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ADLABS FILMS LIMITED



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Adlabs Films Limited

Notice

Notice is hereby given that the 14th Annual General Meeting of Adlabs Films Limited will be held at Imax Adlabs Theatre Complex, Bhakti Park, Near Anik Bus Depot, Wadala Anik Link Road, Wadala, Mumbai 400 037, on Thursday, 27th September, 2001 at 4.00 p.m. to transact the following business:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2001 and the Profit and Loss Account for the year ended on that date and the Reports of Directors and Auditors thereon.
2. To declare a dividend for the year ended 31st March, 2001.
3. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to authorise the Board of Directors to fix their remuneration.
4. To appoint a Director in place of Mr. Berjis M. Desai who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and, being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Berjis M. Desai as a candidate for the office of Director.
5. To appoint a Director in place of Mr. Shyam G. Shroff who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and, being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Shyam G. Shroff as a candidate for the office of Director.
6. To appoint a Director in place of Mr. Pradeep K. Guha who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and, being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Pradeep K. Guha as a candidate for the office of Director.
7. To appoint a Director in place of Miss Pooja M. Shetty who was appointed as an Additional

Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and, being eligible, offers herself for re-appointment and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Miss Pooja M. Shetty as a candidate for the office of Director.

8. To appoint a Director in place of Mr. Chandir G. Gidwani who was appointed as an Additional Director of the Company and who holds office upto the date of this Annual General Meeting under Section 260 of the Companies Act, 1956, and, being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice from a member under Section 257 of the Companies Act, 1956, signifying his intention to propose Mr. Chandir G. Gidwani as a candidate for the office of Director.

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

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, ("the Act") consent of the Company be and is hereby accorded to the payment of revised remuneration, perquisites, benefits and amenities to Mr. Manmohan R. Shetty, Managing Director of the Company with effect from 1st April, 2001 for the remainder of his tenure, upon the terms and conditions and stipulation contained in the Supplemental

Agreement to be entered into between the Company and Mr. Manmohan Shetty, a draft whereof is placed before the meeting and for the purpose of identification initialled by the Chairman;

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit during Mr. Manmohan Shetty's term of office as Managing Director, the remuneration payable to Mr. Manmohan Shetty shall not exceed the maximum limits as permissible under Schedule XIII of the Act;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to modify / revise the remuneration of Mr. Manmohan Shetty as may be acceptable to him in accordance with the applicable provisions of the Act for the time being in force and/or in accordance with such guidelines on managerial remuneration as may be issued by the Central Government from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary or desirable to implement this Resolution".

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, ("the Act") consent of the Company be and is hereby accorded to the payment of revised remuneration, perquisites, benefits and amenities to Mr. Vasanji A.

Mamania, Wholetime Director of the Company with effect from 1st April, 2001 for the remainder of his tenure, upon the terms and conditions and stipulations contained in the Supplemental Agreement to be entered into between the Company and Mr. Vasanji A. Mamania, a draft whereof is placed before the meeting and for the purpose of identification initialled by the Chairman;

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit during Mr. Vasanji Mamania's term of office as Wholetime Director, the remuneration payable to Mr. Vasanji Mamania shall not exceed the maximum limits as permissible under Schedule XIII of the Act;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to modify / revise the remuneration of Mr. Vasanji A. Mamania as may be acceptable to him in accordance with the applicable provisions of the Act for the time being in force and/or in accordance with such guidelines on managerial remuneration as may be issued by the Central Government from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary or desirable to implement this Resolution".

11. To consider, and, if thought fit, to pass with or without modification, the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310 and Schedule XIII and other applicable provisions, if any, of the

Companies Act, 1956, ("the Act"), consent of the Company be and is hereby accorded to the appointment of Miss Pooja M. Shetty as Wholetime Director of the Company for a period of five years from 1st August, 2000 to 31st July, 2005 (both days inclusive) and her receiving remuneration, perquisites, benefits and amenities as the Wholetime Director of the Company, upon the terms, conditions and stipulations as set out in the Supplemental Agreement to be entered into between the Company and Miss Pooja M. Shetty, a draft whereof is placed before the meeting and for the purpose of identification initialled by the Chairman;

RESOLVED FURTHER THAT in the event of absence or inadequacy of profit during Miss Pooja Shetty's term of office as Wholetime Director, the remuneration payable to Miss Pooja Shetty shall not exceed the maximum limits as permissible under Schedule XIII of the Act;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to modify / revise the remuneration of Miss Pooja M. Shetty as may be acceptable to her in accordance with the applicable provisions of the Act for the time being in force and/or in accordance with such guidelines on managerial remuneration as may be issued by the Central Government from time to time;

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, matters, deeds and things as may be necessary or desirable to implement this Resolution".

