

13TH ANNUAL REPORT 2003- 2004

HITECH
ENTERTAINMENT
LIMITED



CONTENTS

Board of Directors	2
Notice	3
Annexure to the Notice	4
Director's Report	5
Report on Corporate Governance	7
Management Discussion & Analysis Report	12
Auditor's Report	14
Balance Sheet.....	16
Profit & Loss	17
Schedules	18
Cash Flow Statement.....	25

Hitech Entertainment Limited

BOARD OF DIRECTORS

Mr. Kirit R. Kanakiya

Mr. Amit C. Hakani

Mr. Sanjay N. Adhyaru

Mr. Vijay P. Chauhan

Mr. Dilip R. Kanakiya

REGISTERED OFFICE

Hilton Center, Unit No.23 & 24,
1st Floor, Plot No.66, Sector No.11,
CBD Belapur, Navi Mumbai-400 614

BANKERS

UTI Bank Limited

Punjab National Bank

Mogaveera Co-op. Bank Limited

AUDITORS

M/S Durgesh Kabra & Company
Chartered Accountants

REGISTRARS & SHARE TRANSFER AGENTS

Sharex (India) Pvt. Ltd.
17/B Dena Bank Building,
2nd floor, Homiman Circle,
Fort, Mumbai-400 001.

NOTICE

Notice is hereby given that the Thirteenth Annual General Meeting of the Members of Hitech Entertainment Limited will be held on Monday, the 20th day of September 2004 at 11.30 A.M. at BSEL Tech Park, Plot No. 39/5 & 39/5A, Sector 30A, Vashi, Navi Mumbai-400705 to transact the following business:

Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31 March 2004, the Profit & Loss Account for the year ended on that date and the reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Kirit Kanakiya who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration. M/s. Durgesh Kabra & Co., Chartered Accountants, the retiring Auditors, being eligible, offer themselves for reappointment.

Special Business:

4. **To consider and, if thought fit, to pass, with or without modification, the following resolution, as an Ordinary Resolution:**

"RESOLVED THAT subject to such consents, permissions or sanctions as may be required from any authority, statutory or otherwise, particularly from the Securities Exchange Board of India (SEBI) and pursuant to Section 61 and all other applicable provisions of the Companies Act, 1956 and Guidelines, Rules framed by SEBI in this regard, the Board of Directors of the company be and is hereby authorised to seek Voluntary Delisting of its Equity Shares listed at the **Mangalore Stock Exchange Limited** at Mangalore and for that matter to apply the Mangalore Stock Exchange, and/ or other concerned authority(ies) for Voluntary Delisting of the Equity Shares from the said Stock Exchange.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to settle all questions, difficulties or doubts as may arise, with regard to the Voluntary Delisting of Shares, as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT, the Board of Directors be and is hereby authorised to take all necessary steps in this regard in order to comply with the legal and procedural formalities and further to authorise any of the Committee or Director(s) or officers of the Company to do all such acts, deeds or things, as may be necessary, to give effect to this resolution."

5. **To consider and, if thought fit, to pass, with or without modification, the following resolution, as an Ordinary Resolution:**

"RESOLVED THAT Mr. Shrirang R. Dhawale, in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Ms. Pooja Tyagi, in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Non-executive Director of the Company liable to retire by rotation."

7. **To consider and, if thought fit, to pass, with or without modification, the following resolution, as an Ordinary Resolution:**

"RESOLVED THAT Mr. Suresh Jain, in respect of whom the Company has received a notice in writing under Section 257 of the Companies Act, 1956 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Non-executive Director of the Company liable to retire by rotation."

Hitech Entertainment Limited

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, to be effective, should be deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting.

2. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 relating to the Special Business to be transacted at the meeting, is given below and forms part of the Notice.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 15 September, 2004 to Monday, 20 September 2004 (both days inclusive) in connection with the Annual General Meeting.
4. The Members are requested to forward all applications for transfer and all other shares related correspondence, including intimation for change of address, if any, to the Registrars and Share Transfer Agent of the Company at the following address:

Sharex (India) Private Limited

(Unit: Hitech Entertainment Limited)

17-B, Dena Bank Building, 2nd Floor, Horniman Circle, Fort, Mumbai- 400 001

Tel: (022) 22702485, Fax: (022) 22641349

Contact Person: Mr. T. Sashikumar

By Order of the Board.
For Hitech Entertainment Limited

Place: Navi Mumbai

Date: 31.07.2004

Sd/-

Niranjan Jain
Company Secretary

Registered office:

Hilton Center, Plot No.66,
Sector No.11, CBD Belapur,
Navi Mumbai-400 614.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956

The following Explanatory Statements set out all the material facts relating to the business mentioned in the accompanying notice dated 31 July 2004

Item No. 4:

The members are aware that the Equity Shares of the Company are listed with the Stock Exchanges at Mangalore and Mumbai. (Stock Exchange Mumbai being the stock Exchange having nation wide trading terminals.) It is proposed that the Company shall seek voluntary Delisting of its Equity Shares from Mangalore Stock Exchange and continue to be listed on the Stock Exchange, Mumbai, on account of the following reasons:

1. There is no/negligible trading of the Equity Shares of the Company at the said Stock Exchange.
2. There is negligible number of shareholders in whole of the region.
3. The Voluntary Delisting will reduce the paper work and multiple-exchange compliances, as it will not be required to deal with these stock Exchange after delisting.

Further at the time of the Public Issue of the Company in terms of the prospectus it was tended to provide easy liquidity to the prospective investors. However, there is no/negligible trading at Mangalore Stock Exchange and number of Shareholders is negligible from the region falling under the jurisdiction of the Stock Exchange at Mangalore. Moreover, within the advent of electronic transactions, an investor can buy/sell his securities in any of the exchanges in the country without any problem. Hence it is desirable to delist shares from Mangalore Stock Exchange.

The Board of Directors has decided to seek Voluntary Delisting of the Equity Shares of the Company listed at the said Stock Exchange. The Board therefore, proposes the resolution as set out in item No. 5 of this Notice for the approval as a Special Resolution read with the provisions of the Section 61 and other applicable provision of the Companies act, 1956 and pursuant to the guidelines issued /Rules framed by SEBI in this regard.

The Directors commend the resolution for acceptance.

Item No. 5:

The Company has received notice in writing from some of the Members of the Company proposing appointment of Mr. Shrirang R. Dhawale as non-executive Director under the provisions of Section 257 of the Companies Act, 1956 along with requisite deposit.

Mr. Shrirang Dhawale (popularly known as Vivek) is the National Marathi Award Winner, Film Actor. He has worked in various Marathi and Hindi movies and also involved with stage dramas. Now he is actively involved in the Hindi Film Industry as a Story Writer and the Director.

Item No. 6:

The Company has received notice in writing from some of members of the Company proposing appointment of Ms. Pooja Tyagi as a Director under the provisions of Section 257 of Companies Act, 1956, along with requisite deposit.

Ms. Pooja Tyagi is a master of commerce with a post graduate qualification also in MDBA. She has a varied experience of more than two years in the field of marketing, project & strategic management. The Board of Directors judge that her varied experience would certainly strengthen and broad base the Board and growth of the company and recommends this resolution for your approval.

Hitech Entertainment Limited

Item No. 7:

The Company has received notice in writing from some of the members of the company proposing appointment of Mr. Suresh Jain as a Non-Executive Director under the provisions of section 257 of the Companies Act, 1956 along with the requisite deposit.

Mr. Suresh Jain is a commerce graduate with C.A. (inter) having a vast experience of 16 years into the real estate development and construction industry. Since past two years Mr. Suresh Jain is actively involved in the production of the Hindi movies under the roof of Vasudha Arts. The Board considers that his vast and varied experience would certainly strengthen the Board of the Company for its future ambitious projects & ventures.

The Board commends the resolution for your adoption.

By Order of the Board.
For Hitech Entertainment Limited

Sd/-
Niranjan Jain
Company Secretary

Place: Navi Mumbai

Date: 31.07.2004

Registered office:

Hilton Center, Plot No.66,
Sector No.11, CBD Belapur,
Navi Mumbai-400 614.

