



8th Annual Report
2004-2005

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Cinevista Eagle Plus Media Private Limited	45-49	Sudhir R. Singh
Video Vista Inc.	50	Auditors
		Vimal C. Punmiya
		Chartered Accountants
		501, Niranjan
		99, Marine Drive
		Mumbai – 400 002.
		Bankers
		Central Bank of India
		Registered Office
		8, Vinod Villa,
		B.G. Kher Road,
		Worli
		Mumbai – 400 018.
		Tel No.: 022-24931255
		Fax No.: 022-24938597
		Registrar & Share Transfer Agent
		Karvy Computershare Pvt. Ltd.
		Karvy House
		46 Avenue 4, Street No. 1
		Banjara Hills
		Hyderabad – 500 034.
		Tel. No.: 040-23312454
		Fax No.: 040-23311968

NOTICE

Notice is hereby given that the Eighth Annual General Meeting of the Members of Cinevistaas Limited will be held on Monday, the 26th day of September, 2005, at 11.00 a.m. at Santokba Sanskar Sadan, Shri Vile Parle Kelavani Mandal, Vile Parle (W), Mumbai – 400 056 to transact the following business:

AS ORDINARY BUSINESS:

- 1) To receive, consider and adopt the audited Balance Sheet as at 31st March, 2005, and Profit and Loss Account for the year ended on that date, together with the Directors' Report and the Auditors' Report thereon.
- 2) To appoint a Director in place of Shri Talat Aziz, who retires by rotation and being eligible, offers himself for reappointment.
- 3) To appoint Statutory Auditors and to fix their remuneration. The retiring Auditors M/s Vimal Punmiya and Co., Chartered Accountants are eligible for reappointment.

Registered Office:

8 Vinod Villa,
B.G. Kher Road,
Worli,
Mumbai – 400 018
Place: Mumbai.

Date : 30th June, 2005.

By order of the Board
For Cinevistaas Limited

Sudhir R. Singh
Company Secretary

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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 THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. The instrument appointing a Proxy, in order to be effective, must be received at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from 20th day of September, 2005, to 26th day of September, 2005 (both days inclusive).
4. Members are requested to address all their shares / refunds related queries to the Company's Registrar and Transfer Agents viz. M/s Karvy Computershare Pvt. Ltd., Karvy House, 46 Avenue 4, Street No.1, Banjara Hills, Hyderabad – 500 034.

Registered Office:

8 Vinod Villa,
B.G. Kher Road,
Worli,
Mumbai – 400 018
Place: Mumbai.

Date : 30th June, 2005.

By order of the Board
For Cinevistaas Limited

Sudhir R. Singh
Company Secretary

Cinevistaas Limited**DIRECTORS' REPORT TO THE MEMBERS**

Your Directors have pleasure in submitting the Eighth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2005.

Financial Results

	March 31, 2005	(Rs. in lacs) March 31, 2004
Realisation	4079.72	2638.03
Other income	188.86	207.92
Total income	4268.58	2845.95
Total expenditure	3573.94	2237.79
Gross profit before interest, depreciation and taxation	694.64	608.16
Interest	225.27	67.77
Profit before depreciation and taxation	469.37	540.39
Depreciation	217.43	218.75
Provision for Taxation —		
Under provision of previous year's tax	-	(3.50)
Current tax	(20.09)	(22.91)
Deferred Tax Liability	(21.80)	(17.10)
Deferred Tax Asset w/off	(73.97)	(103.34)
Wealth Tax	(0.60)	(0.17)
Net Profit/(Loss)	135.48	174.62

Dividend

Your Directors do not propose any dividend for the year ended 31st March, 2005.

Operations

During the year, the company commenced the telecast of six new programmes viz. **Saakshi** and **Ayushman** on Sony Entertainment Television, **Saathiya** on Sahara TV, **Veer** and **Door Door Doorbeen** on Hungama TV and **Paalkhi** on Zee TV. Of these, **Paalkhi** alongwith **Crime Patrol** still continue to be on air.

The company also released its second feature film "**Garv-Pride & Honour**" in July, 2004, worldwide. The film recorded excellent openings in most of the territories and the overall response was satisfactory.

