

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ramesh Sharma : Chairman cum Director
Mr. Vinay Jha : Director
Mr. Sanjiv Kaushik : Director
Mr. Lalit Varma : Director
Mr. Satish Chander Shukla : Director
Ms. Meenakshi Bhutani : Company Secretary

STATUTORY AUDITORS

M/s. Uberoi Sood & Kapoor
Chartered Accountants

INTERNAL AUDITORS

M/s. Amit Joshi & Associates
Chartered Accountants

BANKERS

Bank of India
Khan Market Branch, New Delhi

REGISTRARS & TRANSFER AGENTS

MCS Ltd.
Okhla Industrial Area
Phase -I, New Delhi-110020

REGISTERED OFFICE

405, Skylark Building, 60,
Nehru Place, New Delhi-110019

ANNUAL REPORT 2011

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NOTICE

NOTICE is hereby given that the Annual General Meeting – 2011 of the members of Moving Picture Company (India) Limited will be held on Friday, September 30, 2011 at 1:00 P.M. at Sunder Farm, Road No. 2, Farm No. 41, Ghitorni, New Delhi – 110 030 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at March 31, 2011, Profit & Loss Account for the financial year ended March 31, 2011 as on that date together with the reports of the Board of Directors and Auditors thereon.
2. To appoint a director in place of Mr. Satish Chander Shukla, who retires by rotation and being eligible, offers himself for re-appointment.
3. To re-appoint Auditors and in this connection, to pass, with or without modification(s), the following resolution:
“RESOLVED THAT M/s. K. L. Datta & Co., Chartered Accountants, be and are hereby appointed as auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company, on a remuneration as may be determined by the Audit Committee of the Board of Directors.”

Regd. Office: 405, Skylark Building, 60,
Nehru Place, New Delhi-110019

By order of the Board of Directors
For **MOVING PICTURE COMPANY (INDIA) LTD.**

Sd/-

Meenakshi Bhutani
Company Secretary

Date: August 25, 2011

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE (ON A POLL ONLY) INSTEAD OF HIMSELF/ HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies, in order to be effective should be duly stamped, completed and signed and must be received by the Company at its Registered Office not later than 48 hours before the commencement of the meeting.
3. The register of members and share transfer books of the Company shall remain closed from Thursday, September 29, 2011 to Friday, September 30, 2011 (both days inclusive).
4. Members holding shares in physical form can avail of the nomination facility by filling form no. 2B in the prescribed form. Blank forms will be supplied on request.
5. Members desirous of getting information about the accounts or operations of the Company are requested to address their queries to the Company Secretary at least 7 days in advance to the meeting so that the information required can be readily made available at the meeting.

Regd. Office: 405, Skylark Building, 60,
Nehru Place, New Delhi-110019

By order of the Board of Directors
For **MOVING PICTURE COMPANY (INDIA) LTD.**

Sd/-

Meenakshi Bhutani
Company Secretary

Date: August 25, 2011

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report-2011 and the audited financial accounts for the Year ended March 31, 2011.

FINANCIAL RESULTS

(Rs. In Lacs)

Year ended March 31,	2011	2010
Turnover	137.61	121.92
Profit/ (loss) before depreciation Interest and Tax	(73.95)	(373.66)
Financial Charges	2.04	5.78
Depreciation on other assets	69.52	112.54
Net Profit / (Loss)	(143.47)	(495.56)
Paid up Capital	1321.37	1321.37
Earnings per Share	(1.09)	(3.75)
Book Value per Share	5.41	6.50

DIVIDEND

The Board has not recommended any dividend for the year ended March 31, 2011

OPERATIONS

During the year, some of the major programmes produced/telecast/sold by the Company were:

1. Production of film of Amrita Shergil.
2. A Documentary Film on Gandhi.
3. MTV Stripped – A show for MTV.
4. Production of Spirit of ETV.
5. Legacy Film for CWG 2010 Delhi.

DIRECTORS

Shri Satish Chander Shukla Directors of the Company are retiring by rotation and being eligible, offers themselves for re-appointment.

During the period, Ms. Uma Gajapati Raju, Ms. Sanchaita Gajapati Raju on 30.07.2011, Mr. P L Kapur on 31.05.2011 and Mr. Pankaj Aggarwal on 06.09.2010 has resigned from Directorship of the Company. The Board place on record its gratitude for the services rendered by the outgoing Directors, during their association with the company.

SECRETARIAL AUDIT

As directed by the Securities and Exchange Board of India (SEBI), Secretarial Audit is being carried out at the specified periodicity by a Practising Company Secretary. The findings of the Secretarial Audit were satisfactory.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board hereby affirms:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that year;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. Uberoi Sood & Kapoor, Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and are not willing to continue as Statutory Auditors of the Company. The Board has appointed M/s K. L. Datta & Co., as new Statutory Auditors of the Company. The Company has received a certificate from them to the effect that their appointment, if made, shall be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

Their appointment has been recommended by the Audit Committee at its meeting held on August 25, 2011 necessary resolution is being placed before the shareholders for approval.

AUDITOR'S REPORT

The observations of the Auditors are self-explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to the Conservation of Energy and Technology Absorption is not applicable to our Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs. In Lacs)

FOR THE YEAR ENDED	31ST MARCH, 2011	31ST MARCH, 2010
(A) Total Foreign Exchange Earned	0.00	1.49
(B) Total Foreign Exchange Used	0.00	0.00

PERSONNEL

There are no employees of the Company in respect of whom information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is required to be given.

ACKNOWLEDGEMENT

The Board wishes to record its appreciation of all the efforts put in by the shareholders, staff, business clients, bankers and associates of the Company, who have been supportive of the Company during the year.

Regd. Office: 405, Skylark Building, 60,
Nehru Place, New Delhi-110019

By order of the Board of Directors
For MOVING PICTURE COMPANY (INDIA) LTD.

Sd/-
RAMESH SHARMA
Chairman cum Managing Director

Date: August 25, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Clause 49 V (A) and (B) of the Listing Agreement

1. INDUSTRY STRUCTURE, DEVELOPMENT AND OUTLOOK

The Indian media and entertainment (M&E) industry is one of the fastest growing industries in the country. Its various segments - film, television, advertising, prints media and music among others - have witnessed tremendous growth in the last few years.

According to a report jointly published by the Federation of Indian Chambers of Commerce and Industry (FICCI) and KPMG, the media and entertainment industry in India is likely to grow 12.5 per cent per annum and touch US\$ 20.09 billion by 2013.

Television

Digital distribution platforms such as direct-to-home (DTH) and Mobile TV are transforming the industry. Mobile TV—where content will stream in on mobile phones—is currently at a nascent stage and poised to grow big with the advent of 3G, according to experts.

Viewership across various segments is increasing and marketers are launching new channels to meet this growing demand. Turner and Warner Bros Entertainment, Hollywood's leading studio have launched WB, a new Warner-branded channel in India that will showcase blockbuster motion pictures and acclaimed television series.

Further, Television channels such as Cartoon Network, Pogo, Disney, MTV and Star Plus are expanding their product range to tap India's growing US\$ 125.9 million licensing and merchandise market.

Business Outlook

The MPC has identified media and entertainment as one of the thrust areas and is making significant investments and commitments into television broadcasting.

In the industry MPC is known for its quality programming. Its experience in doing daily programmes has meant that Doordarshan as well as satellite channels like ZOOM, SET MAX, SONY, SAHARA, STAR GOLD and MTV have commissioned major projects to MPC. MPC has over the years also acquired state of the art equipment including digital cameras and digital editing suites. It has the distinction of being one of the few production houses, which has the entire gamut of technical facilities available under one roof, including a graphics unit. The company has fully equipped Studios in Mumbai and Noida.

