The 19th Annual Report and Accounts 2012

REVIEW
RETHINK
REBUILD
REBOOT
REGAIN

The movie business is back on its feet.

PRITISH NANDY®
COMMUNICATIONS LTD

The Power of Entertainment.

www.pritishnandycom.com

We are already in the process of commencing the shooting of several new films that will feature top ranking stars and accomplished directors and technical crew.

Shaadi ke Side Effects *starring*
Farhan Akhtar and Vidya Balan,
two of the most successful stars of last year,
is scheduled to go on the floor end of this year.

So are three more films currently being written and cast.

An excerpt from the Chairman's Statement 2012

Pritish Nandy Communications Ltd
19th Annual Report and Accounts
2011/2012

Board of Directors
Pritish Nandy/ Chairman
Udayan Bose
Nabankur Gupta
Hema Malini
Rina Pritish Nandy
Dr Vishnu Kanhere
Tapan Chaki
Pallab Bhattacharya/ Wholetime Director & CEO
Rangita Pritish Nandy/ Creative Director

Company Secretary
Rupali Vaidya

Auditors
KR Khare & Co
Chartered Accountants

Principal Bankers
Yes Bank
Nariman Point Mumbai 400021
Standard Chartered Bank
Breach Candy Mumbai 400036

Registered Office
87/88 Mittal Chambers Nariman Point Mumbai 400021

Corporate Leadership Team
Pallab Bhattacharya/ Director and CEO, Chairman Rangita Pritish Nandy/ Creative Director
Rupali Vaidya/ Company Secretary Yatender Verma/ Vice President, Finance, Compliances and Legal Affairs
Ishita Pritish Nandy/ Chief Brand Strategist Upala KBR/ Vice President, Media and Projects Anoop Kumar/ Chief Production Officer
Shrinivas Gaine/ General Manager, PNC Wellness Ltd Merlyn Zabeth/ Assistant Manager, Human Resource and Administration
Mahesh Vyas/ Chief Manager, Accounts Kishor Palkar/ Chief Manager, Accounts

PNC is an equal opportunities employer. There are 11 members in the Corporate Leadership Team that runs the affairs of the Company. The Corporate Leadership Team has an average age of 40, combining youth and experience. Members of the CLT have been with PNC for an average of 8 years, demonstrating continuity and effective HR. Most members of the team have risen from the ranks.

	Year ended									
	31.3.2003	31.3.2004	31.3.2005	31.3.2006	31.3.2007	31.3.2008	31.3.2009	31.3.2010	31.3.2011	31.3.2012
										In ₹ lakh
STATEMENT OF PROFIT AND LOSS										
Total turnover	4,136.54	3,188.08	3,586.43	3,480.25	3,950.07	3,384.11	1,533.11	1,506.87	1,320.09	586.55
Total expenditure	3,926.13	2,738.14	2,927.84	2,781.58	3,366.89	2,349.39	1,727.99	1,734.27	1,457.03	908.16
Profit/ (loss) before taxation	210.41	449.94	658.59	698.67	583.18	1,034.72	(194.88)	(227.40)	(136.94)	(321.61)
Provision for taxation	15.05	27.20	53.48	62.58	69.76	172.85	3.29	0.18	(23.03)	0.00
Net profit/ (loss)	195.36	422.74	605.11	636.09	513.42	861.87	(198.17)	(227.58)	(113.91)	(321.61)
Provision for deferred tax	32.43	162.82	194.06	234.12	236.71	200.66	(26.49)	11.85	4.18	(13.73)
Dividend (%)	7.5	10	10	10	10	10	0	0	0	0
BALANCE SHEET										
Tangible assets	705.45	705.59	675.87	571.92	221.00	165.09	164.29	177.15	166.21	158.49
Investments	973.09	1,275.55	285.10	746.47	405.59	140.18	140.18	140.18	140.18	380.18
Long term loans and advances	2,029.28	2,097.32	2,167.96	2,558.00	2,560.55	3,471.07	4,593.45	4,564.58	3,816.11	3,772.26
Current assets	3,539.55	3,999.67	4,659.02	4,981.30	8,456.27	8,663.22	6,896.04	7,013.17	7,223.38	6,728.82
Total application of funds	7,247.37	8,078.13	7,787.95	8,857.69	11,643.41	12,439.56	11,793.96	11,895.08	11,345.88	11,039.75
Long term borrowings	131.98	173.10	188.30	201.81	161.68	139.45	129.88	148.79	20.80	22.90
Deferred tax liabilities	261.71	424.53	614.77	848.88	1,085.61	1,286.27	1,259.78	1,271.64	1,275.81	1,262.09
Current liabilities	899.53	1,591.61	960.28	1,501.60	1,347.85	1,472.72	1,036.82	1,383.71	1,076.42	1,089.79
Paid-up capital	1,046.70	1,046.70	1,046.70	1,046.70	1,446.70	1,446.70	1,446.70	1,446.70	1,446.70	1,446.70
Reserves	4,907.45	4,842.19	4,977.90	5,258.70	7,601.57	8,094.42	7,920.78	7,644.24	7,526.15	7,218.27
Net worth	5,750.91	5,888.89	6,024.60	6,305.40	9,048.27	9,541.12	9,367.48	9,090.94	8,972.85	8,664.97

