and all the local authorities.

Your Directors also wish to place on record their deep sense of appreciation for the committed services by the employee of the company.

FOR AND ON BEHALF OF BOARD

Sd/-

(Shatrughana Singh)

Chairman

Place: - Mumbai

Dated: - 27th August, 2012.

REPORT ON CORPORATE GOVERNANCE

(Pursuant to clause 49 of the Listing Agreement)

1. Company's philosophy on code of Governance

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

2. Board of Directors

- Composition of the Board:

The Chairman of the Company is Executive Director. The Board is well balanced of total 4 Directors out of which 2 (Two) are Executive Director and 2 (Two) are Independent Non Executive Directors.

The composition of the Board as on 31.3.2012, Category of the Directorship and their attendance at the Board Meetings and the last Annual General Meeting, Number of Directorships in other Companies and Memberships and Chairmanship of specified committees is given below.

Name of Director	Category of Directorship	No. of Board Mtgs. Attended	Attendance at the last AGM	Directorship in other Companies Incorporated in India (excluding alternate directorships & directorship in Pvt. Ltd. Companies)	No. of specified Committees (Other than Company) in which Chairman / Member \$		No. of Equity Shares held
					Chairman	Member	
Mr. Shatrughana Singh	E.D.	10	A	Nil	Nil	Nil	Nil
Ms. Ruchika Gupta*	N.E.D.	10	P	1	Nil	Nil	2500
Mr. Hemant Verma	I & N.E.D	10	P	Nil	Nil	Nil	Nil
Mr. Saurabh Sanganeria	I & N.E.D.	9	A	Nil	Nil	Nil	Nil

E.D. – Executive Director.

I & N.E.D. – Independent Non-Executive Director,

* Ms. Ruchika Gupta resigns as the Executive Director with w.e.f. 01.10.2011, however continues to be the Director of the Company.

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

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

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

During the year 2011-2012, 10 (Ten) Board Meetings were held as follows:-

April, 11 to June,12	July, 11 to Sept,11	Oct,11 to Dec,11	Jan,12 to March, 12
30.05.2011	15.07.2011	12.10.2011	31.01.2012
-----	08.08.2011	08.11.2011	09.02.2012
-----	26.09.2011	30.12.2011	24.02.2012

The Company Secretary CS. Nirav Shah acted as the secretary to the Board upto 31.01.2012.

- **Information placed before the Board of Directors:**

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

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

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

- **Code of Conduct:**

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

3. Audit Committee

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

Name	Designation	Category
Mr. Hemant Verma	Chairman	Independent and Non Executive Director
Mr. Saurabh Sanganeria	Member	Independent and Non Executive Director
Ms. Ruchika Gupta*	Member	Non Executive Director

* Ms. Ruchika Gupta resigns as the Executive Director with w.e.f. 01.10.2011, however continues to be the Director of the Company.

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

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

Meetings and the attendance during the year

Four (4) meetings of the Audit Committee were held during the year. The attendance of each Member of the Committee is given below:

Name of Director	No. of Mtgs. Attended
Mr. Hemant Verma	4
Ms. Ruchika Gupta	4
Mr. Saurabh Sanganeria	4

The Company Secretary CS. Nirav Shah acted as the secretary to the committee upto 31.01.2012. The Meeting of the audit committee are also attended by Chief Financial Officer and Statutory Auditor of the company.

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

4. Shareholders/Investors' Grievance Committee:

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

Name	Designation	Category
Mr. Hemant Verma	Chairman	Independent and Non Executive Director
Mr. Saurabh Sanganeria	Member	Independent and Non Executive Director
Ms. Ruchika Gupta*	Member	Non Executive Director

* Ms. Ruchika Gupta resigns as the Executive Director with w.e.f. 01.10.2011, however continues to be the Director of the Company.

Role of Shareholders/Investors' Grievance Committee:

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

Meetings and the attendance during the year

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

Name of Director	No. of Mtgs. Attended
Mr. Hemant Verma	4
Ms. Ruchika Gupta	4
Mr. Saurabh Sanganeria	4

The Company Secretary CS. Nirav Shah acted as the secretary to the committee upto 31.01.2012 and The Compliance officer was present at all the meetings of the Shareholders/Investors' Grievance Committee.

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

During the year 2011-12, 03 complaints were received by the Company including complaints received through SEBI and no complaint was received through Stock Exchange. No complaint is pending to be resolved at the end of the financial year.

5. Remuneration Policy

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

The Details of remuneration paid/payable to Executive Director during the Financial Year 2011-12 are as under.

Executive Directors	Salary (Rs.)	Perquisite (Rs.)	Total (Rs.)
Ms. Ruchika Gupta*	1,50,000	NIL	1,50,000
Mr. Shatrughana Singh	NIL	NIL	NIL

* Ms. Ruchika Gupta resigns as the Executive Director with w.e.f. 01.10.2011, however continues to be the Director of the Company.