FINANCIAL PERFORMANCE:

A. Share Capital

Year Ended March 31,	2011		2010	
	Number	Value (Rs.)	Number	Value (Rs.)
Opening Balance of April 1	13213725	132137250	13213725	132137250
Additions during the year	—	—	—	—
Shares Forfeited	—	—	—	—
Closing Balance as of March 31	13213725	132137250	13213725	132137250

B. Fixed Assets (Gross Book Value)

(Rs. in lacs)

	Year Ended March 31, 2011	Year Ended March 31, 2010	% Change
Furniture & Fixture	1.71	1.83	6.55
Computer	—	10.34	100
Office Equipment	—	5.13	100
Media Library	510.12	566.80	10
Studio Equipment	—	41.54	100
Studio Lights	—	4.90	100
Vehicles	34.56	38.37	9.92
TOTAL	546.40	668.91	18.31

B. Sundry Debtors

Sundry debtors amount to Rs. 722.24 lacs as at March 31, 2011 as compared with Rs. 616.51 lacs as at March 31, 2010. Cumulative provision for doubtful debts stands at Rs. 608.63 lacs and Rs. 616.51 lacs respectively. The age profile is given below net of doubtful debts:

(Rs. in lacs)

Year ended	March 31, 2011	March 31, 2010
Less than six months	113.61	—
More than six months	—	—
Total	113.61	—

C. Cash and Bank balances

(Rs. in lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
Cash Balances	7.90	5.43
Bank balances (incl. FDRs)	0.00	5.32
Margin money Deposits	2.69	2.69
Interest accrued on FDR	0.19	0.09

D. Loans & Advances

Advances recoverable in cash or in kind or for value to be received amount to Rs. 297.82 lacs out of which Rs. 150.00 lacs was advanced to the MPCIL-ESOS Trust to enable it to procure 3.75 lacs equity shares of Rs. 10/- each at a premium of Rs. 30/- per share of the Company, for further distribution to the senior employees of the Company and Rs. 123.40 lacs advanced to M/s Prism Pixel Colourisation for Purchase of rights and colourisation of Gurudutt Films.

Security Deposits amount to Rs. 12.00 lacs.

E. Current Liabilities

Sundry creditors amount to Rs. 10.93 Lacs.

3. OPERATIONS:

A. Income

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	Amount	%	Amount	%
Income from Programmes & Films	128.98	93.73	98.59	80.86
Other Income	8.62	6.27	23.33	19.14
Total	137.61	100	121.92	100.00

B. Expenditure (% to Income)

(Rs. in lacs)

Particulars	Year ended March 31, 2011	Year ended March 31, 2010
	Amount	Amount
Cost of Production	66.70	156.67
Administrative & other exp.	144.86	344.68
Depreciation	69.52	112.54
Profit/(Loss) after tax	(281.08)	(495.56)

B.1. Cost of Production

(Rs. in lacs)

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	Amount	%	Amount	%
Raw Material – Cassettes	.31	.46	1.45	0.79
Payment to technicians	21.63	32.43	67.62	36.82
Camera Equipment & Studio hiring charges	7.08	10.61	9.72	5.29
Film Production Expenses	9.31	—	35.34	19.25
Production of Film on Amrita Shergil	—	—	52.86	28.80
Production of Hindi Film written off	—	—	12.22	6.65
Production of Documentry on Gandhi W/off	—	—	4.22	2.30
Production of Spirit of MTV	28.37	42.54	—	—
Total	66.69	100	183.63	100.00

B.2 Administrative & other expenses

(Rs. in lacs)

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	Amount	%	Amount	%
Salary, Wages & Bonus	14.12	4.61	32.89	17.14
Telephone Charges	1.43	0.46	3.48	1.41
Staff Welfare	.43	0.14	3.32	1.78
Rent	1.40	0.45	57.50	21.09
Vehicle running & Maintenance	1.45	0.47	0.88	0.73
Repair & Maintenance	1.20	0.39	7.45	2.01
Travelling Expenses	2.42	0.79	8.26	6.52
Conveyance Charges	1.40	0.45	2.12	1.12
Electricity & Water expenses	1.87	0.61	7.52	3.79
Business Promotion	1.84	0.60	3.13	0.58
Bank Interest	.15	0.04	2.20	0.61
Directors' Remuneration	45	14.70	60.00	12.41
Publicity & Advertisement	.42	0.13	0.47	0.15
Auditors Remuneration	6.50	2.12	6.50	1.45
Interest to others	.11	0.03	0.57	0.02
Diwali Expenses	—	0	0.64	0.04
Insurance Charges	.39	0.12	1.47	0.26
Sundry Expenses	.72	0.23	2.02	0.29
Printing & Stationery	.29	0.09	1.27	0.75
Books & Periodicals	.09	0.02	0.28	0.06
Bank Charges	.22	0.07	1.38	0.23
Legal & Professional Charges	6.10	1.99	8.63	1.83
Postages & Telegram	.01	0.01	0.03	0.05
Membership / Registration fees	1.06	0.34	2.50	0.26
Interest on Hire purchases	1.78	0.58	2.98	0.80
Security Service	—	0	0.64	0.20

Particulars	Year ended March 31, 2011		Year ended March 31, 2010	
	Amount	%	Amount	%
General Meeting Expenses	.22	0.07	2.86	0.07
Gratuity	2.91	0.95	2.32	0.25
Provision for Doubtful Debts	60.86	19.89	44.05	17.91
Amount Written Off	.03	0.01	1.04	0.85
Courier Charges	.07	0.02	0.67	0.34
Taxi Hiring Charges	.09	0.02	2.02	2.54
Assets written off	14.33	4.68	44.72	—
Service Tax Demand	—	0	0.22	0.01
Management Contribution EPF	.13	0.04	0.25	0.22
Management Contribution ESI	.06	0.01	0.27	0.07
Listing Fee	1.17	0.38	1.19	0.28
Loss on Sale of Fixed Assets	34.96	11.42	26.43	1.95
Total	305.92	100.00	344.68	100.00

C. Profits/(Losses)

During the year, the Loss before interest, depreciation and tax was Rs. 73.95 lacs as compared to Rs. 379.43 lacs in the previous year.

D. Interest

Interest Charge for the Financial Year ended March 31, 2011 was Rs 2.04 lacs as compared to Rs 5.73 lacs in the previous year.

E. Depreciation

Depreciation for the year ended March 31, 2011 was Rs 69.52 lacs representing 50.52 % of the total revenues as compared to Rs. 112.54 lacs representing 92.31% of the total revenues during the previous year. The depreciation as a percentage of the gross block is 8.058% and 9.74% for the years ended March 31, 2011 and March 31, 2010 respectively.

F. Net Profit/ (Loss)

The net loss of the Company amounted to Rs. 143.47 lacs & Rs. 495.56 lacs respectively for the years ended March 31, 2011 and March 31, 2010 respectively.

REPORT ON CORPORATE GOVERNANCE

Moving Picture Company firmly believes that by adopting the code of corporate governance, it will ensure transparency in the corporate-investor relations as well as help in propagating the principle of management by ethics.

1. BOARD OF DIRECTORS

A. Promoter Directors

Name	Date of Appointment	Designation	Number of memberships in Boards of other Companies as on 31st March 2011
Mr. Ramesh Sharma	June 01, 1989	Chairman & Managing Director	—
Mrs. Uma Gajapati Raju	June 18, 1991	Vice Chairperson cum Director Marketing	—
Ms. Sanchaita Gajapati Raju	Novemeber 1, 2007	Executive Director	—
Mr. Vinay Jha	July 01, 2003	Director	—

B. Independent Non Executive Directors

Name	Date of Appointment	Designation	Number of memberships in Boards of other Companies as on 31st March 2011
Mr. P.L. Kapur	July 16, 2001	Director	7
Mr. Pankaj Agrawal	June 23, 2004	Director	2
Mr. Sanjay Kaushik	June 28, 2005	Director	—
Mr. Lalit Varma	June 28, 2005	Director	—
Mr. Satish Chander Shukla	October 31, 2009	Additional Director	—

None of the non-executive directors of the Company have any pecuniary relationship or transactions with the Company.