I welcome you all to your Company's 19th Annual General Meeting. As usual, it is a pleasure being here with all of you again.

Your Company has seen four difficult years in a row. During most of this period, the motion picture industry in India saw a steady de-growth, which touched 14 per cent two years ago with overseas sales dropping 30 per cent. Since then, things have slowly improved and this year we hope to see a distinct growth despite the adverse economic conditions which have been a cause of concern to all of us. This growth, if it happens, will take place despite certain segments of the motion picture business still lagging. For instance, despite film music being such a great draw across all social strata, sale of physical music keeps falling every year. Cassettes and CDs seem to have largely vanished from the shelves. Home video sales have dropped. DVD rights for many films have not been sold. Nor have satellite rights for many films. This is a disturbing trend; just as increasing piracy is. Both music and movies are now being downloaded by consumers, often illegally, violating the legal rights of copyright holders.

The good news, on the other hand, is that the number of screens in India is steadily increasing, particularly in the cities and small towns, and India theatrical collections have grown dramatically in recent months. It finally looks as if we are about to step out of the industry's recessionary phase with a record number of films in recent months crossing the Rs 100 crore box office threshold. In fact, box office analysts claim that in the current year we are likely to see more films crossing this threshold than we have seen in the past five years, since Ghajini first achieved this milestone in 2008. 3 Idiots went a step further in 2009 and was the first film to cross Rs 200 crore. In fact, it crossed Rs 100 crore in 9 days. In 2011, Bodyguard crossed Rs 100 crore in 7 days to set yet another record. This year, Ek Tha Tiger crossed it in 5 days.

In this environment, your Company is confident that it will shortly return to its past profitable track record. We are already in the process of commencing the shooting of several new films that will feature top ranking stars and accomplished directors and technical crew. Shaadi ke Side Effects starring Farhan Akhtar and Vidya Balan, two of the most successful stars of last year, is scheduled to go on the floor end of this year. So are three more films currently being written and cast. Your Company expects these films to do well in the theatres and return it to the profitability that was once its distinctive quality. Discussions are also on for co-productions and the Board of Directors are examining the possibility of raising funds that will allow your Company the opportunity to grow quicker and realize its true creative potential. Such a fund raise may not be exactly imminent, given the current state of the equity market but we intend to stay ready for it so that when the opportunity comes, we may be able to quickly implement it.

Consumption patterns in the entertainment business change every few years. Newer audiences emerge with different taste, different expectations and it often takes a Company some time to realign its creative mindset and production processes with the change in demand patterns. The PNC team is right in the midst of achieving this. I believe that given your Company's past track record of making critically acclaimed and commercially successful films, Team PNC will be able to achieve this task and return your Company to its growth and profit trajectory.

