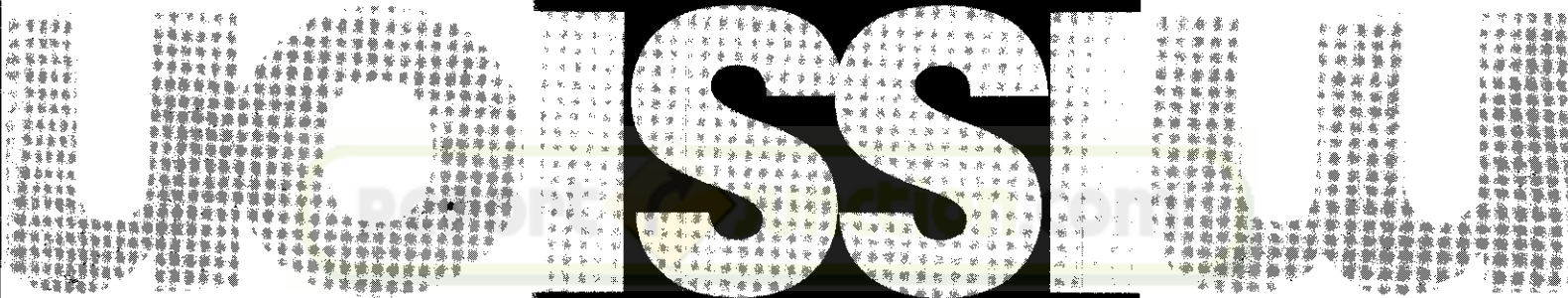


ide.a (i de a, i de'), n. 1. any conception existing in the mind as a result of mental understanding, awareness, or activity. 2. a thought, conception, or notion: That is an excellent idea. 3. an impression: He gave me a general idea of how he plans to run the department. 4. an opinion, view, or belief: His idea on raising children are certainly strange. 5. a plan of action; an intention: the idea of becoming an engineer. 6. groundless supposition; fantasy. 7. Philos. a concept developed by the mind. 8. a conception of what is desirable or ought to be; ideal. c. (cap.) Platonism. Also called **form**, an archetype or pattern of which the individual objects in any natural class are imperfect copies and from which they derive their being. 9. Kantianism. See **idea of pure reason**. 10. Music. a theme, phrase, or figure. 11. Obs. a likeness. 12. a mental image. [1400-50; < LL < Gk *idea* form, pattern, equiv. to *ide-* (s. of *idein* to see) + a fem. n. ending; r. late ME *idee* < MF < LL, as above; akin to *wit*]

Syn. 1, 2. **IDEA**, **THOUGHT**, **CONCEPTION**, **NOTION** refer to a product of mental activity. **IDEA**, although it may refer to thoughts of any degree of seriousness or triviality, is commonly used for mental concepts considered more important or elaborate: We pondered the idea of the fourth dimension. The idea of his arrival frightened me. **THOUGHT**, which reflects its primary emphasis on the mental process, may denote ones: I welcomed his thoughts on the subject. A thought came to him. **CONCEPTION** suggests a thought that seems complete, individual, recent, or somewhat intricate: The architect's conception delighted them. **NOTION** suggests a fleeting, vague, or imperfect thought: a bare notion of how to proceed. 4. sentiment, judgment.

RANDOM HOUSE WEBSTER'S DICTIONARY

TO EMERGE AS A WORLDCLASS
CORPORATE
IN NEWS AND ENTERTAINMENT,
TO STRENGTHEN THE
DISSEMINATION OF
INFORMATION AND KNOWLEDGE
AND EMPOWER PEOPLE TO
IMPROVE THE QUALITY OF THEIR
LIVES THROUGH THE LATEST
INTERACTIVE TECHNOLOGY



MISSION STATEMENT

S I X T H A N N U A L report

PRITISH NANDY COMMUNICATIONS PVT LTD

BOARD OF DIRECTORS

PRITISH NANDY, *CHAIRMAN*

SRIRAM CHANDER

ARVIND RAO

RINA PRITISH NANDY

AUDITORS

JAIDEEPSINGH P DEORE & Co

CHARTERED ACCOUNTANTS, MUMBAI

BANKERS

ANZ GRINDLAYS BANK,
BREACH CANDY BRANCH, MUMBAI 400 036

INDUSIND BANK,
D B MARG, MUMBAI 400 005

ORIENTAL BANK OF COMMERCE,
KALBADEVI, MUMBAI 400 002

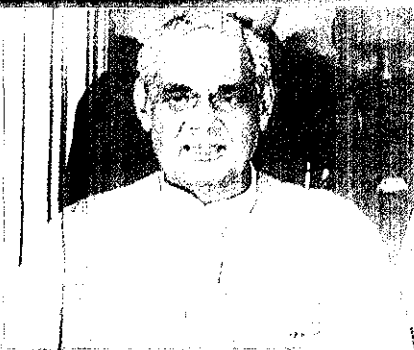
CITIBANK,
NARIMAN POINT, MUMBAI 400 021

REGISTERED OFFICE

206 CENTRE POINT
DR AMBEDKAR ROAD
PAREL
MUMBAI 400 012

CORPORATE OFFICE

GREAT WESTERN BUILDING
SHAHID BHAGAT SINGH ROAD
KALA GHODA
MUMBAI 400 023



TAKING CHARGE

A film on
Atal Behari Vajpayee,
on his becoming
Prime Minister of India
On DD National Network,
DD Metro and DD
International, primetime