Details of Board Meetings held during 2010-2011: -

Date	Board Strength	No. of directors present
May 19, 2010	9	7
August 13, 2010	9	7
May 19, 2010	9	5
November 15, 2010	8	5
February 14, 2011	8	6

Name Of Director	No. of Board Meetings Attended	Whether Attended Last A.G.M.
Mr. Ramesh Sharma	5	Yes
Mrs. Uma Gajapati Raju	5	Yes
Ms. Sanchaita Gajapati Raju	5	Yes
Mr. Pankaj Agarwal	3	No
Mr. Vinay Jha	2	No
Mr. P L Kapur	3	No
Mr. Sanjiv Kaushik	3	Yes
Mr. Lalit Varma	2	No
Mr. Satish Chander Shukla	2	Yes

* Mr. P L Kapur has resigned on 06.09.2010 during the year.

* Mr. Pankaj Aggarwal has resigned on 31.05.2011.

* Ms. Uma Gajapati Raju, Ms. Sanchaita Gajapati Raju has resigned on 30.07.2011.

2. AUDIT COMMITTEE

The Company has formed an Audit Committee, pursuant to Section 292A of the Companies Act, 1956.

Role of the Audit Committee includes the following:

1. Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending the appointment and removal of external auditor, fixation of audit fee and also approval for payment for any other services.
3. The committee reviews the quarterly, half yearly and annual financial statements before they are submitted to the board.
4. The committee also monitors proposed changes in accounting policies, major accounting entries based on judgment by management, reviews internal auditing function and compliance with stock exchange.

The composition of the Audit Committee is as under:

Chairman	Mr. Sanjiv Kaushik	Status: Independent Non-Executive Director
Members:	Mr. Vinay Jha	Status: Independent Non-Executive Director
	Mr. Lalit Varma	Status: Independent Non-Executive Director
	Mr. Satish Chander Shukla	Status: Independent Non-Executive Director

Detail of Audit Committee Meetings held during the year 2010-2011: -

Date	Committee Strength	No. of members present
May 19, 2010	4	3
August 13, 2010	4	3
September 30, 2010	4	3
November 15, 2010	4	3
February 14, 2011	4	3

3. REMUNERATION COMMITTEE

The composition of Remuneration Committee is as under-

Chairman	Mr. Sanjiv Kaushik
Members:	Mr. Lalit Varma
	Mr. Satish Chander Shukla

4. REMUNERATION OF DIRECTORS

- A. The Company is not paying any remuneration to its non-executive directors.
- B. The detail of actual payment made to the Executive Directors of the Company during the financial year 2010-2011 is as under:

	Ramesh Sharma (Rs.)	Uma Gajapati Raju (Rs.)	Sanchaita Gajapati Raju (Rs.)
Salary	1800000	1800000	900000
Other payments	Nil	Nil	Nil

5. SHAREHOLDERS / INVESTORS GRIEVANCE COMMITTEE

Composition of the Shareholders/ Investors Grievance Committee is as under:-

Chairman	Mr. Sanjiv Kaushik
Members:	Mr. Ramesh Sharma
	Mrs. Uma Gajapati Raju

6. GENERAL BODY MEETINGS

Location and time for the last three Annual General Meetings of the Company:-

Year	Date	Time	Venue
2007-2008	September 30, 2008	12.00 Noon	Sunder Farm, Road No. 2, Farm No.41, Ghitorni, New Delhi-110030
2008-2009	September 30, 2009	12.00 Noon	Same as above
2009-2010	September 30, 2010	12.00 Noon	Same as above

7. DISCLOSURES

There are no materially significant related party transactions i.e. Transactions of the Company of material nature with its promoters, its directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of Company at large.

No penalties, strictures etc. have been imposed on the Company by Stock Exchanges or SEBI or any other statutory authority, on any matter related to capital markets, during the last three years.

8. MEANS OF COMMUNICATION

The quarterly, half yearly results as well as yearly financial results of the company are published in national daily newspapers as per statutory requirement. Notice of Board Meetings is also published in leading newspapers (usually Jansatta and Financial Express).

9. (1) DISTRIBUTION OF SHARE HOLDING AS ON MARCH 31, 2011: -

No. of Shares	Shareholders		No. of Shares	
	Number	%	Number	%
1-500	1590	54.2847	331315	2.5097
501-1000	472	16.1147	431997	3.2723
1001-2000	321	10.9594	562351	4.2598
2001-3000	131	4.4725	338691	2.5656
3001-4000	66	2.2533	245043	1.8562
4001-5000	87	2.9703	421300	3.1913
5001-10000	133	4.5408	1059979	8.0293
10001-50000	99	3.3800	2118052	16.0441
50001-100000	12	.4907	854423	6.4722
100001 & above	18	.6145	6838299	51.7996
TOTAL	2929	100.0000	13201450	100.0000

(2) DETAIL OF SHARE HOLDING PATTERN AS ON MARCH 31, 2011: -

Sl. No.	Category	No. of Shares	% of Holding
1	Promoter	3222813	24.4126
2	Financial Institutions	423863	3.21
3	Private Corporate Bodies	3950044	29.92
4	NRIs/ OCBs	41445	0.31
5	MPCIL-ESOS Trust	375000	2.84
	Total	13201450	100.00

10. SECRETARIAL AUDIT REPORT

As stipulated by the Securities and Exchange Board of India, a qualified practicing Company Secretary carries out the Secretarial Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The audit confirms that the total issued and listed capital of the Company is in agreement with the aggregate of the total number of shares in dematerialized form (held with NSDL and CDSL) and total of number shares in physical form.

11. CEO/CFO CERTIFICATION

As required by clause 49 of the listing agreement, the Certificate duly signed by Mr. Ramesh Sharma, Chairman cum Managing Director was placed before the Board of Directors at its meeting held on August 25, 2011.

12. COMPLIANCE OF CODE OF CONDUCT

Your Company has laid down a Code of Conduct for all the Board Members and Senior Management personnel of the Company. All Board Members and the Senior Management personnel have affirmed their compliance with the said Code of Conduct for the financial year ended March 31, 2011. The declaration to this effect duly signed by Mr. Ramesh Sharma, Chairman cum Managing Director is given hereunder:

DECLARATION UNDER CLAUSE 49 I (D) FOR COMPLIANCE WITH THE CODE OF CONDUCT

As per the requirement of Clause 49 of the of the Listing Agreement with the Stock Exchanges, the Company has laid down a Code of Conduct for its Board of Directors and Senior Management.

I, Ramesh Sharma, Chairman cum Non Executive Director of the Company confirm the compliance of this Code of Conduct by myself and other members of the Board of Directors and Senior Management personnel as affirmed by them individually.

for **Moving Picture Company (India) Ltd.**

Place: Gurgaon

Date: August 25, 2011

RAMESH SHARMA
Chairman cum Managing Director

13. GENERAL SHAREHOLDER INFORMATION

- Compliance Officer: Ms. Meenakshi Bhutani, Company Secretary
- The Annual General Meeting - 2011 of the Company is being held on Friday, September 30, 2011 at 1:00 P.M. at Sunder Farm, Road No. 2, Farm No. 41, Ghitorni, New Delhi – 110 030.
- The Financial year of the Company is from April 1st of a year to March 31st of the next year.
- The register of members and the transfer books of the Company shall remain closed from 29th September 2011 to 30th September 2011 (both days inclusive).
- The shares of the Company are listed on Delhi, Calcutta and Ahmedabad Stock Exchanges. Annual Listing Fee for 2010-11 has been paid by the Company to these Stock Exchanges
- Annual custodian fee for the year 2010-2011 has been paid to NSDL and CDSL.
- The Shares of the company are being traded on the Stock Exchange Mumbai under the permitted securities category (B group).
- Stock code of the securities at BSE is 590011.
- Stock code of the securities at the Delhi Stock Exchange is 13333.

• **Market Price Data:**

The high/low market price of the Company's shares in each month during the last financial period under review 2010-11 was:

Month	BSE		
	High (Rs.)	Low (Rs.)	Volume (No. of Shares)
April	6.43	3.88	2717692
May	4.79	3.73	229738
June	4.19	3.72	190839
July	4.30	3.72	174136
August	4.30	3.55	185150
September	4.99	3.50	3179206
October	4.75	3.40	1344211
November	4.80	3.05	828709
December	4.38	3.09	2578018
January	4.24	3.16	2761253
February	3.49	2.27	333961
March	3.32	2.21	311323

- Name and Address of the Registrar and Transfer agents:
MCS Ltd.
F – 65 1st Floor, Okhla Industrial Area
Phase – I, New Delhi - 110020
- Share Transfer System: Shareholders should contact the Registrar and transfer agents directly at the address given above.
- 95.64 % Shares of the Company are in dematerialised form. Listing application for 0.76% Shares is in process with Stock Exchanges and the balance shares are held in physical form.
- International Securities Identification Numbers (ISIN):
Fully paid shares: INE691B01016
- Till date, Company has not issued any debt instruments.
- No. of Shareholder complaints/grievances received during the year: Nil
- No. of shareholder complaints/ grievances pending during the year: Nil
- Number not solved to the satisfaction of shareholders: Nil.
- Number of pending share transfers: Nil
- The production facilities of the Company are presently housed at the Studio complex in Noida at the following address:

Noida Studio: # 17 A, Sector-16 A, Film City, Noida
District Gautam Budh Nagar
Uttar Pradesh - 201 301
Ph: 91-120-251 6179-80,
Fax: 91-120-2517263
Email-cs@mpcindia.com
Website: www.mpcindia.com

Address for correspondence with the Company is as under:

Moving Picture Company (India) Limited

Registered Office: 405, Skylark Building, 60,
Nehru Place, New Delhi-110019
Ph: 91-11-41096129
E-mail:- cs@mpcindia.com
Website:- www.mpcindia.com

**AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITION OF CORPORATE GOVERNANCE
UNDER CLAUSE 49 OF THE LISTING AGREEMENTS**

To the members of
Moving Picture Company (India) Limited

We have examined the compliance of conditions of corporate governance by Moving Picture Company (India) Limited for the year ended on 31 March 2011, as stipulated in clause 49 of the listing agreement of the said company with stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the Corporate Governance. It is neither an audit nor an expression of 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, we certify that the company has complied with the conditions of Corporate Governance as stipulated in 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 **UBEROI SOOD AND KAPOOR**
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 001462N

Sd/-
S.D. SHARMA
PARTNER
Membership No. 80399

Place : New Delhi
Date : August 25, 2011

AUDITORS' REPORT

To the Board of Directors of
MOVING PICTURE COMPANY (INDIA) LIMITED

We have examined the attached Consolidated Balance Sheet of Moving Picture Company (India) Limited and its subsidiary TVAM (India) Private Limited as at 31 March 2011 and the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date. 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 misstatements. 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.

We report that the Consolidated Financial Statements have been prepared by the company in accordance with the requirements of Accounting Standard-21 "Consolidated Financial Statements" issued by the Institute of Chartered Accountants of India and on the basis of the separate audited Financial Statements of Moving Picture Company (India) Limited and its subsidiary TVAM (India) Private Limited included in the Consolidated Financial Statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited Financial Statements of Moving Picture Company (India) Limited and its aforesaid subsidiary, we are of the opinion that:

- i) the Consolidated Balance Sheet gives true and fair view of the consolidated state of affairs of Moving Picture Company (India) Limited and its subsidiary as at March 31, 2010;
- ii) the Consolidated Profit and Loss Account gives true and fair view of the consolidated results of operations of Moving Picture Company (India) Limited and its subsidiary for the year then ended and
- iii) the Consolidated Cash Flow Statement gives true and fair view of the Consolidated cash flows of Moving Picture Company (India) Limited and its subsidiary for the year then ended.

For **UBEROI SOOD AND KAPOOR**
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 001462N

Sd/-
S.D. SHARMA
PARTNER
Membership No. 80399

Place : New Delhi
Date : 31st May, 2011

STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATING TO SUBSIDIARY COMPANIES:

1. Name of the Company	TVAM (India) Private Limited
2. Financial Year	April 1, 2010 to March 31, 2011
3. Number of shares of the subsidiary Company held by Moving Picture Company (India) Limited as on March 31, 2011	9,80,000 Equity shares of Rs 10/- each
4. Extent of interest of Moving Picture Company (India) Limited in the Subsidiary	98%
5. Net aggregate of Profit /(Loss) of the Subsidiary so far it concerns the Members of the company and is not Dealt with in the account of MPCIL	
a) For the financial year ended March 31, 2011	Rs. (59,606.00)
b) For the previous financial years Of the subsidiary since it became a Subsidiary	Rs (59,275.00)
6. Net aggregate of profit (Loss) subsidiary So far it concerns the members of the Company, dealt with or provided for In the accounts of MPCIL	
a) For the financial year ended March 31, 2010	Nil
b) For the previous financial Years of the subsidiary since It became a subsidiary	Nil

By order of the Board of Directors

Sd/-

RAMESH SHARMA

Chairman cum Managing Director TVAM

Place : New Delhi
Date : August 25, 2011

DIRECTORS' REPORT

TO THE MEMBERS

Your Directors have pleasure in presenting the Annual Report-2011 and the audited Financial Accounts for the Year ended March 31, 2011.

FINANCIAL RESULTS

(Rs. In Lacs)

Year ended March 31,	2011	2010
Turnover	0.00	0.00
Total Expenditure	0.60	0.59
Profit/(Loss)	(0.60)	(0.59)
Paid up Capital	100.00	100.00

DIVIDEND

The Board of Directors has not recommended any dividend for the Financial Year ended March 31, 2011.

DIRECTORS

There has been no change in the constitution of the Board of Directors of the Company during the year.

DIRECTORS' RESPONSIBILITY STATEMENT

The Board hereby affirms:

- i) that in the preparation of the annual accounts, the applicable accounting standards have been followed with proper explanation relating to material departures;
- ii) that the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that year;
- iii) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) that the directors have prepared the annual accounts on a going concern basis.

AUDITORS

M/s. Uberoi Sood & Kapoor, Chartered Accountants, the Statutory Auditors of the Company, retire at the conclusion of the forthcoming Annual General Meeting and being eligible, have offered themselves for re-appointment. The Company has received a certificate from them to the effect that their appointment, if made, shall be within the limits prescribed under section 224(1B) of the Companies Act, 1956.

AUDITOR'S REPORT

The observations of the Auditors are self-explanatory and therefore, do not call for any further comments.

CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

Information pursuant to Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988, relating to the Conservation of Energy and Technology Absorption is not applicable to your Company.

FOREIGN EXCHANGE EARNINGS AND OUTGO

The Foreign Exchange Earnings and Outgo in the current year as well as the previous year is Nil.

PERSONNEL

There are no employees of the Company in respect of whom the information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975, is required to be given.

By order of the Board of Directors

Place : New Delhi
Date : August 25, 2011

Sd/-
RAMESH SHARMA
Chairman cum Managing Director TVAM

BALANCE SHEET AS AT MARCH 31, 2011

(Figures in Rs.)