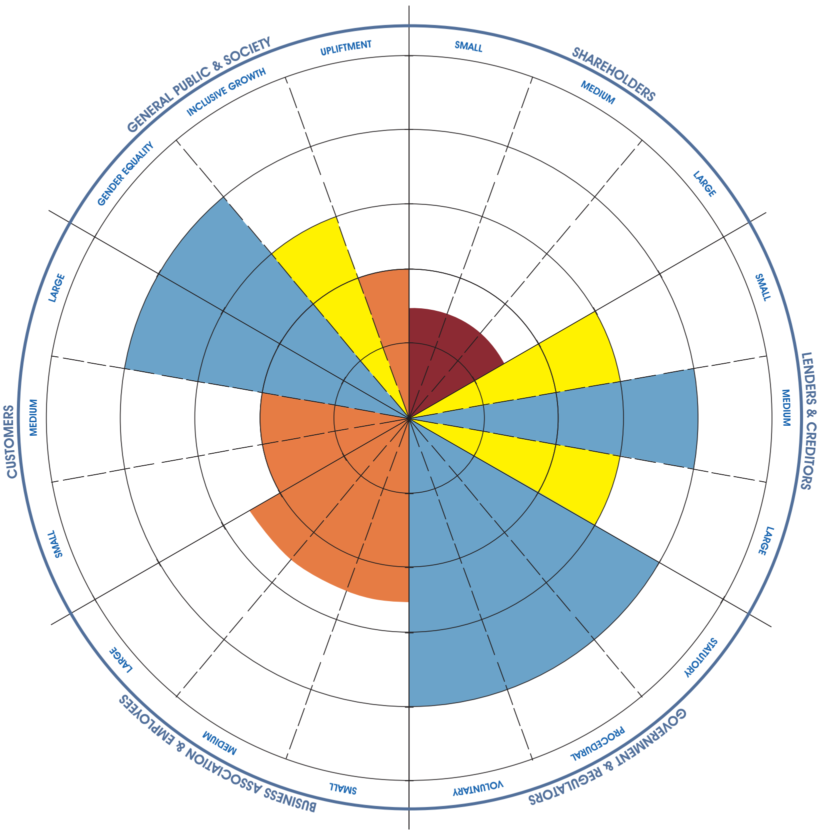
The Indian entertainment industry continues to be among the most successful in the world and the Indian motion picture business is its heartbeat. It is projected to grow at a CAGR of 10 per cent to touch Rs 134.5 billion in revenues in 2015, as per the estimate of KPMG in the FICCI report on the media and entertainment industry. If this growth is achieved, you can be certain that your Company will also play a crucial role in the future of this industry.

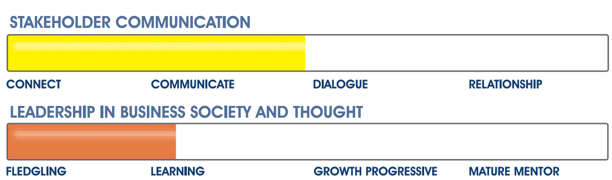
I thank all stakeholders of PNC for their support and patience shown during these difficult years. I also thank all those members of Team PNC who have struggled through yet another difficult year and kept their spirit high. With your continued support and encouragement, I would like to believe they will overcome every difficulty, cross every hurdle to take your Company ahead in the coming years.

As Woody Allen once said, 90 per cent of all success is hanging in there. Now we need to address the other 10 per cent.

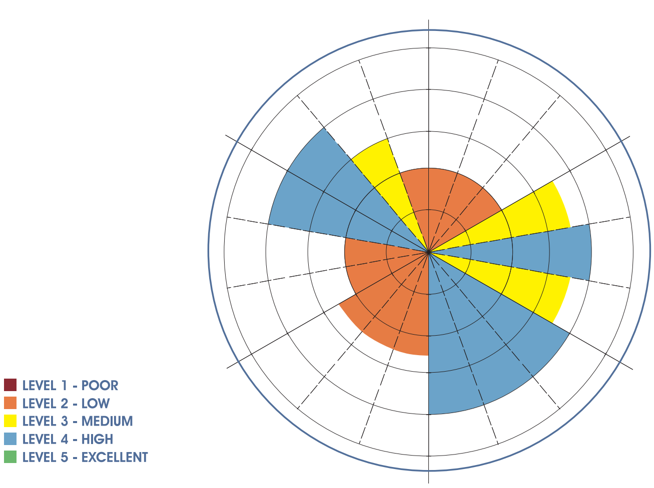
We at PNC always try to provide additional information over and above that prescribed by law. We were the first entertainment company in India to provide annual reports attested by key operating staff, before it became a statutory requirement. The report provided here is an attempt in this direction. It is not mandated by law and is not an exact measure. We caution investors that this is additional information and investors should rely on their own judgment in using and interpreting it. The Company is not responsible for any direct, indirect or consequential losses suffered by any person using this data.

COVERAGE AND TRANSPARENCY





IN COMPARISON WITH LAST YEAR



360° Corporate Reporting is a performance model developed by IEMAR to evaluate companies on the basis of their scores in key areas usually difficult to measure and on the strength of their stakeholder reporting. This is the fifth year where the Company has been evaluated. The evaluation provides insight into companies in terms of their people, business strategies, brand, linkages, strengths and weaknesses, opportunities that exist and threats they need to ward off. It also conveys to stakeholders the environment in which their companies operate and assesses them on their processes, value of intangibles, transparency and effectiveness of their communication with stakeholders.