6. Annual General Body Meetings

Details of Annual General Meeting

During the Year	AGM	Venue/ location	Date and time	Special Resolution Passed
2009-10	AGM	Aishwarya Hall, 13 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053	30th September, 2009 at 11.00 a.m.	0
2010-11	AGM	Aishwarya Hall, 13 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053	27th September, 2010 at 10.00 a.m.	0
2011-12	AGM	Aishwarya Hall, 13 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053	26th September, 2011 at 4.00 p.m.	0

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

7. Disclosure

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

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

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

8. Implementation of Code of Conduct for Insider Trading

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

9. Secretarial Audit for reconciliation of Capital

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

10. Means of Communication with Shareholders

Half Yearly Report sent to each of Shareholders

Quarterly Results

News papers in which results are normally published

Web site

e-mail:

Registered Office

Tel:-

Fax :-

Whether Management Discussions and Analysis report is a part of Annual report or not

As the Financial results of the Company are published in the newspaper and press release is issued in leading newspapers, and also updates the same on company's web site, a separate half-yearly report is not sent to each shareholder. The quarterly results of the Company are published in accordance with the requirements of the Listing Agreement of the Bombay Stock Exchange.

1. Free Press Journal (English)

2. Navshakti (Marathi)

www.filmcitymedia.com

investors_complaints@filmcitymedia.com

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

022 – 67077453

022 – 67077452

Yes

General Shareholders' Information

18th Annual General Meeting

Date & Time

Venue

Financial Calendars (Tentative)

Financial Reporting for the quarter ended 30th June, 2012

Financial reporting for the quarter ended 30th September, 2012

Financial reporting for the quarter ended 31st December, 2012

Financial reporting for the quarter ending 31st March, 2013

Registered Office

Share Transfers in physical form and other communication in that regard including share certificates, dividends and change of address etc. may be addressed to

Listing on Stock Exchange at

Company registration No. and State Code

CIN No

NSDL & CDSL – ISIN

29th September, 2012, at 2.00 p.m.

1008, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai -400092

First week of August 2012

Second week of November 2012

Second week of February 2013

Fourth week of May 2013

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

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

Bombay Stock Exchange
Listing Fees have been paid to
(BSE) F.Y.2012 -13

11- 77927

L99999MH1994PLC077927

INE600B01025

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

Month	Filmcity Media Limited		
	High	Low	Average
April, 2011	0.34	0.26	0.30
May, 2011	0.29	0.25	0.27
June, 2011	0.27	0.23	0.25
July, 2011	0.28	0.21	0.25
August, 2011	0.23	0.18	0.21
September, 2011	0.19	0.16	0.18
October, 2011	0.18	0.15	0.17
November, 2011	0.20	0.15	0.18
December, 2011	0.20	0.17	0.19
January, 2012	0.28	0.18	0.23
February, 2012	0.25	0.20	0.23
March, 2012	0.27	0.22	0.25
Average price per shares up to March 2012			0.23

(Source – www.bseindia.com)

DISTRIBUTION OF SHAREHOLDING AS ON MARCH 31, 2012.

No. of Shares held	No. of Shareholders	% of Total Shareholders	No. of Shares	% of Total Shares	
1	500	2317	15.3109	688322	0.2477
501	1000	3509	23.1877	3414517	1.2286
1001	2000	3048	20.1414	5632237	2.0266
2001	3000	1340	8.8548	3731271	1.3426
3001	4000	782	5.1675	3029791	1.0902
4001	5000	1167	7.7116	5764914	2.0743
5001	10000	1428	9.4363	11715387	4.2154
10001 and above		1542	10.1897	243941470	87.7746
TOTAL		15133	100.00	277917909	100.00
			Physical mode	6742765	2.43
			Electronic mode	271175144	97.57
			TOTAL	277917909	100.00

CATEGORIES OF SHAREHOLDERS AS ON MARCH 31, 2012

Sr. No.	Category	No. of Folios	Total Shares held	% to the Share Capital
1.	Other Bodies Corporate	221	80858888	29.09
2.	Clearing Member	60	4526495	1.63
3.	Foreign Institutional Investors	0	0	0.00
4.	GIC & its subsidiaries	0	0	0.00
5.	Mutual Funds	0	0	0.00
6.	Nationalised Banks	0	0	0.00
7.	Non Nationalised Banks	0	0	0.00
8.	Non Resident Indians	37	774265	0.28
9.	Overseas Corporate Bodies	0	0	0.00
10.	Public	14809	121902213	43.86
11.	Promoters and Directors & their Relatives	5	69823647	25.12
12.	Trust	1	1	0.00
	Total	15133	277917909	100.00