As a result of the above, your company recorded 50% growth in the revenue from Rs. 2845.95 lacs in the previous year to Rs. 4268.58 lacs during the period under review. The total expenditure however, swelled by approximately 60% to Rs. 3573.94 lacs as compared to Rs. 2237.79 lacs in the previous year. As a result of increased expenditure, the EBITDA grew marginally by 14% to Rs. 694.64 lacs (Rs. 608.16 lacs). Interest cost rose substantially by Rs. 157.50 lacs to Rs. 225.27 lacs (Rs. 67.77 lacs). Depreciation almost remained unchanged at Rs. 217.43 lacs (Rs. 218.75 lacs). Rs. 116.46 lacs were provided for taxation as against Rs. 147.02 lacs in the previous year.

After making provision for interest, depreciation and taxation, the net profit of the company fell by Rs. 39.14 lacs i.e. apprx. 22%, from Rs. 174.62 lacs in the previous year to Rs. 135.48 lacs.

Directors

As per Article 120 of the Articles of Association, Shri Talat Aziz retires by rotation in the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report and Management Discussion and Analysis are annexed as part of the Annual Report. A certificate from the Auditors of the Company regarding the compliance with Corporate Governance is attached as annexure I.

Directors' Responsibility Statement

The Directors' confirm the following:

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2005, the applicable accounting standards have been followed;
- (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 31st March, 2005, 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 31st March, 2005, on a going concern basis.

Subsidiaries and Joint Ventures

In addition to "Consolidation of Financial Statements" as required under Clause 32 of the Listing Agreement with the Stock Exchanges, the details on the performance of the Company's subsidiaries are attached as Annexure II to the Balance Sheet of your Company pursuant to Section 212(1) of the Companies Act, 1956.

Fixed Deposits

During the year ended 31st March, 2005, 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.

Auditors

M/s Vimal Punmiya & Co., Chartered Accountants, Statutory Auditors retire at the forthcoming Annual General Meeting and are eligible for reappointment. You are requested to reappoint 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 Absorption are not applicable.

Foreign Exchange Earnings and Outgo are Rs. 626.61 lacs (Rs. 49.80 lacs) and Rs. 21.33 lacs (Rs. 65.71 lacs) respectively.

The provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, is not applicable since there is no employee drawing remuneration exceeding the ceiling prescribed therein.

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 : 30th June, 2005

Prem Krishen Malhotra
Chairman

Cinevistaas Limited

CORPORATE GOVERNANCE REPORT

The Company believes and follows the practice of conducting its business operations in a fair and ethical manner and in a way as to be transparent to all the concerned. The Company has adapted itself to the changing business environment making appropriate disclosure, ensuring that the Board's decisions reflects the views of the independent and non-executive directors, etc. The Board of Directors ensures that all functional heads duly discharges their responsibility in a timely manner and all the reports, returns, etc. are filed with the relevant statutory authority as and when required. The management executives of the company present their periodical report to the Board. The company guided by the learned directors and senior management executives continuously strives to better its performance leading to the growth of the company ultimately benefiting the employees, shareholders, clients and the society at large.

Keeping in mind the above philosophy, a report on the Corporate Governance is laid out below:

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
Shri Talat Aziz	Non-executive Director	NIL	NIL
Shri Niranjana Shivdasani	Independent & Non-executive Director	NIL	NIL
Smt. Sulochana Talreja	Independent & Non-executive Director	NIL	NIL
Smt. Renu Anand	Independent & Non-executive Director	NIL	NIL

Board Meetings:

During the year ended 31st March, 2005, the Board of Directors met five times on 23rd April, 2004, 30th June, 2004, 31st July, 2004, 30th November, 2004, and 31st January, 2005.

Attendance of the Directors at the Board Meetings held during the year ended 31st March, 2005, and at the last AGM:

Name of the Directors	Attendance at the Board Meetings	Attendance at the last AGM held on 27-09-2004
Shri Prem Krishen Malhotra	4	Absent
Shri Sunil Mehta	4	Present
Shri Talat Aziz	4	Absent
Shri Niranjana Shivdasani	3	Absent
Smt. Sulochana Talreja	5	Present
Smt. Renu Anand	2	Present

AUDIT COMMITTEE:

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

Composition of Audit Committee:

Name of the Directors	Category
Shri Niranjana Shivdasani	Chairman, Independent and Non-executive Director
Smt. Sulochana Talreja	Member, Independent and Non-executive Director
Shri Talat Aziz	Member, Non-executive Director

The Company Secretary of the Company acts as Secretary to the Committee.

