



9th Annual Report 2005-2006

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Board of Directors :

Prem Krishen Malhotra
 Sunil Mehta
 Talat Aziz
 Bharati Sareen (w.e.f. 01.02.2006)
 Sulochana Talreja
 Renu Anand
 Niranjana Shivdasani (upto 08.01.2006)

Management Executives :

Prem Krishen Malhotra, Chairman
 Sunil Mehta, Vice-Chairman & Managing Director
 Chandru Shivdasani, Director – Marketing and Sales
 K.B.Nair, Chief Financial Officer
 Abraham Mathew, Chief Accounts Officer

Company Secretary and**Compliance Officer :**

Sudhir R. Singh

Auditors :

Vimal Punmiya & Co.
 Chartered Accountants
 501, Niranjana
 99, Marine Drive
 Mumbai – 400 002.

Bankers :

Central Bank of India

Registered Office:

Plot No. 1, L.B.S. Marg,
 Gandhi Nagar
 Kanjurmarg (W)
 Mumbai – 400 078.
 Tel No.: 022-25787622
 Fax No.: 022-257770446.

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 Ninth Annual General Meeting of the Members of Cinevistaas Limited will be held on Tuesday, the 26th day of September, 2006, 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, 2006, 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 Smt. Renu Anand who retires by rotation and being eligible, offers herself 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 re-appointment.

AS SPECIAL BUSINESS:

- 4) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 257 and all other applicable provisions, if any, of the Companies Act, 1956, Smt. Bharati Sareen, who was appointed by the Board of Directors as an Additional Director of the Company under Section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

- 5) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269 read with Schedule XIII, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re-appointment of Shri Sunil Mehta as Managing Director of the Company for a further period of five years with effect from 1st April, 2006, on the following terms and conditions:

Remuneration: a) Salary : Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per month in the scale of Rs. 1,50,000/- — Rs. 20,000/- — Rs.2,30,000/-.

Accelerated increments may be given by the Board of Directors from time to time at their absolute discretion.

b) Perquisites : He will not be entitled to any perquisites.

FURTHER RESOLVED THAT the total remuneration payable to the Managing Director as aforesaid shall not exceed the overall limits laid down under Sections 198 and 309 and Schedule XIII of the Companies Act, 1956, or any other statutory provision, modification and re-enactment thereof.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid tenure, the remuneration by way of salary, perquisites, etc. payable to Managing Director shall not exceed the limits prescribed under the Companies Act, 1956, and the Rules made thereunder or any statutory modification or re-enactment thereof."

Cinevistaas Limited

- 6) To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT subject to the provisions of Sections 198, 269 read with Schedule XIII, 309, 311 and other applicable provisions, if any, of the Companies Act, 1956, the Company hereby accords its approval to the re-appointment of Shri Prem Krishen Malhotra as Whole-time Director of the Company for a further period of five years with effect from 1st April, 2006, on the following terms and conditions:

Remuneration: a) Salary : Rs. 1,50,000/- (Rupees One Lakh Fifty Thousand Only) per month in the scale of Rs. 1,50,000/- — Rs. 20,000/- — Rs.2,30,000/-.

Accelerated increments may be given by the Board of Directors from time to time at their absolute discretion.

b) Perquisites : He will not be entitled to any perquisites.

FURTHER RESOLVED THAT the total remuneration payable to the Whole-time Director as aforesaid shall not exceed the overall limits laid down under Sections 198 and 309 and Schedule XIII of the Companies Act, 1956, or any other statutory provision, modification and re-enactment thereof.

FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid tenure, the remuneration by way of salary, perquisites, etc. payable to Whole-time Director shall not exceed the limits prescribed under the Companies Act, 1956 and the Rules made thereunder or any statutory modification or re-enactment thereof."

- 7) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314(1B)(a) of the Companies Act, 1956, and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Smt. Pamma Mehta, a relative of Shri Sunil Mehta, Managing Director of the Company, to hold an office or place of profit as 'Head-Creative Section' of the Company, for a period of five years with effect from 1st October, 2006, on the following terms and conditions as contained in an agreement between the Company on one part and Smt. Pamma Mehta on the other part, a copy whereof initialled by the Chairman is placed before this meeting:

Remuneration: a) Salary : Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) per month in the scale of Rs. 1,25,000/- — Rs. 20,000/- — Rs.2,05,000/-.

b) Perquisites : She will not be entitled to any perquisites."