12. To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956 consent of the Company be and is hereby given to keep the Register of Members, and the Index of Members, at the Office of the Company's Registrar and Share Transfer Agents, M/s. Intime Spectrum Registry Private Limited, 260 Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai 400 080, from 1st January, 2001 instead of being kept at the Company's Registered Office at Film City Complex, Goregaon (East), Mumbai 400 065;

RESOLVED FURTHER THAT the Registers and Indexes as mentioned above shall remain open for inspection on all working days except Saturdays from 11.00 a.m. to 1.00 p.m. and 2.00 p.m. to 4.00 p.m."

By order of the Board

Registered Office

Film City Complex,
Goregaon (East),
Mumbai 400 065.
Mumbai, 30th August, 2001

N. N. Shah

Company Secretary

Notes:

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

The 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. An Explanatory Statement as required by Section 173 of the Companies Act, 1956, in respect of item Nos. 4 to 12 is annexed hereto.
3. The Register of Members and the Transfer Books of the Company will remain closed from Friday, 14th September, 2001 to Thursday, 27th September, 2001 (both days inclusive).
4. The dividend, if declared at the meeting, will be payable on or before 19th October, 2001 to those Members whose names appear on the Company's Register of Members as on 27th September, 2001.
5. Members are requested to inform any change in their addresses immediately so as to enable the Company to send communications at their correct addresses.
6. Members are requested to direct all correspondence relating to shares to the Company's Registrars and Share Transfer Agents, Intime Spectrum Registry Private Limited, at 260, Shanti Industrial Estate, Sarojini Naidu Road, Mulund (West), Mumbai 400 080. Members holding shares in electronic mode are requested to address all their correspondence to their respective Depository Participants.
7. Members/Proxies attending the meeting are requested to complete the enclosed attendance slip and handover the same at the entrance of the Meeting Hall.
8. Members are requested to bring their copies of Annual Report at the time of attending the Meeting.
9. Queries on accounts and operations of the Company, if any, may please be sent to the Company at least seven days in advance so that required information may be made available at the meeting.

Explanatory Statement Pursuant to Section 173 (2) of the Companies Act, 1956

Item No.4

Mr. Berjis M. Desai was appointed as an Additional Director with effect from 19 July, 2000 by the Board of Directors at their meeting held on 19 July, 2000.

In accordance with Section 260 of the Companies Act, 1956, ("the Act") and under Article 132 of the Company's Articles of Association, Mr. Desai holds the office of Director upto the date of this Annual General Meeting.

Notice in writing has been received from a Member of the Company alongwith a deposit of Rs. 500/- pursuant to Section 257 of the Act signifying his intention to propose the appointment of Mr. Desai as a Director of the Company.

Mr. Desai is a graduate in Arts and holds Master's Degree in Law from the University of Cambridge, England. He is a Solicitor and Advocate by profession and is currently a partner in Udeshi, Udwardia & Berjis, Advocates & Solicitors.

Mr. Desai specialises in Mergers & Acquisitions, Derivatives, Financial Laws, International Business Law and International Commercial Arbitration and Offshore Structuring.

Details of Mr. Desai's other Directorship are given below:

Transamerica Apple	
Distribution Finance Limited	Director
Otcei Securities Limited	Director
Watson Wyatt India Private Limited	Director
Thomson Corporation India Private Limited	Director

Vadhvan Port Private Limited	Director
Praj Industries Limited	Director & Member of Audit Committee
Onward Technologies Limited	Director & Member of Audit Committee
Emcure Pharmaceuticals Limited	Director
Seafreight Private Limited	Director
Ferrari Express (I) Private Limited	Director
Centrum Fiscal Private Limited	Director

Except Mr. Berjis M. Desai no other Director of the Company is concerned or interested in the Resolution.

Item No.5

Mr. Shyam G. Shroff was appointed as an Additional Director with effect from 19 July, 2000. Under Section 260 of the Companies Act, 1956 ("the Act") and Article 132 of the Company's Articles of Association, Mr. Shroff holds the office of Director upto the date of this Annual General Meeting

Notice in writing has been received from a member of the Company alongwith a deposit of Rs. 500/- pursuant to Section 257 of the Act signifying his intention to propose the appointment of Mr. Shroff as a Director of the Company.

Mr. Shroff holds a Bachelor's Degree in Commerce. He is a well known personality in film exhibition industry and heads 'Shringar Films' a partnership firm. Mr. Shroff has vast experience in procuring of films for distribution, exhibition and exploitation thereof, marketing and management of cinema halls and film financing.

Details of Mr. Shroff's other Directorship are given below:

Shringar Films Private Limited	Director
Shringar Cinemas (Pvt.) Ltd.	Director

Mr. Shroff does not hold committee membership in above Companies.

Except Mr. Shyam G. