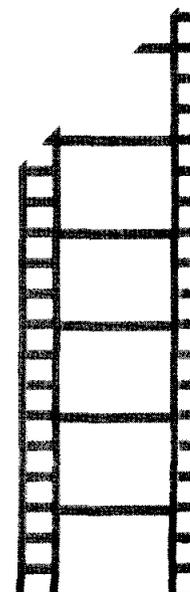




**ANNUAL REPORT  
2000-2001**

**Annual Report 2000-2001**

<b>Contents</b>	<b>Pages</b>
Directors' Report .....	03-05
Corporate Governance .....	06-10
Management Discussion and Analysis .....	11-12
Shareholder Information .....	13-16
Auditors' Report .....	17-19
Balance Sheet .....	20
Profit and Loss Account.....	21
Schedules '1' to '12' .....	22-26
Schedule '13' Significant Accounting Policies .....	27-28
Notes to Accounts.....	29-30
Cash Flow Statement .....	31-32
Statement Pursuant to Section 212 .....	33
Balance Sheet Abstract and Company's General Business Profile .....	34
<b>Subsidiary Companies</b>	
Cinevista Global Private Limited.....	36-38
Heritage Entertainment Private Limited .....	39-41
Cinevista Studios Private Limited .....	42-47
Cinevista Eagle Plus Media Private Limited .....	48-52



## Cinevista Communications Limited

---

**Board of Directors** : Prem Krishen Malhotra  
 Sunil Mehta  
 Sunita Malhotra (Upto 1<sup>st</sup> July, 01)  
 Pamma Mehta (Upto 1<sup>st</sup> July, 01)  
 Gurcharan Das (Upto 27<sup>th</sup> June, 01)  
 Anil Harish  
 Talat Aziz (Appointed as Director w.e.f. 28<sup>th</sup> June, 01)  
 Niranjana Shivdasani (Appointed as Director w.e.f. 28<sup>th</sup> June, 01)  
 Sulochana Talreja (Appointed as Director w.e.f. 28<sup>th</sup> June, 01)

**Management Executives** : Prem Krishen Malhotra, Chairman  
 Sunil Mehta, Managing Director  
 Chandru Shivdasani, Director – Marketing and Sales  
 Sunil Sangra, Director – Business Development and Finance  
 C. Gurunath, Director – Administration and Production  
 Neerja Kalia, Branch Director – North India  
 K.B.Nair, Chief Accounts Officer

**Company Secretary and Compliance Officer** : Sudhir R. Singh

**Auditors** : Vimal C. Punmiya  
 Chartered Accountants  
 501, Niranjana  
 99, Marine Drive  
 Mumbai – 400 018.

**Bankers** : Central Bank of India

**Registered Office** : 8, Vinod Villa,  
 B.G. Kher Road,  
 Worli  
 Mumbai – 400 018.  
 Tel No.: 022-4931255  
 Fax No.: 022-4938597  
 Website: www.cine-vista.com

**Registrar & Share Transfer Agent** : Karvy Consultants Ltd.  
 Karvy House  
 46 Avenue 4, Street No. 1  
 Banjara Hills  
 Hyderabad – 500 034.

**Annual Report 2000-2001****DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in submitting the Fourth Annual Report of Your Company together with the Audited Accounts for the year ended 31<sup>st</sup> March, 2001.

**Financial Results**

	(Rs. in lacs)	
	<u>March 31, 2001</u>	<u>March. 31, 2000</u>
Realisation from serials	3967.02	4392.64
Other income	392.63	712.97
Total income	4359.65	5105.61
Total expenditure	5437.65	3727.27
Gross profit before interest, depreciation and taxation	(1078.00)	1378.34
Less : Interest	37.49	68.83
Profit before depreciation and taxation	(1115.49)	1309.51
Less : Depreciation	83.21	47.24
Less : Taxation	0.65	384.00
Net Profit/(Loss)	(1199.35)	878.27
Provision of income tax of earlier years w/off	(2.12)	NIL
Profit b/f from previous year	957.85	454.58
Less: Bonus shares issued during the year	NIL	375.00
Profit/(Loss) c/f to the Balance Sheet	(243.62)	957.85

**Dividend**

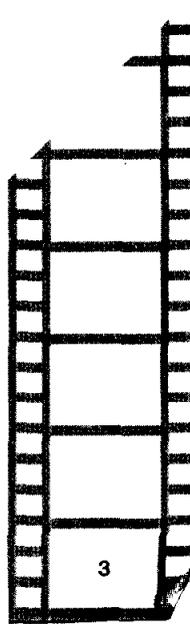
Your Directors do not propose any dividend for the year ended 31<sup>st</sup> March, 2001.

**Operations**

During the period under review, Your Company earned a total revenue of Rs. 4359.65 lacs (Rs. 5105.61 lacs) thereby registering a drop of around 15%. Due to the uneconomical rate structures on Doordarshan (DD) coupled with the fact of rapidly eroding viewership of DD, the Company was forced to withdraw all its serials on DD, thereby registering a loss of Rs. 1199.35 lacs as compared to the net profit of Rs. 878.27 lacs during the previous year.

**Fixed Deposits**

During the year ended 31<sup>st</sup> March, 2001, Your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.



## Cinevista Communications Limited

---

### Corporate Governance

Pursuant to the recent amendments in the listing agreement with the stock exchanges in regard to clause 49 of the listing agreement, Your Company has complied with the same and to this effect, a separate report on Corporate Governance and Management Discussion and Analysis is annexed to this report.

### Directors' Responsibility Statement

The Directors' confirm the following:

- (i) that in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2001, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) that the Directors have selected such accounting policies and applied them consistently and made judgements 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 ended 31<sup>st</sup> March, 2001, and of the profit and loss of the Company for the year under review;
- (iii) that 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) that the Directors have prepared the annual accounts for the year ended 31<sup>st</sup> March, 2001, on a going concern basis.

### Subsidiaries and Joint Ventures

During the current year, two new companies namely Cinevista Studios Private Limited and Cinevista Eagle Plus Media Private Limited were incorporated. While Cinevista Studios Private Limited is incorporated to deal in the business of purchase, sale, hire, distribute, etc. production and post production facilities and equipment for production, recording, editing, etc. of feature films, etc., Cinevista Eagle Plus Media Private Limited is a joint venture between Cinevista Communications Limited and Mr. Umesh Mehra for the production of feature films, telefilms, etc.

The name of one of the subsidiaries i.e. Cinevista News International Private Limited was also changed to Heritage Entertainment Private Limited.

Since the majority of the directors of these companies are the directors of Your Company, hence they are subsidiaries of Your Company.

However, there was no operation throughout the year in respect of the other subsidiary i.e. Cinevista Global Private Limited.

### Directors

Shri Talat Aziz, Shri Niranjan Shivdasani and Smt. Sulochana Talreja have been inducted on the Board of Your Company in the capacity of an 'Additional Director'. Pursuant to Section 260 of the Companies Act, 1956, Shri Talat Aziz, Shri Niranjan Shivdasani and Smt. Sulochana Talreja shall hold office upto the date of the ensuing Annual General Meeting. Considering their vast experience in their relative fields and also various compliances to be met in accordance with the listing agreement and to enhance the

stakeholders' value, it will be in the interest of the Company to have them on the Board of Your Company. The Company has received notices from members under Section 257 of the Companies Act, 1956, proposing the candidature of Shri Talat Aziz, Shri Niranjan Shivdasani and Smt. Sulochana Talreja for appointment as Directors of the Company.

Shri Gurcharan Das resigned as Director w.e.f. 27<sup>th</sup> June, 2001. Your Directors place on record their sincere appreciation for the valuable services rendered by Shri Gurcharan Das during his tenure as non-executive Director of the Company.

### **Auditors**

Messrs Vimal Punmiya & Co., Chartered Accountants, Statutory Auditors retire at the forthcoming Annual General Meeting and are eligible for re-appointment. You are requested to re-appoint them as auditors and fix their remuneration.

### **Statutory Information**

Considering the nature of the business of the Company, the particulars required to be furnished pursuant to 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, relating to the Conservation of Energy and Technology Absorbtion are not applicable.

Foreign Exchange Earnings and Outgo are Rs. 152.31 lacs (Rs. 194.34 lacs) and Rs. 5.34 lacs (Rs. 6.18 lacs) respectively.

There are no employees in respect of which particulars are required to be disclosed under the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

### **Appreciation**

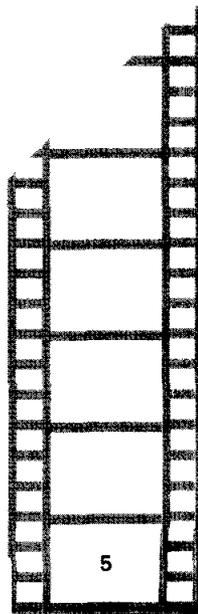
Your Directors wish to place on record their appreciation to all the employees for their diligence and contribution.

Your Directors also express their gratitude for all the assistance extended by the Bankers of the Company.

For and on behalf of the Board

Place : Mumbai.  
Date : 28<sup>th</sup> June, 2001.