- 8) To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 314(1B)(a) of the Companies Act, 1956, and subject to the approval of the Central Government, consent of the Company be and is hereby accorded to Smt. Sunita Malhotra, a relative of Shri Prem Krishen Malhotra, Chairman and Shri Sunil Mehta, Managing Director of the Company, to hold an office or place of profit as 'Head-Costume Designer and Development' of the Company, for a period of five years with effect from 1st October, 2006, on the following terms and conditions as contained in an agreement

between the Company on one part and Smt. Sunita Malhotra on the other part, a copy whereof initialled by the Chairman is placed before this meeting:

Remuneration: a) Salary : Rs.1,25,000/- (Rupees One Lakh Twenty Five Thousand Only) per month in the scale of Rs. 1,25,000/- — Rs. 20,000/- — Rs.2,05,000/-.

b) Perquisites : She will not be entitled to any perquisites."

By order of the Board
For Cinevistaas Limited

Place: Mumbai
Date : 30th June, 2006

Sudhir R. Singh
Company Secretary

Registered Office:

Plot No. 1, L.B.S. Marg
Gandhi Nagar
Kanjurmarg (W)
Mumbai – 400 078.

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, 2006, to 26th day of September, 2006 (both days inclusive).
4. As per Clause 49(IV)(G)(i) of the Listing Agreement entered into with the Stock Exchanges, the brief profiles of the directors appointed and re-appointed, subsequent to retiring by rotation or otherwise, are disclosed in the 'Corporate Governance Report' attached to and forming part of the Directors' Report.
5. 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.

By order of the Board
For Cinevistaas Limited

Place: Mumbai
Date : 30th June, 2006

Sudhir R. Singh
Company Secretary

Registered Office:

Plot No. 1, L.B.S. Marg
Gandhi Nagar
Kanjurmarg (W)
Mumbai – 400 078.

ANNEXURE TO THE NOTICE*Explanatory Statement as required by Section 173 of the Companies Act, 1956 ("the Act")***Item no. 4**

In terms of Section 260 of the Act, Smt. Bharati Sareen was appointed as an 'Additional Director' of the Company by the Board of Directors at their meeting held on 1st February, 2006, who will hold her office upto the date of the ensuing Annual General Meeting. The Company has received notice in writing from a Member, proposing her candidature for the office of Director of the Company under the provisions of Section 257 of the Act. It will be in the interest of the Company that Smt. Bharati Sareen continues as Director of the Company.

The Board of Directors commends the Ordinary Resolution for your approval.

Save and except for Smt. Bharati Sareen, none of the other directors of the Company is, in any way, concerned or interested in the said Resolution except as Members of the Company.

Item No. 5

Shri Sunil Mehta was re-appointed as Managing Director of the Company on 1st April, 2001, for a period of five years. The Board of Directors has re-appointed Shri Sunil Mehta as the Managing Director of the Company for a period of five years with effect from 1st April, 2006, subject to the approval of the shareholders in the general meeting. Considering his contribution made to the company over the last several years, it is in the interest of the Company to re-appoint him as Managing Director for a further period of five years.

The consent of the shareholders are required to re-appoint Shri Sunil Mehta as Managing Director for a further period of five years with effect from 1st April, 2006, on the terms and conditions as set out in the resolution. Since the appointment is made in consonance with Section 269 read with Schedule XIII to the Companies Act, 1956, approval of the Central Government is not required for the re-appointment of Shri Sunil Mehta as the Managing Director.

The Board of Directors commends the Ordinary Resolution for your approval.

None of the Directors except Shri Prem Krishen Malhotra and Shri Sunil Mehta are interested in the Resolution.

This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

Item No. 6

Shri Prem Krishen Malhotra was re-appointed as Whole-time Director of the Company on 1st April, 2001, for a period of five years. The Board of Directors has re-appointed Shri Prem Krishen Malhotra as the Whole-time Director of the Company for a period of five years with effect from 1st April, 2006, subject to the approval of the shareholders in the general meeting. Considering his contribution made to the company over the last several years, it is in the interest of the Company to re-appoint him as Whole-time Director for a further period of five years.