During the year, four (4) Audit Committee meetings were held. The following table gives the attendance of each director at the Audit Committee meetings held:

Name of the Audit Committee Members	Number of Meetings	
	Held	Attended
Shri Niranjani Shivdasani	4	4
Smt. Sulochana Talreja	4	4
Shri Talat Aziz	4	4

REMUNERATION COMMITTEE:

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

Composition of Remuneration Committee:

Name of the Directors	Category
Smt. Sulochana Talreja	Chairman, Independent and Non-executive Director
Shri Talat Aziz	Member, Non-executive Director
Shri Sunil Mehta	Member, Promoter and Executive Director

The Company Secretary of the Company acts as Secretary to the Committee.

During the year, three (3) Remuneration Committee meetings were held. The following table gives the attendance of each directors at the Remuneration Committee meetings held:

Name of the Remuneration Committee Members	Number of Meetings	
	Held	Attended
Smt. Sulochana Talreja	3	3
Shri Talat Aziz	3	3
Shri Sunil Mehta	3	3

Details of remuneration paid to all Directors:

Name of the Director	Category	Salary / Fees
Shri Prem Krishen Malhotra	Promoter & Executive Director	Rs. 7,30,098/-
Shri Sunil Mehta	Promoter & Executive Director	Rs. 5,30,848/-
Shri Talat Aziz	Non-executive Director	Rs. 7,000/-
Shri Niranjani Shivdasani	Independent & Non-executive Director	Rs. 3,500/-
Smt. Sulochana Talreja	Independent & Non-executive Director	Rs. 13,000/-
Smt. Renu Anand	Independent & Non-executive Director	Rs. 1,000/-

SHAREHOLDERS'/INVESTORS GRIEVANCE COMMITTEE:

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 Shareholders' / Investors Grievance Committee:

Name of the Directors	Category
Smt. Sulochana Talreja	Chairman, Independent and Non-executive Director
Shri Talat Aziz	Member, Non-executive Director
Shri Prem Krishen Malhotra	Member, Promoter and Executive Director

Cinevistaas Limited

The Company Secretary of the Company acts as Secretary to the Committee.

During the year, three (3) Shareholders' Investors Grievance Committee meetings were held. The following table gives the attendance of each director at the Shareholders' Investors Grievance Committee meetings held:

Name of the Shareholders Committee Members	Number of Meetings	
	Held	Attended
Smt. Sulochana Talreja	3	3
Shri Talat Aziz	3	3
Shri Prem Krishen Malhotra	3	3

GENERAL BODY MEETINGS:

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

Year	Day, Date and Time	Venue
31 st March, 2004	Monday, 27 th September, 2004 at 11.00 a.m.	Shri Bhaidas Maganlal Sabhagriha, U-1, Juhu Development Scheme, Vile Parle (W), Mumbai – 400 056.
31 st March, 2003	Friday, 26 th September, 2003 at 11.00 a.m.	
31 st March, 2002	Wednesday, 25 th September, 2002 at 11.00 a.m.	

REAPPOINTMENT OF DIRECTOR:

Shri Talat Aziz

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 '**Noorjehan**', '**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 Cinevistaas Limited being the first.

DISCLOSURES:

- Disclosures on materially significant related party transactions i.e. transactions of the company of material nature, with its promoters, the directors or the management, their subsidiaries or relatives etc. that may have potential conflict with the interests of company at large.

During the year, the Company has granted loans and advances aggregating to Rs. 17.40 lacs to its subsidiary i.e. Cinevista Studios Private Limited and Rs. 29.26 lacs was repaid during the year. The Company has derived Rs. 65.55 lacs as income from its overseas subsidiary i.e. Video Vista Inc.

Transaction with related parties are disclosed in Note No. 11 of Schedule 15 to the Accounts in the Annual Report.

- Details of non-compliance by the company, penalties, strictures imposed on the company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years.

There are no penalties/strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authority for the non-compliance of any matter related to capital markets.

MEANS OF COMMUNICATIONS:

- The Company's financial results (quarterly, half-yearly and annual) are communicated to shareholders through newspaper advertisement issued in The Free Press Journal and Navshakti

after adoption by the Board of Directors. Pursuant to Clause 41 of the Listing Agreement, the approved financial results are sent to the Stock Exchanges where the shares of the Company are listed within the prescribed time frame.