Details of Equity Shares Under lock-in period	No. of Shares	Period
	50,000,000	up to 31.08.2012
Dematerialization of shares	As on 31st March, 2012 a total of 271175144 equity shares constituting 97.57% of the equity share capital of the Company stand dematerialized and balance equity shares constituting 2.43% (i.e. 6742765) shares are in physical mode.	
Investors' correspondence to be addressed to	A-9, Shree Siddhivinayak Plaza, 3rd Floor, Plot No.B-31Off. Link Road, Andheri(W), Mumbai-400 053.	
Telephone :	022 - 67077453	
Fax :	022 - 67077452	

DECLARATION

As provided under Clause 49 of the Listing Agreement with the Stock Exchange, it is hereby declared that all the board members and senior management personnel of the Company have affirmed compliance with the Code of Conduct for the year ended 31.3.2012.

FOR AND ON BEHALF OF THE BOARD

Sd/-

(Shatrughana Singh)

Managing Director & CEO

Place : Mumbai

Date :- 27th August, 2012

CERTIFICATE

To

The Board of Directors

FILMCITY MEDIA LIMITED

I Shatrughana Singh, Managing Director & CEO of Filmcity Media Limited certify that:

- (a) I have reviewed financial statements and the cash flow statement for the year ended 31.3.2012 and that to the best of their knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that they have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I aware and the steps I have taken or propose to take to rectify these deficiencies.
- (d) I have indicated to the auditors and the Audit Committee:
 - (i) Significant changes in internal control over financial reporting during the year;
 - (ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

FOR AND ON BEHALF OF THE BOARD

Sd/-

(Shatrughana Singh)

Managing Director & CEO

Place : Mumbai

Date :- 27th August, 2012

CERTIFICATE

To The Members

FILMCITY MEDIA LIMITED

We have examined the compliance of the conditions of Corporate Governance by FILMCITY MEDIA LIMITED for the year ended 31st March, 2012 as stipulated in clause 49 of the Listing Agreement of the said Company with Stock Exchange.

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

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

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

for Ashok K. Jain
Chartered Accountants

Sd/-
(Ashok K. Jain)
Proprietor
M.No. 36120

Place : Mumbai

Date :-27th August, 2012

CORPORATE GOVERNANCE MANAGEMENT DISCUSSION AND ANALYSIS

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

INDUSTRY OVERVIEW

Entertainment and Media (E&M) is one of the fastest growing sectors in India. The sector consists of creation, aggregation and distribution of content, products and services, news and information, advertising and entertainment through various channels and platforms.

The industry is evolving in terms of technology in all its verticals like: Smart TV, Internet TV, 3G to 4G, etc. all leading to media convergence. The next generation media is here to stay with younger generation forming a bigger pie of the media consumption. The technological transformations are changing the way media was consumed and the future lies in media convergence.

While television continues to be the dominant medium, sectors such as animation and VFX, digital advertising and gaming are fast increasing their share in the overall pie. Radio is expected to display a healthy growth rate after the advent of Phase 3.

OPPORTUNITIES AND THREATS

Opportunities:

The Indian entertainment industry is on the threshold of emerging as a large market globally. Future growth of the industry is expected to be led by rising spends on entertainment by a growing Indian middle class, regulatory initiatives, increased corporate investments and the industry's dynamic initiatives to make strategic structural corrections to grow. In addition to the Indian middle class' enhanced spends projected towards entertainment, the rising global interest in Indian content is expected to fuel growth in this industry.

Recovery of Indian economy, increase in disposable income at the last mile, lack of affordable outdoor entertain opportunities, ever-growing younger population etc. is expected to influence the Entertain & Media Industry positively.

THREATS:

The Company operates in highly competitive environment that is subject to innovations, changes and varying levels of resources available to each player in each segment of business. It may not be possible to consistently predict changing audience tastes. People's tastes vary quite rapidly along with the trends and environment they live in. with the kind of investments made in ventures, repeated failures would have an adverse impact on the bottom line of the Company.

OUTLOOK

The Indian economy grew at a slower paced at GDP hitting one of the lowest numbers in last few years. Further, even the world economic scenario wasn't encouraging. However, despite all these limitations, the Indian E&M industry showed steady growth figures, which is commendable. In fact 2011 was clearly the year where digital technologies began to deliver on their promise. Digital film distribution has helped wider film releases and helped control costs. In television, the digitization of cable will transform business models of all stakeholders and offer consumers more choice and convenience. Even as digital generates new opportunities, it also brings with it challenges that the industry must solve more urgently than anticipated.

The future of the media industry lies in media convergence, regionalization and adoption of new generation user devices in order to deliver enhanced experience to the users and offer a sound value proposition to them.

Management is optimistic about the sustainable business opportunities in the financial year 2012-2013 on the back of positive macro economic factors, robust content pipeline and so on. Future outlook for the next financial year is Positive and barring the unforeseen circumstances the company's performance is expected to show growth.