Prem Krishen Malhotra  
Chairman



## Cinevista Communications Limited

### CORPORATE GOVERNANCE

Your Company is committed behind the very intention of adherence of the clause of 'Corporate Governance' so as to reflect transparency in the functioning of the day to day management of the Company. Your Directors further believe that Corporate Governance provides an opportunity to them to raise the level of participation from all the concerned Directors of the Company. Corporate Governance also serves as a medium through which added information is provided to the minority shareholders scattered over the world to enable them to take well informed decisions about their Company. With the induction of more directors on the Board of Your Company, it gives Your Board an optimum combination of executive and non-executive/independent directors with diverse background which Your Board feels will help them in enhancing the future prospects of Your Company.

#### BOARD OF DIRECTORS:

Composition, category, other directorships in the Board/Committee:

Name of the Directors	Category	Other directorships	
		Board of Directors *	Board Committee
Shri Prem Krishen Malhotra	Promoter & Executive Director	NIL	NIL
Shri Sunil Mehta	Promoter & Executive Director	NIL	NIL
Smt. Pamma Mehta	Promoter & Executive Director	NIL	NIL
Smt. Sunita Malhotra	Promoter & Executive Director	NIL	NIL
Shri Gurcharan Das **	Non-executive Director	08	NIL
Shri Anil Harish	Independent & Non-executive Director	14	07
Shri Talat Aziz ***	Non-executive Director	NIL	NIL
Shri Niranjan Shivdasani ***	Independent & Non-executive Director	NIL	NIL
Smt. Sulochana Talreja ***	Independent & Non-executive Director	NIL	NIL

\* Excluding directorships held in private limited companies.

\*\* Ceased to be a Director w.e.f. 27<sup>th</sup> June, 2001.

\*\*\* Appointed as 'Additional Director' w.e.f. 28<sup>th</sup> June, 2001.

Number of Board Meetings held during the year ended 31<sup>st</sup> March, 2001.

Sr. No.	Dates of the Board Meetings
1.	7 <sup>th</sup> June, 2000.
2.	29 <sup>th</sup> July, 2000.
3.	31 <sup>st</sup> October, 2000.
4.	31 <sup>st</sup> January, 2001.

Number of Board Meetings held during the year ended 31<sup>st</sup> March, 2001, and the attendance at each Board Meeting and the last AGM.

Name of the Directors	Attendance at the Board Meetings	Attendance at the last AGM held on 25-09-2000
Shri Prem Krishen Malhotra	03	Absent
Shri Sunil Mehta	04	Present
Smt. Pamma Mehta	04	Absent
Smt. Sunita Malhotra	04	Present
Shri Gurcharan Das *	NIL	Absent
Shri Anil Harish	03	Absent
Shri Talat Aziz **	N.A.	N.A.
Shri Niranjn Shivdasani **	N.A.	N.A.
Smt. Sulochana Talreja **	N.A.	N.A.

\* Ceased to be a Director w.e.f. 27<sup>th</sup> June, 2001.

\*\* Appointed as 'Additional Director' w.e.f. 28<sup>th</sup> June, 2001.

#### AUDIT COMMITTEE:

The role of Audit Committee shall be as prescribed under clause 49 of the listing agreement.

Composition of the Audit Committee:

Sr. No.	Name of the Directors	Category
1.	Shri Niranjn Shivdasani	Chairman, Independent and Non-executive Director
2.	Smt. Sulochana Talreja	Member, Independent and Non-executive Director
3.	Shri Talat Aziz	Member, Non-executive Director
4.	Shri Sudhir R Singh	Secretary

Since the Audit Committee was constituted in the Board Meeting held on 28<sup>th</sup> June, 2001, so far no meeting has been held.

#### REMUNERATION COMMITTEE:

The role of Remuneration Committee shall be as prescribed under clause 49 of the listing agreement.

Composition of the Remuneration Committee:

Sr. No.	Name of the Directors	Category
1.	Smt. Sulochana Talreja	Chairman, Independent and Non-executive Director
2.	Shri Talat Aziz	Member, Non-executive Director
3.	Shri Sunil Mehta	Member, Promoter and Executive Director
4.	Shri Sudhir R Singh	Secretary

## Cinevista Communications Limited

Since the Remuneration Committee was constituted in the Board Meeting held on 28<sup>th</sup> June, 2001, the Committee is yet to meet to consider and decide on the remuneration policy of its non-executive directors.

### SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE:

The Shareholders' Committee of Directors constituted by the Board of Directors at its meeting held on 28<sup>th</sup> June, 2001, consists each of independent non-executive director, non-executive director and executive director. The Committee shall ensure the redressal of the complaints received from shareholders/investors with regard to the share transfer, transmission, issue of duplicate share certificate, etc. Considering the nature of the complaints, including pending if any, the Committee shall meet as and when necessary.