SANSUI VIEWERS CHOICE MOVIE AWARDS

India's biggest interactive movie awards
in association with The Hindustan Times
Presented by Anupam Kher and Zeenat Aman
On DD National Network, DD Metro and
Sony Entertainment Television



MANEKA'S ARK

An internationally acclaimed
animal rights chatshow
Presented by Maneka Gandhi
On DD National Network,
DD Metro, weekly



EK RAJA EK RANI

Retelecast of the popular
romantic comedy
Starring Shekhar Suman,
Bhairavi Raichura
Directed by Kushan Nandy
On Zee TV, weekly





KHWAHISH

A soap opera on the fashion industry
Directed by Manu Gargi
Starring Annie Thomas
and Mini Mathur
On Sony Entertainment Television,
weekly primetime



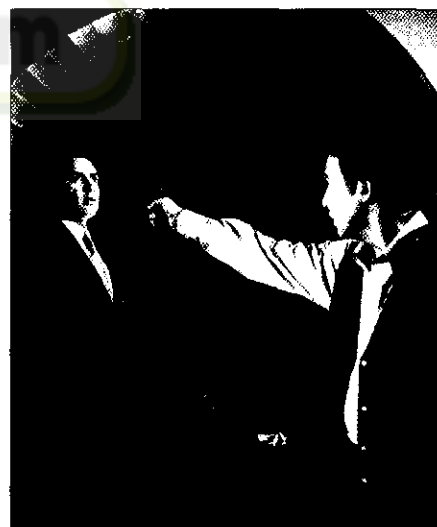
SOME OF OUR SHOWS

Report Junction.com



YUDH

Retelecast of the daily
soap opera
Starring Mahavir Bhullar
and Lalit Tewari
Directed by Kushan Nandy
On DD Bhopal,
week afternoons



RAJ KAHANI

An epic costume drama
Starring R Mahadevan,
Govind Namdeo and Amit Behl
Directed by Kushan Nandy,
Rajiv Bhatia and Ramesh Gupta
On DD National Network,
Sunday morning primetime



MR GAAYAB

A weekly comedy serial
Starring Joy Sen Gupta
Directed by Kushan Nandy and Manu Gargi
On Zee TV, weekends primetime

	Year ended 31.3.1994	Year ended 31.3.1995	Year ended 31.3.1996	Year ended 31.3.1997	Year ended 31.3.1998	Year ended 31.3.1999 Rs in Lakh
PROFIT & LOSS ACCOUNT						
Income from Operations	59.15	258.19	561.22	734.38	801.46	790.27
Other Income	1.14	11.29	9.67	20.33	40.36	65.31
Total Turnover	60.29	269.48	570.89	754.71	841.82	855.58
Total Expenditure	57.80	228.81	391.93	594.57	798.63	664.45
Profit before Taxation	2.49	40.67	178.96	160.14	43.19	191.13
Provision for Taxation	1.50	17.75	68.00	51.50	8.00	27.00
Net Profit	0.99	22.92	110.96	108.64	35.19	164.13
Dividend (%)	180.00	200.00	200.00	10.00	10.00	20.00
Earning per Share	247.50	5,730.00	2,774.00	18.11	3.52	16.41
BALANCE SHEET						
Net Block	8.00	8.66	87.26	90.27	112.70	164.34
Investments	9.56	25.25	51.76	89.99	89.99	89.99
Current Assets (Net)	-16.78	-7.82	-2.82	262.66	580.24	661.96
Miscellaneous Expenditure	0.31	0.28	0.24	0.21	0.78	0.59
Total Application	1.09	26.37	136.44	443.13	783.71	916.88
Borrowings	0.00	0.00	0.00	160.83	316.37	310.47
Paid-up Capital	0.40	0.40	0.40	60.00	100.00	100.00
Reserves	0.69	25.97	136.04	222.30	367.34	506.41
Book Value per Share	272.78	6,591.66	3,411.06	47.05	46.73	60.64
Current Ratio	0.74:1	0.96:1	0.99:1	1.57:1	2.50:1	2.50:1

chairman's

statement

This was a better year for your Company. Even as recessionary trends continued in the economy we put out more shows, grew our business, improved our margins, entered new synergistic areas.