It thus conveys to stakeholders a lot of what cannot be precisely measured but needs to be appreciated in order to get the true import of the financial results. In that sense, it makes financial reporting more effective by providing additional information in quick read format.

In the long run, companies that are socio-ecologically progressive do better than those that are solely motivated by profits. This has been empirically proved, leading to the search for a more holistic reporting format. There are a number of initiatives that are currently used by companies. PNC has chosen 360° Corporate Reporting. This gives all round feedback to major stakeholder groups, improves transparency and ensures a shared vision.

To begin with, 360° Corporate Reporting acknowledges the fact that stakeholders, like shareholders, are not homogenous but comprise of different interest groups. It also incorporates crucial factors like creativity and innovation into the reporting framework. It moves from a logical progression of coverage, transparency, compliance, managing risks, managing enterprise to performance and profitability, social responsibility, strategic planning and research, creativity and innovation, ultimately leading to the creation of intangible assets and value.

The reporting is in a diagrammatic format. Different parameters represented by sectors come together in a circle where each sector is divided into subgroups representing detailed components. Each component is rated on a scale of 1 to 5.

The circle of stakeholders deals with coverage and transparency vis-à-vis different groups of stakeholders and is divided into 6 sectors subdivided into 3 segments each. These consist of shareholders, lenders and creditors, Government and regulators, business associates and employees, customers and society at large.

The circle of creation of value covers 7 sectors subdivided into 3 segments each.

These consist of compliance, managing risks and enterprise, performance and profitability, social responsibility, strategic planning and vision, research, creativity, innovation, intangibles and value creation.

In the bars below the circles, the extent and effectiveness of stakeholder communication and reporting is judged in the context of the Company's ability to connect, communicate, establish dialogue and eventually achieve a sustainable relationship with all stakeholders. The Company's performance on various counts ranging from financial to value creation is judged on the basis of its ability to create ideas for successful projects, products and services and translate these ideas into action, resulting in capitalization and value creation. These assessments are supported by looking at the scope, size and scale of operations, activities and influence of the Company. Ultimately the leadership displayed by the Company in business, society and thought is judged on whether it is at the fledgling, learning, growth or a mature mentoring state.

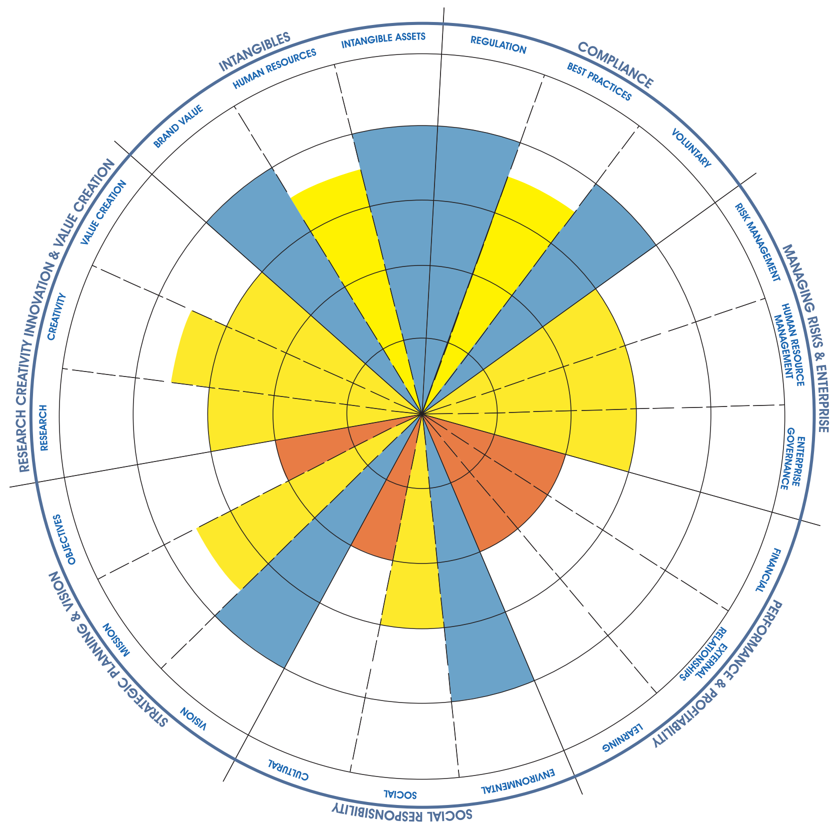
The model enables stakeholders as well as the Company to assess where it has come from and where it is moving, giving its true bearings in its journey towards progress. It is unique in as much as it incorporates seemingly opposite drivers such as transparency, corporate social responsibility on one hand and performance and profitability on the other and presents them in a graphic format that can be easily understood. A filled out shape reflects the best state. Wherever there are gaps and the shape shrinks back to the centre the Company needs to improve its performance. In the bars, values to the right indicate a better position than those to the left. The sectors are also color coded for easy understanding.

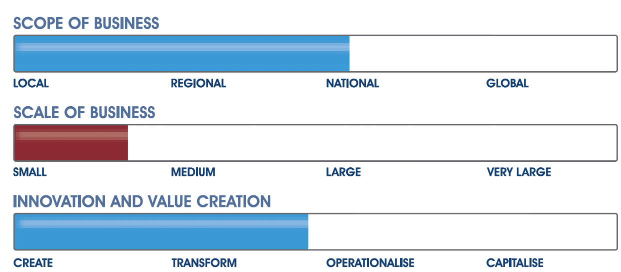
360° Corporate Reporting is like a compass that covers learning, growth, creativity and innovation. It is not designed to provide an exact measure of the distance travelled but indicates the direction in which the Company has progressed on its corporate journey.

The change over the last year shows that shareholders had even lesser opportunities for growth offered by the stock. The standing in the debt market due to liquidity and solvency has dipped further viz-a-viz lenders and creditors. Compliances with government, regulators and statutory authorities continue to be good. Relations with business associates, customers and employees are maintained in adverse conditions but there is a dip in visibility. Responsibility towards general public and society is maintained. Company's vision, mission, goals and objectives have the right direction but are not being reflected in results, affecting performance and profitability. The Company continues to build certain new relationships, which may provide the required impetus when conditions improve. This together with continued emphasis on social responsibility, strategic planning and vision, research, innovation and value creation, despite adverse conditions have helped the Company to manage in adverse conditions.

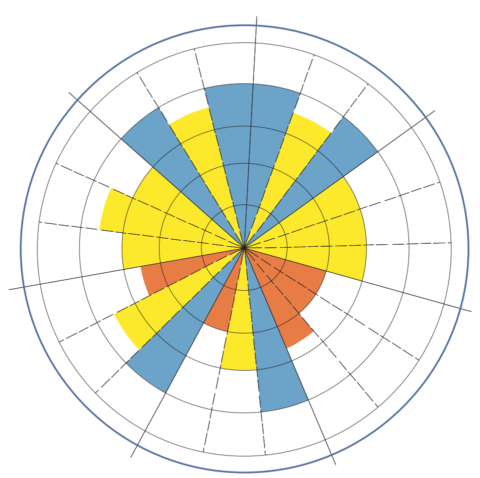
IEMAR (The Institute of Environmental Management Accounting and Research - www.iemar.org) is a non profit research organization that is working in the area of transparent, sustainable reporting and evolving techniques to measure, evaluate report and communicate economic activity and corporate performance in socio economic, environmental and cultural terms integrating with financial growth and other performance aspects. IEMAR can be contacted on iemarindia@yahoo.com.

CREATION OF VALUE





IN COMPARISON WITH LAST YEAR



To
The Members

Your Directors present the 19th Annual Report on the business and operations of the Company together with the audited financial accounts for the year ended March 31, 2012.

FINANCIAL HIGHLIGHTS

Turnover for this year was ₹ 586.55 lakh as compared to ₹ 1,320.09 lakh for the preceding year. The Company incurred a loss of ₹ 321.61 lakh before tax as compared to a loss of ₹ 136.94 lakh before tax in the preceding year.

in ₹ lakh

Particulars	Year ended				
	31.3.2008	31.3.2009	31.3.2010	31.3.2011#	31.3.2012
Revenue from operations	3,073.20	1,285.39	1,314.03	1,167.60	449.35
Other income	310.91	247.72	192.84	152.49	137.20
Total revenue	3,384.11	1,533.11	1,506.87	1,320.09	586.55
Total expenditure	2,349.39	1,727.99	1,734.27	1,457.03	908.16
Profit/ (loss) before taxation	1,034.72	(194.88)	(227.40)	(136.94)	(321.61)
Provision for current tax	170.35	0.39	0.18	(23.03)*	Nil
Profit/ (loss) after current tax	864.37	(195.27)	(227.58)	(113.91)	(321.61)
Fringe benefit tax	2.50	2.90	Nil	Nil	Nil
Provision for deferred tax	200.66	(26.49)	11.85	4.18	(13.73)
Net profit/ (loss) after tax	661.21	(171.68)	(239.43)	(118.09)	(307.88)
Dividend (%)	10	Nil	Nil	Nil	Nil
Transfer to reserves	65.68	Nil	Nil	Nil	Nil
Prior period adjustment (net debit)	4.38	1.96	37.11	Nil	Nil
Balance in statement of profit and loss	1,153.48	979.84	703.30	585.21	277.33
Paid up capital	1,446.70	1,446.70	1,446.70	1,446.70	1,446.70
Earning per share	4.54	(1.20)	(1.91)	(0.82)	(2.13)
Book value per share	65.95	64.75	62.84	62.02	59.89

#Regrouped as per revised schedule VI to make it comparable with financial information pertaining to FY 2011-2012
**Net of MAT credit*

PRESENT ECONOMIC SITUATION AND PERFORMANCE OF THE COMPANY

The Media and Entertainment industry worldwide is continuing to go through a difficult phase. Your Company's turnover and profitability also fell in such an adverse market scenario. The Management has continued its efforts to combat pressures on the bottom line and tried its best to maximize the return.

The Media and Entertainment industry and PNC have enormous potential for growth and the government has been supportive by exempting the temporary transfer of copyright relating to original literary, dramatic, musical, artistic work and cinematographic films from the levy of service tax in the Finance Bill 2012. The outlook on the Media and Entertainment industry is positive with digitization and telecom expected to provide a boost to the Media and Entertainment industry and PNC is ready to play a significant role.

DIVIDEND

Considering the financial results, your Directors do not recommend dividend for the year ended March 31, 2012.

LISTING WITH THE STOCK EXCHANGES

The equity shares of the Company continue to remain listed with Bombay Stock Exchange Ltd (BSE) and National Stock Exchange of India Ltd (NSE). The listing fees payable to both the stock exchanges for the year 2012-2013 have been paid.

FIXED DEPOSITS

The Company has not accepted any deposits within the meaning of section 58A and 58AA of the Companies, Act 1956 and the rules framed thereunder.

SUBSIDIARIES

The Company has two subsidiaries namely PNC Productions Ltd and PNC Wellness Ltd. The Ministry granted general exemptions vide circular number 2/2011 dated February 8, 2011 under section 212(8) of the Companies Act, 1956 exempting the Company from the applicability of section 212(1) of the Companies Act, 1956 in respect of both these subsidiaries. Accordingly, the Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies are not being attached with the Balance Sheet of the Company. However, the financial statements of the Company have been consolidated with the above referred subsidiaries as required under clause 32 of the Listing Agreement with the BSE and NSE and which gives financial information of the entire group for the current fiscal. The financial information of the subsidiary companies, as required by the said approval, is disclosed in the Annual Report. Annual accounts of the subsidiary companies and the related detailed information will be made available to the holding and subsidiary companies' investors, on request. Copies of the annual accounts of the subsidiary companies are available for inspection to members at the registered office of the Company. In compliance with the Listing Agreement and the Companies Act, 1956, the Directors have reviewed the affairs of the subsidiary companies. Nabankur Gupta, independent Director of the Company, is a Director on the Board of PNC Wellness Ltd. Vishnu Kanhere, independent Director, is a Director on the Board of PNC Productions Ltd.

CORPORATE GOVERNANCE

The Company complies with clause 49 of the Listing Agreement. The Board of Directors of the Company has adopted a Corporate Governance policy meant to ensure fair and transparent practices and a code of conduct for its Directors and Senior Management. Both the Corporate Governance policy and the Code of Conduct are available on the website of the Company www.pritishnandycom.com.

Further, the Board has also adopted a Code of Conduct for prevention of insider trading in the securities of the Company which is in line with the model Code of Conduct prescribed by SEBI. A separate report on Corporate Governance along with the Auditor's certificate on the compliance of Corporate Governance requirements of clause 49 of the Listing Agreement is given in this report.

QUALITY AND SYSTEMS CONTROL

The Company has set up internal systems to meet and maintain the highest standards of quality in its business and was certified to be ISO 9001:2000 compliant by SGS of UK, the world's biggest inspection company in July 2004. Since then, it has been regularly systems audited every year and has met all its required obligations to obtain renewal of the ISO certification, which is in process.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies Act, 1956 and according to the information and explanations provided to them and based on representation received from the operating management, your Directors hereby state

i. that in the preparation of the annual accounts, the applicable Accounting Standards have been followed and no material departures have been made from the same;

ii. that they have selected such Accounting Policies, applied them consistently, 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 as at March 31, 2012 and of the loss of the Company for the year ended on that date;

iii. that 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 accounts on a going concern basis.

DIRECTORS

Vishnu Kanhere and Hema Malini, Directors retire from the Board by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

A brief profile of the above Directors is furnished in the notice of the ensuing Annual General Meeting and also forms part of the Corporate Governance Report in this annual report.

COMPANY SECRETARY

Anand Upadhyay resigned from the post of Company Secretary with effect from January 9, 2012. Rupali Vaidya was appointed as Company Secretary with effect from January 9, 2012.

AUDITORS

KR Khare & Co, Chartered Accountants, Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment.

The Company has received confirmation from KR Khare & Co, Chartered Accountants, to the effect that their appointment, if made, would be within the prescribed limits under section 224(1B) of the Companies Act, 1956 and that they are not disqualified from such appointment in terms of section 226 of the Companies Act, 1956.

AUDITORS' REPORT

The Auditors have invited reference to a) note no 22.1 regarding recognition of group gratuity liability on the basis of gratuity report provided by LIC of India and not on the basis of actuarial valuation report as required by Accounting Standard 15, the effect of which cannot be ascertained. b) note no 33 regarding reliance being placed on legal opinion obtained by the Company that the bank guarantee of ₹ 75,050,000 wrongfully encashed by Prasar Bharati in the year ended March 31, 2001 in respect of marketing of Olympic Games 2000 is fully recoverable and consequent non-provision of any amount there against and c) note no 41 in respect of loans and advances aggregating to ₹ 46,753,181 where Company has initiated recovery proceedings. The management considers the same as good and fully recoverable. The legal opinion obtained by the Company supports this and consequently no provision of any amount is made thereagainst at this stage.

Your Directors confirm that the gratuity liability is fully covered by LIC Group Gratuity Policy. The Company is in the process of obtaining actuarial valuation report for the group gratuity liability as required by Accounting Standard 15.

Your Directors further confirm that the references invited by the Auditors in their report vide (vi) (b) and (c) have been clarified in note no 33 and note no 41 of Notes to the accounts forming parts of Balance Sheet and Statement of Profit and Loss, which are self explanatory and reproduced below. Your Directors concur with the non-provisioning of any amount thereagainst.

Note 33 - Arbitration proceedings initiated by the Company against Prasar Bharati on account of wrongful encashment of bank guarantees of ₹ 75,050,000 were ongoing before former Chief Justice YV Chandrachud. The parties completed the pleadings before the Arbitrator but unfortunately he passed away in July 2008 while the cross examinations were on. The Company had filed a petition before the Hon. High Court at Bombay for appointment of a sole Arbitrator in place and stead of Justice Chandrachud in January 2009. The Bombay High Court appointed Justice BN Srikrishna, former Judge of Hon. Supreme Court of India as Sole Arbitrator vide order dated November 27, 2009 and the arbitration proceedings are ongoing. Opinion obtained by the Company from Justice AM Ahmadi, former Chief Justice of the Supreme Court of India, supports Company's stand that the amount is fully recoverable. In view of this, the management of the Company does not consider it necessary to make a provision there against in the accounts. The Company is showing amount withheld by Prasar Bharti as "Long Term Loans and Advances" and

Note 41 - Loans and advances of ₹ 46,753,181 includes: i) ₹ 15,000,000 advanced against the Music, Asian and Indian Satellite rights of a film where the Company has lien over the exploitation of the said rights and ii) ₹ 31,753,181 being balance amount advanced towards joint production of a film where the Company has joint re-exploitation rights. The Company has initiated recovery proceedings in respect of the aforesaid advances and i) The Company has filed a Summary Suit with the Hon. High Court at Bombay which is pending hearing and disposal and ii) The Company has initiated arbitration proceedings which are ongoing before Justice Smt KK Baam (Retired). The management considers the same are good and fully recoverable. Legal opinion obtained by the Company from SF Rego, Judge (Retired), City Civil and Sessions Court, Mumbai, supports this and consequently no provision has been made in the accounts at this stage.

COST ACCOUNTING RECORDS

The Company has maintained cost accounting records pursuant to the Companies (Cost Accounting Records) Rules, 2011, prescribed by the Central Government under section 209(1)(d) of the Companies Act, 1956. The compliance report in respect thereof, as specified by the Central Government shall be filed within the time prescribed under the abovesaid rules.

MANAGEMENT DISCUSSION AND ANALYSIS

A detailed report on Management Discussion and Analysis is enclosed as an annexure to this report.

CORPORATE GOVERNANCE VOLUNTARY GUIDELINES

Your Directors have taken note of the Corporate Governance Voluntary Guidelines 2009 issued by the Ministry of Corporate Affairs (MCA) in December 2009. The Company is committed to maintaining the highest standards of Corporate Governance and is compliant with all the mandatory standards. The Board would consider adopting the relevant provisions of the said voluntary guidelines at appropriate time.

PERSONNEL

There were no employees drawing remuneration exceeding the limit prescribed under section 217(2A) of the Companies Act, 1956. Therefore, the details as required by the provisions of the aforesaid section of the Companies Act, 1956 read with the Companies (Particulars of Employees) (Amendment) Rules, 2011 are not applicable.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions of section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the annexure forming part of this report.

BRAND PNC

Brand Finance, the UK-based brand valuation experts, last valued the Pritish Nandy Communications brand at ₹ 265.30 crore in January 2007. The Brand Council, an independent authority on branding, named Pritish Nandy Communications as the first Superbrand among motion picture companies putting it within the top 10 per cent of all brands across all segments and all categories. Brand PNC's score was arrived at by tabulating consumer responses which were then scrutinized by members of The Brand Council which selects Superbrands in India.

ACKNOWLEDGMENT

The Board thanks all stakeholders in the Company, clients, business associates, bankers and financial institutions for their continued support during the year. It wishes to record its appreciation of all the efforts put in by the staff and associates of the Company.

For and on behalf of the Board of Directors

Pallab Bhattacharya
Wholetime Director and CEO

Vishnu Kanhere
Director

Mumbai, May 29, 2012

ANNEXURE TO DIRECTORS' REPORT

ADDITIONAL INFORMATION GIVEN AS REQUIRED UNDER 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

FOREIGN EXCHANGE EARNINGS AND OUTGO

		March 31, 2012	March 31, 2011
1.	Total foreign exchange earned	Nil	Nil
2.	Total foreign exchange used		
	a. On import of raw material and capital goods	Nil	Nil
	b. Expenditure in foreign currencies on travel, participation fees, subscription, etc	₹ 101,500 (US$ 2,000)	₹ 313,821 (US$ 6,811.90)
		₹ 211,840 (GBP 2,800)	Nil
		₹ 657,262 (Euro 9,620)	Nil
		Nil	₹ 20,284 (Thailand Baht 14,029)
	c. Dividend remitted in foreign currencies	Nil	Nil

ENERGY CONSERVATION, RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

Considering the nature of the business of this Company, the particulars required under this clause are not applicable.

STATEMENT PURSUANT TO APPROVAL UNDER SECTION 212 (8) OF THE COMPANIES ACT, 1956, RELATING TO SUBSIDIARIES

	Name of Subsidiary	PNC Wellness Ltd	PNC Productions Ltd
	Financial year ended on	March 31, 2012 (₹)	March 31, 2012 (₹)
1.	Capital	6,600,000	5,000,000
2.	Reserves	10,985,944	1,430,442
3.	Total assets	39,002,178	64,574,848
4.	Total liabilities	39,002,178	64,574,848
5.	Details of investments	Nil	Nil
6.	Turnover (including other income)	18,447,274	247,378
7.	Profit/ (loss) before taxation	(3,762,999)	163,274
8.	Provision for taxation	(1,167,822)	55,000
9.	Profit/ (loss) after taxation	(2,595,177)	108,274
10.	Proposed/ interim dividend	Nil	Nil

STATEMENT UNDER SECTION 212 RELATING TO THE SUBSIDIARIES NAMED BELOW

1.	Name of subsidiary	PNC Wellness Ltd	PNC Productions Ltd
2.	The financial year of the company ended/ ending on	March 31, 2012	March 31, 2012
3.	Date from which it became a subsidiary	April 27, 2006	October 17, 1996
4.	Shares of the subsidiary company held by Pritish Nandy Communications Ltd on the above date		
	a. Number of equity shares	660,000	496,850
	b. Extent of holding in equity shares	100 %	99.37%
	c. Face value of share	₹ 10	₹ 10
5.	The net aggregate amount of the subsidiary's profit/ (losses) not dealt with in holding Company's accounts		
	a. Current year	₹ (2,595,177)	₹ 108,274
	b. Previous year	₹ (1,098,466)	₹ 42,228
6.	The net aggregate amount of the subsidiary's profit/ (losses) dealt with in holding Company's accounts		
	a. Current year	Nil	Nil
	b. Previous year	Nil	Nil

For and on behalf of the Board of Directors

Pallab Bhattacharya
Wholetime Director and CEO

Vishnu Kanhere
Director

Mumbai, May 29, 2012