The consent of the shareholders are required to re-appoint Shri Prem Krishen Malhotra as Whole-time Director for a further period of five years with effect from 1st April, 2006, on the terms and conditions as set out in the resolution. Since the appointment is made in consonance with Section 269 read with Schedule XIII to the Companies Act, 1956, approval of the Central Government is not required for the re-appointment of Shri Prem Krishen Malhotra as the Whole-time Director.

The Board of Directors commends the Ordinary Resolution for your approval.

None of the Directors except Shri Sunil Mehta and Shri Prem Krishen Malhotra are interested in the Resolution.

This Explanatory Statement is and should be treated as an abstract under Section 302 of the Companies Act, 1956.

Item No. 7

Pursuant to the provisions of Section 314(1B)(a) of the Companies Act, 1956, Smt. Pamma Mehta was appointed as 'Head-Creative Section' of the Company on 1st October, 2001, for a period of five years. During her tenure, she has played an active part in creating new concepts and ideas to further augment the business of the Company. Therefore, considering her contribution, it is proposed to re-appoint Smt. Pamma Mehta, a relative of Shri Sunil Mehta, Managing Director of the Company, as 'Head-Creative Section' for a further period of five years.

Since the appointment is made pursuant to the provisions of Section 314(1B)(a) of the Companies Act, 1956, the appointment is subject to the consent of the shareholders in general meeting. Upon receipt of the approval of the shareholders, the Company will apply to the Central Government for the necessary approval.

The Board of Directors commends the Special Resolution for your approval.

None of the Directors except Shri Sunil Mehta is interested in the Resolution.

Item No. 8

Pursuant to the provisions of Section 314(1B)(a) of the Companies Act, 1956, Smt. Sunita Malhotra was appointed as 'Head-Costume Designer and Development' of the Company on 1st October, 2001, for a period of five years. During her tenure, she has played an active part in developing and creating new designs for the costumes to further augment the business of the Company. Therefore, considering her contribution, it is proposed to re-appoint Smt. Sunita Malhotra, a relative of Shri Prem Krishen Malhotra, Chairman and Shri Sunil Mehta, Managing Director of the Company, as 'Head-Costume Designer and Development' for a further period of five years.

Since the appointment is made pursuant to the provisions of Section 314(1B)(a) of the Companies Act, 1956, the appointment is subject to the consent of the shareholders in general meeting. Upon receipt of the approval of the shareholders, the Company will apply to the Central Government for the necessary approval.

The Board of Directors commends the Special Resolution for your approval.

None of the Directors except Shri Prem Krishen Malhotra and Shri Sunil Mehta are interested in the Resolution.

By order of the Board
For Cinevistaas Limited

Place: Mumbai
Date : 30th June, 2006

Sudhir R. Singh
Company Secretary

Registered Office:

Plot No. 1, L.B.S. Marg
Gandhi Nagar
Kanjurmarg (W)
Mumbai – 400 078.

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

Your Directors have pleasure in submitting the Ninth Annual Report of your Company together with the Audited Accounts for the year ended 31st March, 2006.

1. Financial Results

	March 31, 2006	(Rs. in lacs) March 31, 2005
Realisation from serials	1868.02	4079.72
Other income	344.54	188.86
Total income	2212.56	4268.58
Total expenditure	1966.48	3573.94
Gross profit before interest, depreciation and taxation	246.08	694.64
Interest	306.81	225.27
Profit before depreciation and taxation	(60.73)	469.37
Depreciation	213.86	217.43
Provision for Taxation –		
Current tax	—	(20.09)
Deferred Tax Liability	159.50	(21.80)
Deferred Tax Asset w/off	(26.63)	(73.97)
Wealth Tax	(0.41)	(0.60)
Net Profit/(Loss)	(142.13)	135.48

2. Dividend

Your Directors do not propose any dividend for the year ended 31st March, 2006.

3. Operations

The year under review saw the Company launching its new serial titled **Kohinoor** starring the late actress Kuljeet Randhawa on Sahara One in addition to **Paalkhi** and **Crime Patrol** already on air. However, **Kohinoor** could not sustain for long as it was too ahead of its time for the common mass to either comprehend or understand. Resultantly, it had to be taken off air earlier than the contracted number of episodes. **Paalkhi** ran successfully on Zee TV throughout the year and successfully ventured into the coming financial year. **Crime Patrol**, a non-fiction, reality based show ran for a marathon three years on Sony Entertainment Television (S.E.T.) before bidding good bye to its viewers. It was one of the most widely seen and appreciated show in its genre.

Pyaar Vyaar And All That saw their telecast on M.T.V. and was widely appreciated by the younger audience.

During the year, your Company also produced few ad-commercials, for the Pakistan territory as well as for its Indian Clients and it expects to do more business in this category in the coming year.

The above factors had a strong impact on the revenue stream of the Company. The Company recorded a sharp fall in the income to Rs. 2212.56 lacs (Rs. 4268.58 lacs) and the resultant

expenditure stood at Rs. 1966.48 lacs (Rs. 3573.94 lacs). Interest cost rose by 36% to Rs. 306.81 lacs and depreciation reduced marginally to Rs. 213.86 lacs. After taking into account the above and provisions/adjustments against tax i.e. Rs. 132.46 lacs, the Company recorded a loss of Rs. 142.13 lacs against a profit of Rs. 135.48 lacs during the last year.

In order to make a turnaround, the Company has several new projects in the final stages of negotiation with leading channels such as Star Plus, Star One, S.E.T., Zee and Disney, which will come on air during the financial year 2006-2007.

4. Directors

Shri Niranjan Shivdasani resigned as Director w.e.f. 9th January, 2006. Your Directors place on record their sincere appreciation for the valuable services rendered by him during his tenure with the Company.

Smt. Bharati Sareen was inducted on the Board of your Company as an 'Additional Director' w.e.f. 1st February, 2006. Pursuant to Section 260 of the Companies Act, 1956, Smt. Bharati Sareen shall hold office upto the date of ensuing Annual General Meeting. The Company has received a notice from a member under Section 257 of the Companies Act, 1956, proposing her candidature for appointment as a Director of the Company.

As per Article 120 of the Articles of Association, Smt. Renu Anand retires by rotation in the forthcoming Annual General Meeting and being eligible offers herself for reappointment.

The Board of Directors have re-appointed Shri Sunil Mehta and Shri Prem Krishen Malhotra as 'Managing Director' and 'Whole-time Director' for a period of five years w.e.f. 1st April, 2006, subject to the approval of the Members of the Company in general meeting.

During the year, Shri Sunil Sangra heading the Finance Department of the Company also resigned in his capacity as 'Director-Finance & Business Development' w.e.f. 30th November, 2005. The Company in his place promoted Shri K.B. Nair as the 'Chief Financial Officer' w.e.f. 1st December, 2005.

5. Registered office

On 5th October, 2005, the Company shifted its registered office from 8, Vinod Villa, B.G. Kher Road, Worli, Mumbai – 400 018, to its studio situated at Plot No. 1, L.B.S. Marg, Gandhi Nagar, Kanjurmarg (W), Mumbai – 400 078.

6. Corporate Governance

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges, Corporate Governance Report, Management Discussion and Analysis and Auditors' Certificate are appended as part of the Annual Report. As per the amended Clause 49(V) of the Listing Agreement, the required certification by Chief Executive Officer and Chief Financial Officer is also appended to the Annual Report.

7. Directors' Responsibility Statement

The Directors' confirm the following:

- (i) that in the preparation of the Annual Accounts for the year ended 31st March, 2006, the applicable accounting standards have been followed;

Cinevistaas Limited

- (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, 2006, and of the 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, 2006, on a going concern basis.

8. Consolidation and Subsidiaries

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 I.

9. Fixed Deposits

During the year under review, the Company did not accept any fixed deposits from the public.

10. Auditors

M/s Vimal Punmiya & Co., Chartered Accountants, Statutory Auditors, retire at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

11. 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. 303.58 lacs (Rs. 626.61 lacs) and Rs. 3.62 lacs (Rs. 21.33 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.

12. 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, 2006

Prem Krishen Malhotra
Chairman