Turnover did not grow but profits did. This was the consequence of better planning of cash flows, more efficient control over costs and a few cautious moves towards new areas of business. Your Company launched India's first interactive movie awards on Doordarshan and Sony and through these awards announced its presence in the hugely growing area of event management. The awards function held in New Delhi was a much acclaimed success with the Union Finance Minister inaugurating it and the Chief Minister being the chief guest. The star turnout was spectacular and the telecast of the show on both Doordarshan and Sony (as well as its live webcast) drew huge viewership. In the process, your Company moved into a new segment of the entertainment business, at the same time consolidating its core skills in designing and televising world class content.

During the year, we also introduced some new shows on Doordarshan National Network, Zee and Sony Entertainment Television and made a small investment in a feature film. While the Company realises that shows on satellite television do not eventually enter its libraries, the purpose of this diversification into providing content for satellite channels was to enlarge our basket of offers and improve the immediate profitability of your Company. It was also our intention to show clients and advertisers that your Company is as capable of producing shows for the slicker, smarter, younger and more demanding urban viewers on satellite channels as it is for the more conservative terrestrial national broadcaster which reaches every corner of India. These shows, as well as the investment in the feature film, belie the general impression that your Company is mainly a news and current affairs content provider.

There can be no tougher learning process than coping with the challenge of new ideas and trying to find a winner each time.

During the year, we also joined hands with The Chatterjee Group to invest in a 20 lane bowling complex in Lower Parel in Mumbai, a natural extension to our search for new entertainment and sporting options that could eventually translate themselves into television content. Bowling has become hugely popular in India and your Company believes that it is possible to increase its presence on sports channels. This extension is also an important part of our strategy to invest in businesses that do not depend overmuch on client credit which tends to stretch itself to a point where profits actually start eroding.

Our core competence, however, remains entirely focussed on the business of ideas. On creating content that is truly worldclass. We believe that is where the future of the information and entertainment business lies. In its software. In its ability to grab eyeballs and mindshare. As more and more channels open up in India, as consumerism grows and the entertainment economy picks up greater momentum, this is the challenge before your Company. Of providing creative content that audiences approve. Globalisation has brought in its wake brave new opportunities for all of us and the future lies with those who can keep pace with the swift changing tastes of audiences which are becoming more and more demanding.

Our next target is to grow critical mass. To design more shows and put them on air, get into more lucrative businesses, increase volume and revenues so that ultimately we can go to the Indian public with a Company that knows how to best industrialise ideas in the news and entertainment business.

Growth is our new imperative. This growth will need more cash resources, more talent, greater managerial attention to marketing and creativity. We have moved into a new, larger office and taken on more people to drive our new ventures. We are investing more in pilots, projects, promotions. We are innovating and experimenting all the time and trying to keep pace with a business that is always changing, always trying to better itself. There can be no tougher learning process than coping with the challenge of new ideas and trying to find a winner each time.

This year we complete six years. Six eventful years which have brought us where we are today. Now comes the difficult part, where the management has to break new ground and capture new outposts so that profits sustain, growth takes place and your Company reaches a size that can attract more investors. My commitments in public life have also grown with my entering the Indian Parliament this year as an elected member. It is with much regret that I now have to end my eventful tenure as a hands-on manager in your Company. I shall remain however as Chairman of the Board and will be always available to the management for advice and creative support. I am sure my colleagues will continue their excellent teamwork to ensure that your Company, a professionally managed and extremely capable outfit, grows from strength to strength in the coming years.

To,

The Members

Your Directors have pleasure in presenting their Sixth Annual Report on the business and operations of the Company and the audited financial accounts for the year ended 31st March 1999.

FINANCIAL RESULTS

Turnover has not grown during the year but profits have substantially improved with better cash and costs management. A comparative study of the past six years shows consistent performance in a highly competitive business environment.

Particulars	Year ended 31-3-1994	Year ended 31-3-1995	Year ended 31-3-1996	Year ended 31-3-1997	Year ended 31-3-1998	Year ended 31-3-1999 Rs in Lakh
Income from Operations	59.15	258.19	561.22	734.38	801.46	790.27
Other Income	1.14	11.29	9.67	20.33	40.36	48.93
Total Turnover	60.29	269.48	570.89	754.71	841.82	839.20
Total Expenditure	57.80	228.81	391.93	594.57	798.63	648.07
Profit before Taxation	2.49	40.67	178.96	160.14	43.19	191.13
Provision for Taxation	1.50	17.75	68.00	51.50	8.00	27.00
Profit after Tax	0.99	22.92	110.96	108.64	35.19	164.13
Dividend	0.30	0.80	0.80	2.66	7.82	20.00
Transfer to Reserves	0.67	7.50	12.00	10.00	10.00	25.00
Prior Period Adjustment	0.00	-3.15	0.08	0.11	1.56	3.06
Balance in Profit & Loss A/c	0.02	17.79	115.87	162.14	177.17	291.24
Paid up Capital	0.40	0.40	0.40	60.00	100.00	100.00
Earning per Share	247.50	5,730.00	2,774.00	18.11	3.52	16.41
Book Value per Share	272.78	6,591.66	3,411.06	47.05	46.73	60.64

PROFITS AND DIVIDEND

Profits after tax amounted to Rs 164.13 lakh as compared to Rs 35.19 lakh in the previous year. An impressive increase of over 450 per cent. Your directors, therefore, recommend a dividend of 20% on the equity shares. Since the tax on distribution of this dividend would also be paid by the Company, the effective rate of dividend will be 22%. This is the sixth year running that your Company has rewarded shareholders. The past six years has seen dividends of 180%, 200%, 200%, 10%, 10% and 20% while the paid-up capital of the Company has grown 250 times during this period.

directors'

report

NEW INVESTMENT

During the year, your Company consolidated its position as one of the leading players in the television content business by investing in three new shows on Doordarshan National Network, Zee and Sony Entertainment Television. It also launched the Viewers Choice Movie Awards on Doordarshan and Sony Entertainment Television with a spectacular ground event that introduced PNC as a major player in the event management business.

Your Company has also invested during the year in the equity and preference capital of a large 20 lane bowling facility in Lower Parel in Mumbai in association with The Chatterjee Group, who are also financial investors in PNC. This is a natural extension for your Company's business since sporting activities have an intrinsic potential for exploitation on television. A small but strategic investment was also made in a full length feature film in Hindi directed by the eminent film maker Rahul Rawail, the idea being to explore the world of motion picture production and see what opportunities lie there for a television content provider with the full fledged expertise and experience of PNC.

As the entertainment business grows and matures, PNC is well poised to keep pace with it.

AUDITORS

Jaideepsingh P Deore & Co, Chartered Accountants, retire and are eligible for reappointment.

ADDITIONAL INFORMATION

Information 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, Technology Absorption and Foreign Exchange Earnings and Outgo are as annexed herewith.

PERSONNEL

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies, (Particulars of Employees) Rules, 1975, forms part of this report.

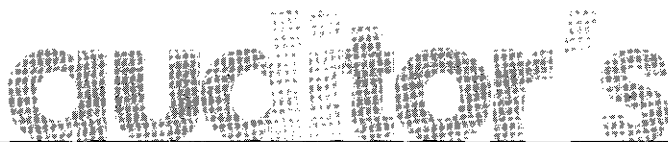
ACKNOWLEDGEMENT

The Board wishes to record its appreciation of all the efforts put in by the staff and associates of PNC, which has enabled it to continue to grow and meet its corporate goals.

On behalf of the Board of Directors

Mumbai
September 15, 1999

Pritish Nandy, *Chairman*



The Members of
Pritish Nandy Communications Pvt Ltd

We have audited the attached Balance Sheet of Pritish Nandy Communications Pvt Ltd as at 31st March, 1999 and also the Profit and Loss Account of the Company for the year ended on that date, annexed thereto, and report that:

1. As required by the Manufacturing and other Companies (Auditors Report) Order, 1988 issued by the Central Government in terms of section 227(4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate, and according to the information and explanations given to us during the course of audit, we annex hereto a statement on the matters specified in paragraphs 4 and 5 of the said Order.
2. Further to our comments in the Annexure referred to in paragraph (1) above, we state that:
 - a) We have obtained all the information and explanations which to the best of our knowledge and belief, were necessary for the purpose of our audit.
 - b) In our opinion proper books of accounts have been maintained by the Company as required by law so far, as appears from our examination of those books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - d) In our opinion the Balance Sheet and the Profit & Loss Account complies with the mandatory Accounting Standards referred in Section 211(3C) of the Companies Act 1956.
 - e) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with accounting policies and other notes give the information required by the Companies Act, 1956 in the manner so required and subject to Note No B (8) Re: Introduction of the policy of amortising production costs of television software on the basis of the nature and contents of the software and the expected number of telecasts. This policy has resulted in enhancing the book profit, reserves and current assets by Rs 51,96,770.98, Note No: B (10) Re: Non provision of gratuity liability; Note B (11) Re: Non-availability of quantitative record of raw materials and other inputs used in the making of programme software, give a true and fair view:-
 - I In the case of Balance Sheet of the state of affairs of the Company as at 31st March 1999; and
 - II In the case of Profit and Loss Account of the Profit for the year ended on that date.

For Jaideepsingh P Deore & Co
Chartered Accountants

Jaideepsingh P Deore, *Proprietor*
Mumbai,
September 15, 1999