Particulars	SCHEDULE	As at 31-03-2011	As at 31-03-2010
SOURCES OF FUNDS			
Shareholder's Funds			
Share Capital	1	132,137,250.00	132,137,250.00
Reserves & Surplus	2	150,657,808.90	150,657,808.90
		<u>282,795,058.90</u>	<u>282,795,058.90</u>
LOAN FUNDS			
Secured	3	58,668.24	6,001,960.00
Unsecured	4	17,571,450.00	1,101,450.00
		17,630,118.24	7,103,410.00
		<u>300,425,177.14</u>	<u>289,898,468.90</u>
APPLICATION OF FUNDS			
FIXED ASSETS			
a) Gross Block	5	86,271,979.00	115,576,308.14
b) Less :Depreciation		31,631,876.14	48,685,786.21
c) Net Block		<u>54,640,102.86</u>	<u>66,890,521.93</u>
INVESTMENTS			
	6	1.00	1.00
CURRENT ASSETS, LOANS & ADVANCES			
Production Work in Progress	7	—	2,695,496.00
Sundry Debtors	8	11,360,900.00	—
Cash & Bank Balances	9	1,077,874.50	1,353,471.04
Loans & Advances	10	36,260,241.62	32,975,615.68
		<u>48,699,016.12</u>	<u>37,024,582.72</u>
LESS:CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	13,295,586.00	10,051,109.00
Provisions	12	828,725.00	828,725.00
		<u>14,124,311.00</u>	<u>10,879,834.00</u>
NET CURRENT ASSETS			
		<u>34,574,705.12</u>	<u>26,144,748.72</u>
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)			
PROFIT & LOSS ACCOUNT		211,210,368.16	196,863,197.25
TOTAL		<u>300,425,177.14</u>	<u>289,898,468.90</u>
		0.00	0.00
NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES			
	16		

AUDITORS' REPORT

As per our separate report of even date attached

for **UBEROI SOOD & KAPOOR**
CHARTERED ACCOUNTANTS
Firm Registration No. 001462N

S. D. SHARMA
Partner
M. No. 80399

RAMESH SHARMA
Chairman cum
Managing Director

SANCHAITA GAJAPATI RAJU
Director

UMA GAJAPATI RAJU
Vice-Chairperson cum
Director (Marketing)

LALIT VERMA
Director

MEENAKSHI BHUTANI
Company Secretary

Place : New Delhi
Date : May 31, 2011

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2011

(Figures in Rs.)

Particulars	SCHEDULE	As at 31-03-2011	As at 31-03-2010
INCOME :			
Income from Programmes & Films		12,898,640.00	9,859,048.00
Other Income	13	862,440.49	2,332,855.14
TOTAL		13,761,080.49	12,191,903.14
EXPENDITURE :			
Cost of Production	14	6,670,252.00	15,667,097.29
Administrative and Other Expenses	15	14,485,837.79	34,468,417.62
TOTAL		21,156,089.79	50,135,514.91
Profit/ (Loss) before Depreciation		(7,395,009.30)	(37,943,611.77)
Less:- Depreciation		6,952,161.61	11,254,253.73
Profit/ (Loss) before Tax		(14,347,170.91)	(49,197,865.50)
Less: Provision for Taxation			
Income tax paid for earlier years		—	357,684.21
Profit/ (Loss) after Tax		(14,347,170.91)	(49,555,549.71)
Add: Profit/ (Loss) brought forward		(196,863,197.25)	(147,307,647.54)
Profit/ (Loss) Carried forward to the Balance Sheet		(211,210,368.16)	(196,863,197.25)
Basic & Diluted Earning Per Share of Rs. 10/- each		(1.09)	(3.75)
NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES	16		

AUDITORS' REPORT

As per our separate report of even date attached

for **UBEROI SOOD & KAPOOR**
CHARTERED ACCOUNTANTS
Firm Registration No. 001462N

RAMESH SHARMA
Chairman cum
Managing Director

UMA GAJAPATI RAJU
Vice-Chairperson cum
Director (Marketing)

S. D. SHARMA
Partner
M. No. 80399

SANCHAITA GAJAPATI RAJU
Director

LALIT VERMA
Director

MEENAKSHI BHUTANI
Company Secretary

Place : New Delhi
Date : May 31, 2011

SCHEDULES 1 TO 16 ANNEXED TO AND FORMING PART OF THE FINANCIAL STATEMENTS

(Figures in Rs.)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE "1" - CAPITAL		
AUTHORISED		
200,00,000 Equity Shares of Rs. 10/- each (Previous year-200,00,000 Equity Shares of Rs.10/-each)	<u>200,000,000.00</u>	<u>200,000,000.00</u>
ISSUED, SUBSCRIBED AND PAID UP		
1,32,13,725 Equity Shares of Rs. 10/- each fully paid up (Previous year-1,32,13,725 Equity Shares of Rs. 10/- each)	<u>132,137,250.00</u>	<u>132,137,250.00</u>
TOTAL	<u><u>132,137,250.00</u></u>	<u><u>132,137,250.00</u></u>
SCHEDULE "2" - RESERVE & SURPLUS		
Capital Reserve		
Opening Balance	46,672,725.90	35,852,725.90
Add:		
Forfeited Equity Convertible Warrants	—	2,990,000.00
Nil (Previous year '29,90,000 Equity Convertible Warrants of Rs. 10/- each which was partly paid Rs.1/- each forefeited)		
Forfeited Equity Convertible Warrants	—	7,830,000.00
Nil (Previous year '29,00,000 Equity Convertible Warrants of Rs.10/- each which was partly paid Rs.2.70/- each forefeited)		
SUB TOTAL	<u>46,672,725.90</u>	<u>46,672,725.90</u>
Securities Premium		
Opening Balance	103,985,083.00	103,985,083.00
SUB TOTAL	<u>103,985,083.00</u>	<u>103,985,083.00</u>
TOTAL	<u><u>150,657,808.90</u></u>	<u><u>150,657,808.90</u></u>
SCHEDULE "3" - SECURED LOAN		
Bank of India CL A/c No.000015	—	3,700,000.00
Bank of India CC A/c No.20085*	58,668.24	—
ICICI Bank Ltd. (Secured against hypothecation of Vehicles)	—	2,301,960.00
TOTAL	<u>58,668.24</u>	<u>6,001,960.00</u>
SCHEDULE "4" - UNSECURED LOAN		
From Directors	<u>17,571,450.00</u>	<u>1,101,450.00</u>

(*The Cash credit from Bank of India is secured by hypothecation of book debts, fixed assets, TDR, joint & several guarantee of Mr. Ramesh Sharma, Chairman cum Managing Director of the company, Mrs. Uma Gajapati Raju, Vice-Chairperson cum Director (Marketing) of the company.)

(Figures in Rs.)

SCHEDULE "5" - FIXED ASSETS

Particulars	Gross Block (at Cost)			Depreciation			Net Block	
	As At April 1, 2010	Additions	Deductions March 31, 2011	As At April 1, 2010	Additions	Deductions March 31, 2011	As At March 31, 2011	As At March 31, 2010
Plant and machinery	154,689	-	-	100,452	25,075	-	29,162	54,237
Furniture & Fixture	188,000.00	-	-	4,961.59	11,900.40	-	171,138.01	183,038.41
Computer	9,013,133.65	-	9,013,133.65	7,979,347.21	88,608.57	8,067,955.78	-	1,033,786.44
Office Equipment	1,036,406.00	-	1,036,406.00	523,864.59	24,682.08	548,546.67	-	512,541.41
Media Library	80,839,931.00	-	-	24,159,364.50	5,668,056.65	-	51,012,509.85	56,680,566.50
Studio Equipment	17,772,647.49	-	17,772,647.49	13,618,452.06	588,673.91	14,207,125.97	-	4,154,195.43
Studio Lights	1,618,399.00	-	1,618,399.00	1,128,838.26	53,605.00	1,182,443.26	-	489,560.74
Vehicles	5,107,791.00	136,257.00	-	1,270,958.00	516,635.00	-	3,456,455.00	3,836,833.00
TOTAL	115,576,308.14	136,257.00	29,440,586.14	48,685,786.21	6,952,161.61	24,006,071.68	54,640,102.86	66,890,521.93
Previous Year	127,788,284.92	611,162.00	12,823,138.78	42,413,857.51	11,254,253.73	4,982,325.03	66,890,521.93	48,685,786.21

(Figures in Rs.)

	As at 31-03-2011	As at 31-03-2010
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SEHEDULE “6” - INVESTMENTS

LONG TERM

(Unquoted & Non-Traded)

9,80,000 Equity Shares of Rs. 10/-each fully paid up in Subsidiary Company TVAM (India) Pvt. Ltd.	9,800,000.00	9,800,000.00
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(Previous Year 9,80,000 Equity Shares of Rs. 10/-each fully paid up)

Less: Provision for Diminution in Investment	9,799,999.00	9,799,999.00
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SUB TOTAL

1.00

1.00

SCHEDULE “7” - PRODUCTION WORK IN PROGRESS

Production of Spirit of Music-ETV W/off	—	2,695,496.00
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TOTAL

—

2,695,496.00

SCHEDULE “8” - SUNDRY DEBTORS

(Unsecured - Considered Good)

Debts Outstanding for a period exceeding 6 Months	60,863,385.74	61,650,988.74
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Less: Provision for Doubtful Debts	60,863,385.74	61,650,988.74
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Other Debts	11,360,900.00	—
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TOTAL

11,360,900.00

—

SCHEDULE “9” - CASH & BANK BALANCES

Cash balance on hand	790,166.57	542,805.57
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Balances with Scheduled Banks in:

Current Accounts	—	532,419.03
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Fixed Deposit (Pledged with Bank as Margin Money)	269,083.32	269,083.32
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Interest Accrued on FDR	18,624.61	9,163.12
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TOTAL

1,077,874.50

1,353,471.04

SCHEDULE “10” - LOANS & ADVANCES

(Unsecured, Considered Good)

Advances Recoverable in Cash or in kind or for Value to be received	29,782,390.44	29,710,089.50
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Advance Tax & Tax Deducted at Source	5,277,761.18	3,175,045.18
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Security Deposits	1,200,090.00	90,481.00
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TOTAL

36,260,241.62

32,975,615.68

(Figures in Rs.)

	As at 31-03-2011	As at 31-03-2010
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SCHEDULE “11” - CURRENT LIABILITIES

Sundry Creditors:		
Other Creditors	1,093,275.00	1,466,545.00
Advance Received from Clients	2,000,000.00	2,000,000.00
Interest Accrued but Not Due	—	18,358.00
Other liabilities	10,202,311.00	6,566,206.00
TOTAL	13,295,586.00	10,051,109.00

SCHEDULE “12” - PROVISIONS

Provision for Gratuity	716,957.00	716,957.00
Provision for Leave Encashment	111,768.00	111,768.00
TOTAL	828,725.00	828,725.00

SCHEDULE “13” - OTHER INCOME

Interest Received	9,461.49	314,028.14
Camera, Studio & Equipment Hiring Received	—	32,000.00
Amount Written Back	65,376.00	1,891,780.00
Excess Provision W/Back	787,603.00	—
Miscellaneous Receipts	—	65,000.00
Leave Encashment Written Back	—	30,047.00
TOTAL	862,440.49	2,332,855.14

SCHEDULE “14” - COST OF PRODUCTION

Raw Material (Cassettes)	31,410.00	144,560.00
Payment to Technicians	2,163,386.00	6,761,994.00
Camera, Equipment & Studio Hiring	708,371.00	972,076.00
Film Production Expenses	930,555.00	3,554,010.00
Production of Film on Amrita Shergil W/off	—	5,286,208.29
Production of Hindi Film Written off	—	1,222,000.00
Production of Documentary on Gandhi W/off	—	421,745.00
Production of Spirit of Music-ETV W/off	2,836,530.00	—
	6,670,252.00	18,362,593.29
Less: Closing Balance: Production Work in Progress		
Production Work in Progress	—	2,695,496.00
TOTAL	6,670,252.00	15,667,097.29

(Figures in Rs.)

	As at 31-03-2011	As at 31-03-2010
SCHEDULE "15" - ADMINISTRATIVE AND OTHER EXPENSE		
Directors' Remuneration	4,500,000.00	6,000,000.00
Salary, Wages & Bonus	1,412,289.00	3,288,214.00
Gratuity	291,072.00	231,765.00
Management Contribution towards -EPF	13,098.00	84,760.00
Management Contribution towards-ESI	6,306.00	26,394.00
Staff Welfare Expenses	43,406.00	331,640.00
Diwali Expenses	—	63,932.00
Bank Interest	15,178.52	220,555.00
Interest to others	11,097.40	56,129.00
Interest on Hire Purchases	178,498.00	297,888.73
Amount written off	3,169.50	104,066.20
Assets Written off	1,433,037.20	4,471,576.72
Doubtful Debts	—	4,404,446.00
Auditor's Remuneration	650,000.00	650,000.00
Appeal Filling Fee	16,500.00	—
Bank Charges	21,659.61	137,286.50
Books & Periodicals Expenses	9,394.00	27,313.00
Business Promotion Charges	184,158.00	312,975.00
Conveyance Charges	139,942.00	211,443.00
Courier Charges	6,915.78	66,595.00
Electricity & Water Charges	186,681.00	751,996.00
General Meeting Expenses	22,460.00	286,047.00
Insurance Charges	38,811.00	146,977.00
Legal & Professional Charges	610,335.00	862,345.50
Loss on sale of Fixed Assets	3,496,477.26	2,642,145.03
Listing Fee	116,505.00	119,500.00
Membership & Registration Fee	106,206.00	250,397.00
Misc. Expenses	30,500.00	—
Postage & Telegram	350.00	3,051.00
Printing & Stationery Expenses	28,708.00	126,798.00
Publicity & Advertisement	42,000.00	46,665.00
Rent	140,000.00	5,750,674.00
Repair and Maintenance	120,402.00	744,679.00
Security Services	—	64,000.00
Service tax demand	—	21,742.00
Sundry Expenses	71,567.36	201,291.94
Telephone Charges	142,721.16	347,837.00
Taxi Hiring Charges	9,120.00	202,022.00
Travelling Expenses	241,686.00	825,993.00
Vehicle Running & Maintenance	145,587.00	87,278.00
TOTAL	14,485,837.79	34,468,417.62

Schedule “17”

1.0 SIGNIFICANT ACCOUNTING POLICIES:

1.1 Basis of Consolidation

The consolidated financial statements relate to Moving Picture Company (India) Limited and its subsidiary company.

a) Basis of Accounting:

- (i) The financial statements of the subsidiary company used in the consolidation are drawn up to the same reporting date as of the company i.e. March 31, 2011.
- (ii) The financial statements of the company and subsidiary company have been prepared in accordance with the Accounting standards issued by the Institute of Chartered Accountants of India and generally accepted accounting principles.

b) Principles of consolidation

The consolidated financial statements have been prepared on the following basis:

- (i) The financial statements of the company and its subsidiary company have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits and losses are fully eliminated.
- (ii) The excess of cost to the company of its investment in the subsidiary over its share of the equity of the subsidiary company, at the dates on which the investments in the subsidiary company are made, is recognised as “Goodwill” being the asset in the consolidated financial statements.
- (iii) The cost to the company of its investment in a subsidiary is less than its share of equity of the subsidiary company, at the date on which the investments in the subsidiary company are made, is recognised as “Capital Reserve” being the liability in the consolidated financial statements.
- (iv) Minority interest in the net assets of consolidated subsidiary consists of the amount of equity attributable to the minority shareholders at the date on which investment are made by the company in the subsidiary company and further movements in their share in the equity, subsequent to the dates of investments as stated above.
- (v) Where the carrying amount of the investment in the subsidiary is different from its cost, the carrying amount is considered for the purpose of above computations.
- (vi) The losses applicable to the minority in a consolidated subsidiary if exceed the minority interest in the equity of subsidiary. The excess, and any further losses applicable to the minority, are adjusted against the majority interest except to the extent that the minority has a binding obligation to and is able to, make good the losses. If the subsidiary subsequently reports profits all such profits are allocated to majority interest until the minority’s share of losses previously absorbed by the majority has been recovered.

c) Information on subsidiary company:

Financials of the following subsidiary company is consolidated in the consolidated financial statements:

	% Voting power held as
	at March 31, 2011
TVAM (INDIA) PRIVATE LIMITED	98.00

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention in accordance with the applicable Accounting Standards and the provisions of the Companies Act, 1956 as adopted consistently by the company. All income and expenditure having a material bearing on the financial statements are recognised on accrual basis.

1.3 Fixed Assets

Fixed Assets are stated at their historical cost less accumulated depreciation. Additions, Improvements and major renewals are capitalized. Maintenance, repair and minor repairs are charged to profit & loss account.

1.4 Depreciation

Depreciation is provided on historical cost basis using Straight-line basis at the rates prescribed in Schedule XIV to the Companies Act, 1956.

Media Library to be depreciated @ 10% on written down value.

1.5 Revenue Recognition

Interest Income is recognised on time proportion basis, inclusive of related tax deducted at source.

Dividend income is recognised when the right to receive the dividend is established.

1.6 Miscellaneous Expenditure:

- (i) Preliminary expenses and Public issue expenses are written off over a period of 10 years which was incurred on or before 31.03.2004.
- (ii) Preliminary expenses and Public issue expenses incurred after 31.03.2004 are written off in the year in which incurred.
- (iii) Deferred Revenue Expenditure is written off over a period of 5 years which was incurred on or before 31.03.2004.
- (iv) Deferred Revenue Expenditure incurred after 31.03.2004 are written off in the year in which incurred.

1.7 Inventories:

Inventories are valued as under:

Finished Goods	-	At estimated cost
Stock of Tapes	-	At cost
Work in Progress	-	At estimated cost

Finished goods and WIP are valued at estimated cost given the nature of industry.

1.8 Amortisation

Exploited Television software are amortised on the following basis:

	of telecast	In the year	In next	Residual
Commissioned Software	100%		3 years	
News and Current Software	100%			
Infotainment Software	80%	Based on no. of telecast of the programme or portion thereof.		10%

- Notes: i) Cost of infotainment software is amortised in view of its regular use in ongoing and future programmes.
 ii) For the purpose of taxation production cost are revenue expenses and treated as such.

1.9 Investments:

Long Term Investments

Investments are valued at cost. Diminution in the value of investments is recognised only if such decline is other than temporary in the management's opinion.

Current Investments

Current investments are stated at lower of cost and fair value.

1.10 Retirement Benefits

Short-term employee benefits

These are recognised as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

Long-term employee benefits

Gratuity

The company provides for gratuity to its employees in the form of defined benefit retirement plan (the "Gratuity Plan") covering all employees. The Plan provides a lump sum payment to vested employees at retirement, death or on termination of employment of an amount based on the respective employee's salary and the years of employment with the company. The company provides for gratuity based on the actuarial valuation.

Leave Encashment

Liability in respect of Provision for Leave Encashment is made, based on the actuarial valuation made by an independent actuary as at the Balance Sheet date.

1.11 Foreign Exchange Transactions

Foreign currency transactions arising during the year are recorded at the exchange rate prevailing on the date of transaction. Closing balance of current Assets and Liabilities are converted at the rate of exchange prevailing at the end of the year. Any increase or decrease arising out of the above is taken to the Profit & Loss account.

1.12 Taxation

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the Provisions of Income Tax Act, 1961.

Fringe Benefit Tax on designated expenses has been calculated as per the Provisions of Income Tax Act, 1961.

2.0 NOTES TO ACCOUNTS:

2.1 Contingent Liabilities

a) Bank Guarantees issued by the bank on behalf of the company (net of margin) Rs. 2,95,587,86 (Previous year Rs.6,30,916.68).

	31.03.2011	31.03.2010
	Amount (Rs.)	Amount (Rs.)
2.2 Payment to Auditors*		
i) Audit Fee	4,00,000.00	4,00,000.00
ii) Tax Audit Fees	75,000.00	75,000.00
iii) Income Tax Matters	1,75,000.00	1,75,000.00
iv) Certification Charges	-	-
Total	6,50,000.00	6,50,000.00

* Net of Service Tax

2.3 Remuneration paid to Directors

Ramesh Sharma

Salary 18,00,000.00 24,00,000.00

Uma Gajapati Raju

Salary 18,00,000.00 24,00,000.00

Sanchaita Gajapati Raju*

Salary 9,00,000.00 12,00,000.00

Total 45,00,000.00 60,00,000.00

2.4 Loans and Advances include Rs. 1,50,00,000.00 (Previous Year Rs 1,50,00,000.00) advanced to MPCIL-ESOS Trust.

2.5 Cost of Production is net of Rs NIL (Previous Year Rs. 26,95,496.00), which is carried as Work in Progress.

2.8 Earnings per Share (AS 20):

	31.03.2010	31.03.2009
	Amount (Rs.)	Amount (Rs.)
Profit after Tax	(4,95,55,549.71)	(1,43,47,170.91)
Weighted Average No. of Equity Shares	1,32,13,725	1,32,13,725
Nominal Value per Share	10.00	10.00
Basic & Diluted Earning Per Share	(1.09)	(3.75)

2.9 Disclosures as per As-15

a) The principal assumptions used in actuarial valuation are as below:

	2008-09
Discount rate (per annum)	7%
Rate of escalation in salary (per annum)	10%
Employee turnover	20%
Retirement age	58 Years

The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

b) Changes in the present value of the obligations:	Amount (Rs.) (2009-10)		Amount (Rs.) (2008-09)	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave encashment Unfunded
Present Value of obligations (Opening)	1,073,308.00	141,815.00	1,225,741.00	160,634.00
Interest Cost	75,132.00	9,927.00	98,059.00	12,851.00
Past Service Cost	170,085.00	—	—	—
Current Service Cost	53,357.00	54,965.00	123,718.00	35,892.00
Benefits Paid	(588,116.00)	—	(272,519.00)	—
Actuarial (gain)/ loss on obligations	(66,809.00)	(94,939.00)	(101,691.00)	(67,562.00)
Present Value of obligations (Closing)	716,957.00	111,768.00	1073,308.00	141,815.00
c) Liability recognized in the Balance Sheet:				
	Amount (Rs.) (2009-10)		Amount (Rs.) (2008-09)	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave encashment Unfunded
Present value of obligations Closing	716,957.00	111,768.00	1,073,308.00	141,815.00
Funded Status	(716,957.00)	(111,768.00)	(1,073,308.00)	(141,815.00)
Net Assets/(Liability) Recognized in Balance Sheet	(716,957.00)	(111,768.00)	(1,073,308.00)	(141,815.00)
d) Expenses Recognized in Profit & Loss				
	Amount (Rs.) (2009-10)		Amount (Rs.) (2008-09)	
	Gratuity Unfunded	Leave Encashment Unfunded	Gratuity Unfunded	Leave encashment Unfunded
Current Service Cost	53,357.00	54,965.00	123,718.00	35,892.00
Past Service Cost	170,085.00	—	—	—
Interest Cost	75,132.00	9,927.00	98,059.00	12,851.00
Net Actuarial (Gain)/Loss Recognized during the year	(66,809.00)	(94,939.00)	(101,691.00)	(67,592.00)
Total expense recognized in Profit & Loss Account	231,765.00	(30,047.00)	120,086.00	(18,819.00)

2.10 Events after Balance Sheet

The share Warrants issued by Company of the face value of Rs 10/- per warrant amounting Rs.29,90,000/- which was to be added to the Capital of the Company have not been subscribed. The application money of Rs.29,90,000/- has been forfeited by the Company and transferred to Capital Reserve. The share Warrants issued by Company of the face value of Rs 10/- per warrant amounting Rs.78,30,000/- which was to be added to the Capital of the Company have not been subscribed. The application money of Rs.78,30,000/- has been forfeited by the Company and transferred to Capital Reserve.

2.11 Accounting for Taxes on Income (AS-22):

Deferred tax assets has not been recognized as there is no reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

- 2.12** There are no balances due to the entities registered under the Micro, Small and Medium Enterprises Development Act, 2006.
- 2.13** Some of the debit and credit balances are subject to reconciliation and confirmation. The company is in the process of reconciling such balances.
- 2.14** Previous year figures have been regrouped/ rearranged wherever considered necessary.
- 2.15** Schedules 1 to 17 form an integral part of the Balance Sheet and Profit & Loss Account and have been duly authenticated.
- 2.16** Information pursuant to the provisions of paragraph 3, 4(c) and 4(d) of the part II of the Schedule VI of the Companies Act, 1956 is given to the extent applicable.
- 2.17** The Company is not having a company secretary since 19.04.2010. The Company is in process of appointing a new company secretary.

Signature to Schedules 1 to 17

RAMESH SHARMA
Chairman cum
Managing Director

UMA GAJAPATI RAJU
Vice-Chairperson cum
Director (Marketing)

SANJAY KAUSHIK
Director

P L KAPUR
Director

SANCHAITA GAJAPATI RAJU
Director

LALIT VERMA
Director

Place : Gurgaon

Date : 31st May, 2011

BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

1. Registration Details

Registration No.	:	36474	State Code	:	055
Balance Sheet Date	:	31-03-2011			

2. Capital Raised during the year (Amount in Rs. Thousands)

Public Issue	:	NIL	Rights Issue	:	NIL
Bonus Issue	:	NIL	Private Issue	:	NIL
Preferential Allotment	:	NIL	Convertible Warrants	:	NIL

3. Position of Mobilization and Deployment of Funds (Amount in Rs. Thousands)

Total Liabilities	:	300,425	Total Assets	:	300,425
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Sources of Funds

Paid Up Capital	:	132,137	Convertible Warrants	:	NIL
Reserves & Surplus	:	150,658	Secured Loans	:	59
Unsecured Loans	:	17,571			

Application of Funds

Net Fixed Assets	:	54,640	Investments	:	NIL
Net Current Assets	:	34,575	Deferred Tax Assets	:	NIL
Accumulated Losses	:	211,210	Misc. Expenditure	:	NIL

4. Performance of Company (Amount in Rs. Thousands)

Turnover	:	13,761	Total Expenditure	:	28,108
Profit /Loss Before Tax	:	(14,347)			
Profit /Loss After Tax	:	(14,347)			
Earnings Per Share	:	(1.09)	Dividend Rate %	:	NIL

5. Generic names of Three Principal products / services of the company (as per monetary terms)

Item code no. (ITC code)	:	8524
Product Description	:	Media Software for Television etc.

RAMESH SHARMA
Chairman cum
Managing Director

UMA GAJAPATI RAJU
Vice-Chairperson cum
Director (Marketing)

SANCHAITA GAJAPATI RAJU
Director

LALIT VERMA
Director

MEENAKSHI BHUTANI
Company Secretary

Place : New Delhi
Date : May 31, 2011

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2011

(Figures in Rs.)

	As at 31-03-2011	As at 31-03-2010
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (Loss) before Tax	(14,347,170.91)	(49,197,865.50)
Adjustments for:		
Interest Income	(9,461.49)	(314,028.14)
Depreciation	6,952,161.61	11,254,253.73
Loss on Sale of Fixed Assets	3,496,477.26	2,642,145.03
Fixed Assets Written Off	1,433,037.20	4,471,576.72
Interest Paid	204,773.92	574,572.73
OPERATING PROFIT/ (LOSS) BEFORE WORKING CAPITAL CHANGES	(2,270,182.41)	(30,569,345.43)
Adjustments for:		
Production Work in Progress	2,695,496.00	4,351,014.29
Sundry Debtors	(11,360,900.00)	17,522,156.00
Other Receivables	(1,181,909.94)	4,048,239.70
Trade Payable & Other Liabilities	3,244,477.00	(4,731,710.06)
Taxes Paid	(2,102,716.00)	1,783,498.82
NET CASH FLOW FROM/ (USED) IN OPERATING ACTIVITIES (1)	(10,975,735.35)	(7,596,146.68)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(136,257.00)	(611,162.00)
Sale of Fixed Assets	505,000.00	727,092.00
Interest Received	9,461.49	314,028.14
NET CASH FLOW FROM / (USED) IN INVESTING ACTIVITIES (2)	378,204.49	429,958.14
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Short Term Borrowings (Net) 12,828,668.24	4,801,450.00	
Proceeds from Vehicle Loans (Net)	(2,301,960.00)	(804,900.27)
Interest Paid	(204,773.92)	(574,572.73)
NET CASH FLOW FROM/ (USED) IN FINANCING ACTIVITIES (3)	10,321,934.32	3,421,977.00
Net increase/(decrease) in Cash & Cash Equivalents (1+2+3)	(275,596.54)	(3,744,211.54)
Cash & Cash Equivalents as at the Beginning of the year*	1,353,471.04	5,097,682.58
Cash & Cash Equivalents as at the End of the year*	1,077,874.50	1,353,471.04

* Note: Cash & Cash Equivalents includes Cash & Bank Balances

RAMESH SHARMA
Chairman cum
Managing Director

UMA GAJAPATI RAJU
Vice-Chairperson cum
Director (Marketing)

SANCHAITA GAJAPATI RAJU
Director

LALIT VERMA
Director

MEENAKSHI BHUTANI
Company Secretary

Place : New Delhi

Date : May 31, 2011

MOVING PICTURE COMPANY (INDIA) LIMITED

Regd. Office : 405, Skylark Building, 60 Nehru Place, New Delhi-110019

PROXY FORM

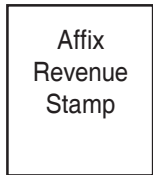
SL No.....

Regd Folio No.....

No. of Shares Held.....

I/weof.....being a member/members of Moving Picture Company (India) Limited hereby appoint.....of.....in the District of as my proxy to vote for me/us on my/ our behalf at the **Annual General Meeting of the Company to be held on 30th September 2011 at 1.00 P.M.** and at Sunder Farm, Road No. 2, Farm No. 41, Ghitorni, New Delhi - 110 030 and at any adjournment thereof.

Signed thisday of2011.



Signature

Note: This form in order to be effective should be duly stamped, completed and signed must be deposited with the Company's Registered Office not less than 48 hours before the time for holding the aforesaid Meeting.

MOVING PICTURE COMPANY (INDIA) LIMITED

Regd. Office : 405, Skylark Building, 60 Nehru Place, New Delhi-110019

ATTENDANCE SLIP

To be handed over at the entrance of the meeting hall

I hereby record my presence at the **Annual General Meeting of the Company to be held on 30th September 2011 at 1.00 P.M.** and at Sunder Farm, Road No. 2, Farm No. 41, Ghitorni, New Delhi - 110 030

Name of the Shareholder:

Signature

Name of Proxy:

Signature

NOTES :-

1. Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signature registered with the Company. The admission will, however, be subject to verification of signatures and such other checks, as may be necessary. Under no circumstances will any duplicate slip be issued at the entrance to the meeting hall.
2. No Gifts/Coupons will be distributed at the meeting.

BOOK POST

If undelivered, please return to:

MOVING PICTURE COMPANY (INDIA) LIMITED

Regd. Office : 405, Skylark Building, 60 Nehru Place, New Delhi-110019

ANNUAL REPORT

2010-11

MOVING PICTURE COMPANY (INDIA) LIMITED