RISK MANAGEMENT

A. Internal

The Market are getting increasingly competitive, Technological obsolescence and lack of skilled & trained human resources demand sustained and enhanced levels of investment in both depreciating as well as appreciating assets but company will formulate favorable policy to overcome the problem.

B. External

Advancement of the technology for creation of the content is necessary with the new technologies being adopted by the competitors. The business may have a positive or a negative impact on the revenues in futures due to changes in the Regulatory framework and tax law as compared to the current scenario.

Management continuously monitors and makes efforts to arrest decline or adverse Output on any of these factors.

AUDITORS' REPORT TO THE MEMBERS OF FILMCITY MEDIA LIMITED

We have audited the attached Balance Sheet of Filmcity Media Limited, as at 31st March, 2012 and also the Statement of Profit and Loss Account for the year ended on that date annexed thereto and the Cash Flow statement for the year ended on that date which we have signed under reference to this report. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Further to our comments in the Annexure referred to above, we report that:

- i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- iii. The Balance Sheet and Statement of 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 Statement of Profit and Loss Account and cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
- v. On the basis of written representations received from the Directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2012 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 read together with the Significant Accounting Policies and notes thereon give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012; and
 - (b) in the case of the Statement of Profit and Loss Account, of the Loss 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

Sd/-
Ashok K. Jain
Proprietor

Place : Mumbai
Dated :23-05-2012

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date to the members of Filmcity Media Ltd on the accounts for the Period ended 31st March, 2012.

- 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 major part of Fixed Assets and it has not affected the company as a going concern.
- ii. (a) The Inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. No material discrepancies were noticed on verification between the physical stocks and the book records.
- iii. (a) (i) During the year under audit the company has not taken loans from companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- (b) (i) During the year under audit the company has not granted loans to companies, firms and other parties covered in the Register maintained under section 301 of the Companies Act, 1956.
- iv. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to purchases of inventory, fixed assets and with regard to the sale of goods. During the course of our audit, no major weakness has been noticed in the internal controls.
- v. 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 no transactions that need to be entered into the register maintained under section 301 of the Companies Act 1956. .
- vi. The company has not accepted any deposits from the public during the year 2011-12.
- 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 if any applicable to it.

According to the information and explanations given to us, no undisputed amounts in respect of income tax, wealth tax, sales tax, custom duty and excise duty were outstanding as at 31st March, 2012 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. Company's accumulated losses are not more than 50% of its networth and company has incurred cash lossess during the financial year covered by our audit and cash loss in the immediately preceding financial year also.
- xi. As informed to us the Company has not defaulted in repayment of dues to any financial institution, Bank or debenture holders.
- xii. Based on our examination of documents records and information given by the company, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. Provisions of Chit Fund nidhi/mutual benefit fund/societies are not applicable to the company.
- xiv. The company is not dealing or trading in shares , securities, debentures or other investments' and hence, the related reporting requirement of Para 4 (xiv) are not applicable to the company.
- xv. The company has not given any guarantee for loans taken by others from bank or financial institutions the terms and conditions whereof are prejudicial to the interest of the company.
- xvi. The Company has not received term loan during the year.
- xvii. According to the infortation and explanations given to us and on an overall examination of the Balance Sheet of the Company,we are of the opion that there are no funds raised on short term basis that have been used for long term investment.
- xviii. The company during the year has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- 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

Place : Mumbai
Dated :27-08-2012

Sd/-
Ashok K. Jain
Proprietor
M. No. 36120

BALANCE SHEET AS AT 31ST MARCH,2012

PARTICULARS		NOTE NO.	31/03/2012 Rs.	31/03/2011 Rs.
EQUITY AND LIABILITIES				
1	SHAREHOLDERS FUNDS			
	Share Capital	1	3,05,70,969	27,79,17,909
	Reserves & Surplus	2	64,72,344	(10,90,62,195)
2	CURRENT LIABILITIES			
	Trade payables	3	1,01,51,937	91,29,285
	Other current liabilities	4	3,13,248	1,37,430
	TOTAL		4,75,08,498	17,81,22,429
ASSETS				
3	NON CURRENT ASSETS			
	(a)Fixed assets			
	i) Tangible assets	5	1,05,023	1,58,437
	ii) Intangible assets	6	6,00,000	7,00,000
	(b)Non-current Investments	7	-	1,86,500
			7,05,023	10,44,937
4	CURRENT ASSETS			
	(a) Inventories	8	1,80,67,313	14,85,34,200
	(b) Trade receivables	9	13,63,644	3,22,909
	(c) Cash and cash equivalents	10	2,05,038	1,70,155
	(d) Short term Loans and Advances	11	2,71,67,480	2,72,16,660
	(e}Other current assets	12	-	8,33,568
			4,68,03,475	17,70,77,492
	TOTAL		4,75,08,498	17,81,22,429
	Significant Accounting Policies	19		
The accompanying notes are integral part of the financial statements				