Report  junction.com

Annual Report 2003-2004**DIRECTORS REPORT**

To the Members,

Your Directors have pleasure in presenting the Thirteenth Annual Report on the business and operations of the Company together with the Audited Statements of Accounts for the year ended March 31, 2004.

1. FINANCIAL RESULTS

Particulars	Year Ended	(All Rs. In Lacs)
	31 March 2004	Year Ended 31 March 2003
Profit before Depreciation and Extra-ordinary Items	1.66	(5.27)
Less: Depreciation	(4.95)	5.36
Less: Extra-ordinary items	9.87	(0.05)
Profit Before Tax	6.58	(10.58)
Less: Provision for Taxation	1.50	0.00
Profit After Tax	5.08	(10.58)

2. COMPANY'S BUSINESS GROWTH AND PROSPECTS

The year under review was better in terms of the profitability and the operations for the company. Along with the overall growth of the Indian economy, your company has also ventured into the business activity. Further, continuing the pace, your management is in the process of negotiations for some fruitful projects for the company in near future. Now with the favorable economic conditions, your company is confident of making higher returns from the financial year 2004-05 onwards.

3. DIVIDEND

The Directors regret their inability to recommend payment of any dividend for the year ended 31st March 2004 with the intention of plowing back the funds into the business to reap higher returns.

4. DEPOSITS

The Company did not accept any deposits from the public and the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

5. PERSONNEL

None of the employees of the Company come under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975.

6. DIRECTORS

Pursuant to Article 149 and 150 of the Articles of Association of the Company, Mr. Kirit Kanakiya is to retire by rotation at the Thirteenth Annual General Meeting and is eligible for re-appointment.

Further, the company has received notices in writing under section 257 of the Companies Act, 1956 alongwith requisite deposit proposing the appointment of Mr. Shirrang Dhawale, Ms. Pooja Tyagi and Mr. Suresh Jain. Your Directors recommend their reappointment as non-executive Directors vide Resolution No. 5, 6 & 7 respectively, of the notice of the Thirteenth Annual General Meeting.

A brief profile of Mr. Shirrang Dhawale, Ms. Pooja Tyagi and Mr. Suresh Jain is provided under the explanatory statement pursuant to section 173(2) of the Companies Act 1956.

7. AUDITORS

M/s. Durgesh Kabra & Co., Chartered Accountants retire at the conclusion of the Annual General Meeting. They have indicated their willingness to continue as Auditors if re-appointed. The Company has received a certificate from them to the effect that their appointment, if made, will be within the prescribed limits under section 224(1B) of the Companies Act, 1956. Members are requested to appoint Auditors and fix their remuneration.

8. DEPOSITORY SYSTEMS

Your Company continues with an arrangement with National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) for dematerialization of your Company's Securities in accordance with the provisions of the Depositories Act 1995, which are now fully operational and members may avail of such facilities. With this, the Members have the option /discretion to hold their Demat shares in the Company through the National Securities Depository Limited or the Central Depository Services (India) Limited.

Hitech Entertainment Limited

9. CORPORATE GOVERNANCE

The Company has complied with all the recommendations of the Corporate Governance Code as provided in Clause 49 of the Listing Agreement. A Report on Corporate Governance is given as Annexure to this Report.

A Management Discussion & Analysis Report also accompanies this Report of the Directors.

10. LISTING OF SECURITIES

The Equity shares of the Company are listed at the Stock Exchange, Mumbai and the Stock Exchange Mangalore. The company has duly paid the annual listing fees for the year 2004-2005 to both the Exchanges.

Further, the company intends to get voluntarily delisted from the Stock Exchange, Mangalore as there is no/negligible trading of the Equity shares of the company at the said stock Exchange.

The voluntary delisting will reduce the paper work and multiple-exchange compliances and cost. As the shares of the company will continue to be listed on the Stock Exchange, Mumbai, which is the stock exchange having nation wide terminal, an investor can buy/sell his securities without any problem.

Therefore, your directors put the resolution for voluntary delisting from the stock Exchange, Mangalore as set out in the notice for the approval of the shareholders.