Pursuant to Clause 51 of the Listing Agreement, all data related to quarterly financial results, shareholding pattern, etc. are hosted on the Electronic Data Information Filing and Retrieval (EDIFAR) website maintained by SEBI in association with the National Informatics Centre.

- Since the Company's financial results are published in press and also hosted on SEBI's website, the same are not mailed to the shareholders.
- No formal presentations were made to the institutional investors and analysts during the year under review.
- Management Discussion and Analysis forms part of the Annual Report.

GENERAL SHAREHOLDER INFORMATION:

The details of the shareholders information forms part of the separate section of the annual report under the 'Shareholders Information'.

MANAGEMENT DISCUSSION AND ANALYSIS AND FUTURE PROSPECTS

During the period under review, your company commenced the telecast of six new television programmes viz. **Saakshi** and **Ayushman** on Sony Entertainment Television, **Saathiya** on Sahara TV, **Veer** and **Door Door Doorbein** on Hungama TV and **Paalkhi** on Zee TV. Of these, **Crime Patrol** (continuing from the previous year) and **Paalkhi** continue their extremely successful run on Sony Entertainment Television and Zee TV respectively. Sanjivani, an extremely successful medical show continued its dominance on Star Plus at prime time during its telecast. There is a further impressive pipeline of programmes that your company has developed. These include programmes for the main stream mass entertainment Hindi channels viz. Star Plus, Sony Entertainment Television, Sahara One and Zee TV. Apart from these, your company is also focusing its efforts on some niche but extremely lucrative business opportunities presented by the mushrooming children's channels as also the increasing demand for non-fiction programming. These efforts are expected to show results in the current financial year with a slew of programmes across multiple genres and channels expected to commence telecast.

Your company's second feature film "**Garv – Pride & Honour**", was released in the year under review. The film received a remarkable opening in most territories and the overall response was satisfactory.

Your company's studio at Kanjur Marg saw further development in the year under review and in the times to come, will not only facilitate production, but will also generate additional revenues as well as further contribution to your company's bottom line.

Your company has further consolidated itself in the making of ad-commercials in the year under review and several path breaking assignments were successfully executed for client within India and overseas.

The television content segment is seeing some important changes. First of all new opportunities with new genre of channels such as children's and non-fiction, are leading to a burgeoning demand for programming across diverse genres. Second, the content producers segment of the business is seeing significant consolidation, leading to a handful of players sharing bulk poised to benefit from these two significant drivers for the structure of the television content business.

The primary driver which also constitutes the main threat and risk in the television content space is the ability to continuously create and execute successful television formats. Your company is cognizant of this and enhances its pool of creative resources on a continuing basis by bringing in new talent.

Cinevistaas Limited

Your company has also developed and implemented adequate and robust internal control systems which function effective as per the changing demands of the creativity oriented business of the company.

Financial performance and review of operational performance:

During the period under review, your company recorded 50% growth in the revenue from Rs. 2845.95 lacs in the previous year to Rs. 4268.58 lacs during the period under review. The total expenditure however, swelled by approximately 60% to Rs. 3573.94 lacs as compared to Rs. 2237.79 lacs in the previous year. As a result of increased expenditure, the EBITDA grew marginally by 14% to Rs. 694.64 lacs (Rs. 608.16 lacs). Interest cost rose substantially by Rs. 157.50 lacs to Rs. 225.27 lacs (Rs. 67.77 lacs). Depreciation almost remained unchanged at Rs. 217.43 lacs (Rs. 218.75 lacs). Rs. 116.46 lacs were provided for taxation as against Rs. 147.02 lacs in the previous year.

After making provision for interest, depreciation and taxation, the net profit of the company fell by Rs. 39.14 lacs i.e. apprx. 22%, from Rs. 174.62 lacs in the previous year to Rs. 135.48 lacs.

Annexure I to the Directors' Report

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the relevant records of Cinevistaas Limited for the year ended 31st March, 2005, relating to compliance with the requirements of Corporate Governance as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges and state that in our opinion, and to the best of our knowledge and explanations given to us, the Company has complied with the mandatory requirements contained in the aforesaid Clause 49.

For Vimal Punmiya & Co.
Chartered Accountants

Place: Mumbai
Date : 30th June, 2005

Vimal C. Punmiya
Proprietor