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

For Ashok K. Jain
Chartered Accountants

Ashok K. Jain
Proprietor
M. No. 36120

Place : Mumbai
Dated : 27-08-2012

Sd/-
Shatrughana Singh
Managing Director

Sd/-
Hemant Verma
Director

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH,2012

PARTICULARS	NOTE NO.	31/03/2012 Rs.	31/03/2011 Rs.
INCOME			
Revenue from operations	13	22,80,000	56,60,000
Other Income	14	(57,890)	19,49,202
Total Revenue		22,22,110	76,09,202
EXPENDITURE			
Cost of material consumed		2,26,446	3,95,319
Purchase of Stock in Trade		7,30,100	-
Change in Inventories of finished goods	15	13,04,66,887	86,31,660
Employee benefits expenses	16	2,96,226	7,63,372
Finance cost	17	2,127	2,99,593
Depreciation and amortisation expenses		1,53,414	11,84,664
Other expenses	18	13,25,743	12,67,178
Total Expenses		13,32,00,943	1,25,41,786
Profit/(Loss) before exceptional and extraordinary items and tax		(13,09,78,833)	(49,32,584)
Exceptional items		(8,33,568)	-
Extraordinary items		-	-
Profit before tax		(13,18,12,401)	(49,32,584)
Tax Expense:		-	-
Deferred Tax Liability/(Assets)		-	(62,12,218)
Income Tax Paid		-	2,645
Profit/(Loss) for the period from continuing operations		(13,18,12,401)	12,76,989
Profit/(Loss) for the period from discontinuing operations		-	-
Tax Expense of discontinuing operations		-	-
Profit/(Loss) for the period from discontinuing operations after tax		-	-
Profit (Loss) for the period		(13,18,12,401)	12,76,989
Earning per equity Share (Rs) Basic & Diluted		(4.31)	0.01
Significant Accounting Policies	19		

The accompanying notes are integral part of the financial statements

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

For Ashok K. Jain
Chartered Accountants

Ashok K. Jain
Proprietor
M. No. 36120

Place : Mumbai
Dated : 27-08-2012

Sd/-
Shatrughana Singh
Managing Director

Sd/-
Hemant Verma
Director

**CASH FLOW STATEMENT PURSUANT TO CLAUSE 32 OF THE LISTING AGREEMENT
FOR THE YEAR ENDED 31ST MARCH, 2012**

PARTICULARS	31/03/2012 Rs.	31/03/2011 Rs.
Net Profit before tax & extra-ordinary items	(13,09,78,833)	(49,32,584)
Adjustment for :		
Depreciation & Amortsation expenses	1,53,414	10,84,664
Interest Paid	-	-
Interest earned	-	-
Net Profit on sale of assets	-	(20,86,428)
Net Profit on sale of investments	60,990	5,10,727
Miscellaneous Expenses W/O	-	1,00,000
Operating Profit before working capital changes	(13,07,64,429)	(53,23,621)
Adjustment for :		
Trade and other receivables	(10,40,735)	(32,658)
Inventories	13,04,66,887	86,31,660
Trade Payables	11,98,470	(37,46,362)
Advances Recoverable in Cash or Kind	49,180	-
Income Tax Paid	-	(2,645)
Prior Period Adjustment		
NET CASH FROM OPERATING ACTIVITIES (A)	(90,627)	(4,73,626)
Cash Flow From Investment Activities		
Purchase/Sale of Fixed Assets	-	1,90,00,000
Purchase /Sale of Investments	1,25,510	75,550
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	1,25,510	1,90,75,550
Cash Flow From Financing Activities		
Deposit	-	-
Net Proceeds From Long Term Borrowing	-	(1,88,09,036)
Increase in Share Capital	-	-
Share Premium and Reserve	-	-
Interest Paid	-	-
Interest earned	-	0
NET CASH USED IN FINANCE ACTIVITIES (C)	-	(1,88,09,036)
Net Increase in Cash and Cash Equivalent (A+B+C)	34,883	(2,07,112)
Cash and Cash Equivalent Opening Balance	1,70,155	3,77,267
Cash and Cash Equivalent	2,05,038	1,70,155

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

For Ashok K. Jain
Chartered Accountants

Ashok K. Jain
Proprietor
M. No. 36120

Place : Mumbai
Dated : 27-08-2012

Sd/-
Shatrughana Singh
Managing Director

Sd/-
Hemant Verma
Director

NOTES TO THE FINANCIAL STATEMENTS

NOTE NO. 1 - SHARE CAPITAL	31/03/2012 Rs.	31/03/2011 Rs.
1 -AUTHORISED 300,000,000 Equity Shares of Rs.1/- each (Previous year 300,000,000 share of Rs.1/- each)	30,00,00,000	30,00,00,000
2 -ISSUED SUBSCRIBED & PAID UP 277,917,909 Equity Shares of Rs.1/- each (Previous year 277,917,909 Equity Shares of Rs.1/- each)	27,79,17,909	27,79,17,909
Less - Reduction of capital as per scheme (30570969 Equity Shares of Rs.1/-each)	24,73,46,940	
	3,05,70,969	
	3,05,70,969	27,79,17,909

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

4 -Terms/rights attached to equity shares

The company has only one class of shares having a par value at Rs.1/- per share.Each holder of equity shares entitled one vote per share.

5 -Details of shareholders holding more than 5% shares in the company

	31/03/2012 No. of Shares	% of holding	31/03/2011 No. of Shares	% of holding
Surendra Gupta	5,04,47,277	18.15	3,65,77,277	13.16
S.J.Vision Private Ltd	2,55,00,000	9.18	1,87,51,600	6.75
Saanvi Studioz Ltd	1,71,65,147	6.18	1,71,65,147	6.18
KGA Securities (India) Ltd	-		3,81,12,454	13.71
Metro Publishers Pvt.Ltd	-		1,50,00,000	5.40

NOTE 2 - RESERVES & SURPLUS	31/03/2012 Rs.	31/03/2011 Rs.
Capital Reserve	20,15,000	20,15,000
Share Premium	47,00,630	47,00,630
Surplus/(deficit) in the statement of Profit & Loss		
Balance as per last financial statements	(11,57,77,825)	(11,70,54,814)
Profit/(loss) for the period	(13,18,12,401)	12,76,989
Less - Adjustment of losses by reduction of capital	24,73,46,940	-
	(2,43,286)	(11,57,77,825)
TOTAL	64,72,344	(10,90,62,195)

PARTICULARS	31/03/2012 Rs.	31/03/2011 Rs.
NOTE 3 -TRADE PAYABLES		
Sundry creditors		
Total outstanding dues of creditors other than micro and small enterprises	1,01,51,937	9,12,92,885

NOTE 4 -OTHER CURRENT LIABILITIES		
Expenses payable	3,05,037	1,29,219
Taxes	8,211	8,211
	3,13,248	1,37,430

FIXED ASSETS

Particulars	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		As at	Additions/ (Transfer)	As at	Up to	During	Up to	As At	As At
		31/3/2011	(Transfer)	31/3/2012	31/3/2011	the Year	31/3/2012	31/3/2012	31/3/2011
NOTE - 5 TANGIBLE ASSETS									
Computer	16.21%	3,29,511		3,29,511	1,71,074	53,414	2,24,488	1,05,023	1,58,437
NOTE - 6 INTANGIBLE ASSETS									
Film & T.V Software Rights	25.00%	41,25,000		41,25,000	41,25,000		41,25,000	-	-
Chanel Fees	10%	10,00,000		10,00,000	3,00,000	1,00,000	4,00,000	6,00,000	7,00,000
TOTAL		54,54,511	-	54,54,511	45,96,074	1,53,414	47,49,488	7,05,023	8,58,437
Previous Year		3,61,81,700	(3,17,27,189)	44,54,511	1,80,25,028	10,84,664	42,96,074	1,58,437	1,81,56,672

PARTICULARS	31/03/2012 Rs.	31/03/2011 Rs.
NOTE 7 - NON CURRENT INVESTMENTS		
Unquoted		
NGSB 13700 Shares of Rs.10/-each	-	1,37,000
4950 Shares of North Kanara of Rs.10/-each	-	49,500
	-	1,86,500

NOTE 8 - INVENTORIES		
Stock In Hand Film		1,29,57,639
Stock In Hand Health Based Programmes	93,46,561	93,46,561
Stock In Hand Soap		3,69,65,000
Stock In Hand Songs	87,20,752	1,06,25,000
Stock In Hand T.V.Serials		7,86,40,000
	1,80,67,313	14,85,34,200

NOTE 9- TRADE RECEIVABLES (Unsecured considered good)		
1. Debts due from Group Companies Outstanding for a period exceeding 6 Months	12,843	-
Other Debtors	-	12,843
2. Other Debtors		
Outstanding for a period exceeding 6 Months	2,90,251	2,90,251
Other Debtors	10,60,550	19,815
	13,63,644	3,22,909

NOTE 10- CASH & BANK BALANCES		
1. Cash in hand	1,93,065	1,17,551
2. With Scheduled Bank in Current/Saving A/c		
a. Axis Bank	-	11,316
c. Bank of Maharashtra	11,974	36,288
3. Fixed Deposit(Lodged with Bank towards Margin Money for Bank Guarantee)	-	5,000
	2,05,038	1,70,155

NOTE 11 - SHORT TERM LOANS & ADVANCES (Unsecured considered good)		
Advances recoverable in cash or in kind/or for values to be received	2,71,60,000	2,71,60,000
Deposits	7,480	56,660
	2,71,67,480	2,72,16,660

NOTE 12- OTHER CURRENT ASSETS		
Pre operative expenses	-	8,33,568

NOTE 13 - REVENUE FROM OPERATIONS		
Finished goods	22,80,000	56,60,000

PARTICULARS	31/03/2012 Rs.	31/03/2011 Rs.
NOTE 14 - OTHER INCOME		
Miscellaneous Income	3,100	3,73,500
Profit on sale of Fixed Assets	-	20,86,429
Loss on sale of shares	(60,990)	(5,10,727)
	(57,890)	19,49,202
NOTE 15 - CHANGE IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE		
Opening Stock		
Stock In Hand		-
Stock In Hand Film	1,29,57,639	1,29,57,639
Stock In Hand Health Film	93,46,561	93,46,561
Stock In Hand Soap	3,69,65,000	3,69,65,000
Stock In Hand Songs	1,06,25,000	1,37,50,000
T.V.Serials	7,86,40,000	8,41,46,660
	14,85,34,200	15,71,65,860
Closing Stock		
Stock In Hand Film	-	1,29,57,639
Stock In Hand Health Film	93,46,561	93,46,561
Stock In Hand Soap	-	3,69,65,000
Stock In Hand Songs	87,20,752	1,06,25,000
T.V.Serials	-	7,86,40,000
	1,80,67,313	14,85,34,200
Net change in inventory	(13,04,66,887)	(86,31,660)
NOTE 16- EMPLOYEE BENEFITS EXPENSES		
Directors Remuneration	1,50,000	6,00,000
Salaries	1,30,000	1,55,000
Staff Welfare expenses	16,226	8,372
	2,96,226	7,63,372
NOTE 17 -FINANCE COST		
Bank Interest/charges	2,127	2,99,593
NOTE 18- OTHER EXPENSES		
Advertisement & Publicity Expenses	98,496	32,441
Conveyance Expenses	22,110	9,566
Postage, Telegram & Telephone	39,952	1,20,728
Travelling Expenses	500	60,714
Sundry Expenses	2,070	
Printing & Stationery	1,30,818	73,156
Electricity Charges	2,234	9,490
Channel WPC Fees	-	78,313
Professional Charges	6,10,689	5,52,838
Repairs & Maintenance		
Building	21,632	48,793
Machinery	5,527	15,144
Others	5,610	-
Auditors Remuneration	64,000	64,000
Donation	501	2,500
Membership fee/Subscription	3,02,116	1,62,608
Books & Periodicals	7,581	16,440
Filing Fees	-	12,067
Courier Charges	11,907	8,380
	13,25,743	12,67,178

NOTE -19 SIGNIFICANT ACCOUNTING POLICIES :

1. System of accounting

- a) The accounts are prepared under the historical cost convention in accordance with generally accepted accounting principles and the provisions of the companies Act, 1956 are adopted consistently by the company.
- b) The company generally follows the mercantile system of Accounting and recognises income and expenditure on accrual basis.

2 Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities on the date of financial statements and reported amount of revenue and expenses for the year. Actual result could differ from these estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

3 Fixed Assets & Depreciation

- a) Fixed Assets have been stated at cost less depreciation.
- b) Depreciation on Fixed Assets have been charged on straight line method at rates prescribed in Schedule XIV of the Companies Act, 1956 and in the manner so provided.

4 Impairment Of Assets

In accordance with AS 28 on 'Impairment of Assets' issued by the Institute of Chartered Accountants of India, where there is an indication of impairment of the Company's assets related to cash generating units, the carrying amounts of such assets are reviewed at each balance sheet date to determine whether there is any impairment. The recoverable amount of such assets is recognized whenever the carrying amounts of such assets exceeds its recoverable amount, and impairment loss is recognized in the profit and loss account.

5 Sales

The Company has accounted gross sales and there is no change.

6 Inventories

- a) Stock has been valued at Lower of Net Realizable Value and Cost.
- b) Inventory taken as valued and certified by the management. During the year management has revalued the stock significantly resulting in losses in Profit & Loss Account and Special resolution in EGM held on 27/03/2012 has been passed to adjust these accumulated losses in Profit & Loss Account, through reduction in capital and High Court has also sanctioned the scheme of capital reduction by their order dated 27/07/2012.
- c) Nature of business of the company is such that quantitywise details is not possible but Valuewise details are given in above.

7 Employee benefits

Directors remuneration Rs.150000/- is within the limit specified in Schedule XIII of the Companies Act, 1956.

Gratuity

No provision made for Gratuity during the year.

8 Miscellaneous Expenditure

- a) Preliminary and Public issue expenses have been amortised over a period of 10 years.
- b) Channel License fees will be Amortized over a period of 10 years.
- c) Pre operative Expenses of Rs.833568/-have been written off and shown in the Profit & Loss A/c under exceptional item.

9 Income Tax

No provision for income tax is made during the year due to losses. Deferred tax Assets is not recognised due to uncertainty of future profits, as per Accounting Standard-22 .

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

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

Balance of Profit & Loss A/C of Amalgamating CompanyFCTL	1,04,67,048
General Reserves	5,00,000
Capital Reserves	7,55,750
Balance debited to Profit & Loss A/c	10,82,77,202
	<u>12,00,00,000</u>

11 REDUCTION OF CAPITAL OF THE COMPANY

- i Pursuant to the shareholder's approval at the meeting held on 27/03/2012 and approval of the hon'ble High Court at Bombay by it's order dated 27th July 2012,sanctioning the scheme,the accu-

mulated losses of Rs.24,73,46,940/- in the Profit & Loss account adjusted against the share capital of the company by reduction of share capital of the company. The scheme has accordingly been given effect to in the accounts.

- ii Pursuant to the scheme as approved by the Hon'ble High Court of judicature at Bombay, The company has reduced it's paid up capital by Rs.24,73,46,940/- i.e. from Rs.27,79,17,909/- to Rs.3,05,70,969/- and simultaneously the company has reduced it's accumulated losses by Rs.24,73,46,940/-

14 Contingent liabilities not provided for - NIL

15 Estimated amount of contracts remaining to be executed on capital account and not provided for - NIL

16 Auditors' Remuneration	31/03/2012	31/03/2011
Audit Fees	40,000	40,000
Tax Audit fees	15,000	15,000
Other Services	9,000	9,000
	64,000	64,000

17 Debts/Advances due by/to Companies in which Directors are interested -

Saanvi Studioz Ltd.	8902163.55(Cr.)	8754835(Cr.)
Filmcity Telefilms Ltd	12843(Dr.)	12843(Dr.)

18 Expenditure in Foreign Currency NIL

19 Value of Import on CIF basis NIL

20 Earning of Foreign Exchange on Exports NIL

21 Segment Reporting - During the year company's main revenue is from only one segment sale of T.V. serials, Films and Songs. As such there are no other separate reportable segments as specified in Accounting standadr (AS-17) "Segment Reporting" of the Institute of Chartered Accountants of India.

22 Earning per Share	31/03/2012	31/03/2011
Net Profit/(Loss)after tax for the year	(13,18,12,401)	12,76,989
Number of Equity Shares	3,05,70,969	27,79,17,909
Nominal Value of Shares (Rs.)	1.00	1.00
Earning per Share (Rs.)	(4.31)	0.01

23 Related Party Disclosures

	Name of the Party	Relationship	Transaction During the Year	Amount Rs.	Balance As on 31/03/2012
i)	M/s Saanvi Studioz Ltd	Controlled by key Managerial Personnel	NIL	-	8902163.55(Cr.)
ii)	M/s Filmcity Telefilms Ltd	Controlled by key Managerial Personnel	NIL	-	12843(Dr.)

- 24 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 Trade receivables, Trade payables and those pertaining to loans & advances.
- 25 Previous years figures have been regrouped/rearranged, where necessary.

Signature of Schedule 1 to 19

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

For Ashok K. Jain
Chartered Accountants

Ashok K. Jain
Proprietor
M. No. 36120

Sd/-
Shatrughana Singh
Managing Director

Sd/-
Hemant Verma
Director

Place : Mumbai
Dated : 27-08-2012

Filmcity Media Limited

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

ATTENDANCE SLIP

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

Joint shareholder may obtain additional slip on request.

D.P. Id*	
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Folio No.	
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Client Id*	
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No. of Share/(s) held	
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NAME OF THE SHAREHOLDER:

NAME OF THE PROXY:

I hereby record my presence at 18th ANNUAL GENERAL MEETING of the Company held at 1008, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai -400092 on 29.09.2012 at 2.00 p.m.

SIGNATURE OF THE ATTENDING MEMBER/PROXY

* Applicable for investors holding shares in electronic form.

Filmcity Media Limited

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

PROXY FORM

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

I/We of in the district of being a Member/Members of the above-named company, hereby appoint of in the district of or failing him of in the district of as my/our Proxy to attend and vote for me/us and on my/our behalf at the 18th ANNUAL GENERAL MEETING of the Company held at 1008, Gold Crest Business Centre, L T Road, Borivali (W), Mumbai -400092 on 29.09.2012 at 2.00 p.m.

Signed this day of. ... 2012

Affix 15 Paise or more Revenue Stamp

*Applicable for investors holding shares in electronic form.

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

BOOK - POST

If undelivered, please return to :

FILMCITY MEDIA LIMITED

A-9, Shree Siddhivinayak Plaza, Plot No. B-31,

Off New Link Road, Andheri (W), Mumbai - 400 053