Composition of the Shareholders' Committee:

Sr. No.	Name of the Directors	Category
1.	Smt. Sulochana Talreja	Chairman, Independent and Non-executive Director
2.	Shri Talat Aziz	Member, Non-executive Director
3.	Shri Prem Krishen Malhotra	Member, Promoter and Executive Director
4.	Shri Sudhir R Singh	Secretary and Compliance Officer

Since the Shareholders' Committee was constituted in the Board Meeting held on 28<sup>th</sup> June, 2001, so far no meeting has been held.

### GENERAL BODY MEETINGS:

The details of the location and time of the last three Annual General Meetings:

Year	Location	Date	Time
31 <sup>st</sup> March, 2000	Shri Bhaidas Maganlal Sabhagriha U-1, Juhu Development Scheme Vile Parle (W) Mumbai - 400 056.	25-09-2000	11.00 A.M.
31 <sup>st</sup> March, 1999	8, Vinod Villa, B.G. Kher Road, Worli, Mumbai - 400 018.	30-09-1999	11.00 A.M.
31 <sup>st</sup> March, 1998	8, Vinod Villa, B.G. Kher Road, Worli, Mumbai - 400 018.	30-09-1998	11.00 A.M.

### APPOINTMENT/RE-APPOINTMENT OF DIRECTORS:

Brief resume of the Directors and their expertise in specific functional areas:

Shri Sunil Mehta, aged 46 years is a Commerce Graduate from the University of Mumbai. He started his career in the film distribution sector and was involved in the distribution of films before turning to scripting commercials and thereafter, television serials. He oversees the creative side of the business of the Company besides monitoring the activities of different departments viz. Production, Marketing, Broadcaster Relationships, Finance and Administration. He is associated with the Company since its inception and is responsible for the growth of the Company. Currently he acts as a 'Managing Director' of the Company.

## Annual Report 2000-2001

Shri Prem Krishen Malhotra, aged 47 years started his career as an 'Assistant Director' with prominent names in the film industry. Thereafter he commenced his career as an 'Actor' and has also acted in over 40 films. Presently he is involved in all elements of the pre-production, production and post-production activities for the Company's programmes. Due to his association with the film industry over the period of years, it helps in building and retaining relationships with Artistes, Directors and Writers. He is associated with the Company since its inception and is responsible for the growth of the Company. Currently he acts as a 'Chairman' of the Company.

Talat Aziz, aged 44 years celebrates two decades of musical success. Talat Aziz hails from a illustrious family who were great patrons of fine arts. He took his initial training from *Kirana Gharana* formed by Abdul Karim Khan Saheb. He was primarily trained by Ustad Sanad Khan and later by Ustad Fayaz Ahmed who were great musicians of repute. He has composed music for ghazals for T.V. serials to name a few such as '*Noorjahan*', '*Deewar*', '*Adhikaar*', '*Ghutan*'. Amongst the ghazal singers, he is a trend setter having produced the first ghazal musical video namely '*Tasavvur*'. He has also been associated with world famous tabla player like Ustad Abdul Sattar and Ustad Sultan Khan. He has also acted in various serials, with '*Sahil*', produced by Cinevista Communications Limited being the first.

Smt. Sulochana Talreja, aged 44 years is an Art Graduate from the University of Mumbai and has over the years developed a great insight into the development and execution of innovative promotional mechanisms for brands across the country, which she practices as a Consultant.

Shri Niranjan Shivdasani, aged 66 years is a Commerce Graduate from the University of Mumbai. He has over 35 years of experience in various aspects of the print and electronic media industry in India and the Middle East including financial control, marketing and administration. Presently he acts as a 'Consultant' in various matters of financial and marketing requirements of the companies.

The details of the above directors regarding their directorships and the membership of Committees of the Board are given below:

Name of the Director	Directorships	Memberships of Committees
Shri Sunil Mehta	Cinevista Communications Ltd. Cinevista Global Pvt. Ltd. Heritage Entertainment Pvt. Ltd. Cinevista Studios Pvt. Ltd. Cinevista Eagle Plus Media Pvt. Ltd.	Remuneration Committee Share Transfer Committee — — —
Shri Prem Krishen Malhotra	Cinevista Communications Ltd. Cinevista Global Pvt. Ltd. Heritage Entertainment Pvt. Ltd. Cinevista Studios Pvt. Ltd. Cinevista Eagle Plus Media Pvt. Ltd.	Shareholders/Investors Grievance Committee Share Transfer Committee — — —
Shri Talat Aziz	Cinevista Communications Ltd.	Audit Committee Remuneration Committee Shareholders/ Investors Grievance Committee
Smt. Sulochana Talreja	Cinevista Communications Ltd.	Audit Committee Remuneration Committee Shareholders/ Investors Grievance Committee Share Transfer Committee
Shri Niranjan Shivdasani	Cinevista Communications Ltd.	Audit Committee