11. DIRECTORS RESPONSIBILITY STATEMENT

As required under Section 217 (2AA) of the Companies Act, 1956, your Directors' confirm that:-

- (i) In the preparation of the annual accounts for the financial year ended 31 March 2004, the applicable accounting standards have been followed.
- (ii) The Directors had 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 as on 31st March 2004 and of the profit or loss of the Company for the year ended 31st March, 2004.
- (iii) The Directors 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.
- (iv) The Directors have prepared the annual accounts for the year under review on a going concern basis.

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

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.

a) CONSERVATION OF ENERGY:

As the company is in to entertainment industry, company's operations involve low energy consumption. However efforts are being made to conserve the energy and optimize the use of energy in the regular operations.

b) TECHNOLOGY ABSORPTION:

No technology has been developed, as the company is yet to set-up its R & D facility. No Technology has also been imported by way of foreign collaboration.

c) FOREIGN EXCHANGE EARNINGS AND OUTGO:

During the year the Company has not incurred any expenditure in foreign currency neither the Company has earned any foreign exchange income.

12. ACKNOWLEDGMENTS

Your Directors wish to place on record its appreciation for the wholehearted and sincere co-operation and able guidance and support, the company received from all concerned including, Banks, Stock Exchange Authorities, SEBI, Government and Semi- Government Bodies of the Central and State Government.

Your directors also wish to place on record their appreciation for the good efforts put in by the employees of the Company and for the unstinted support extended by the shareholders.

For & on behalf of the Board

Sd/-

Kirit R. Kanakiya
Director

Place : Navi Mumbai
Date : 31.07.2004

CORPORATE GOVERNANCE REPORT:**1. Company's Philosophy on Code of Corporate Governance:**

The Company continues to be committed to good Corporate Governance. Your Company believes high standard of Corporate Governance in its pursuit of achieving long term Corporate Goals and Objectives and respects the rights of its shareholders to information on the functioning of the Company. The Compliance Report is prepared and given below in conformity with the mandatory requirements of The Listing Agreement with the Stock Exchanges.

2. Board of Directors:

The Composition of the Board of Directors and the number of other Directorships and committee memberships in Public Companies is as follows:

Name of Director	Category of Directorship	No. of outside Directorship in Public Limited Companies	No. of other Committee Memberships
1. Kirit R. Kanakiya	Non-executive Director	02	01
2. Dilip R. Kanakiya	Non-executive Director	03	03
3. Sanjay Adhyaru	Non-executive/Independent	---	Nil
4. Vijay P. Chauhan	Non-executive/Independent	01	03
5. Amit C. Hakani	Non-executive/Independent	01	03

- Five Board Meetings were held during the year. The dates of the Board Meetings were held are as follows: 25th April, 2003; 20th May, 2003; 27 July 2003; 27 October 2003; and 20 January 2004
- The Attendance of the Directors at Board Meetings and at the last Annual General Meeting is given below:

Name of the Director	No. of Board Meetings Attended					Last AGM Attended
	25Apr	20May	27July	27Oct	20Jan	
1. Kirit R. Kanakiya	✓	✓	✓	✓	✓	Yes
2. Sanjay Adhyaru	×	✓	✓	✓	×	Yes
3. Vijay P. Chauhan	✓	✓	×	✓	×	Yes
4. Dilip R. Kanakiya	✓	✓	✓	×	✓	Yes
5. Amit C. Hakani	×	×	×	✓	✓	No

There has not been any materially relevant pecuniary relationship or transaction between the Company and its non-executive/independent directors.

3. Committees of the Board:**A) Audit Committee:**

The Audit Committee constituted in the previous year, has currently the following three non-executive directors as members and the Chairman is non-executive independent director:

Sl. No.	Members of the Audit Committee	Designation
1.	Sanjay N. Adhyaru	Chairman
2.	Kirit R. Kanakiya	Member
3.	Amit Hakani	Member

The Head of Finance and Accounting, the Statutory Auditor and other functional managers were invitees to the Audit Committee Meetings. The Committee discharged such functions and duties generally indicated in Clause 49 of the Listing Agreement with the Stock Exchanges and such other functions as may be specifically delegated to the Committee by the Board from time to time.

The meetings of the Audit committee were held as on 12th May, 2003; 19th July, 2003; 20th October 2003 during the fiscal year 2003-2004 where all the members of the committee were present.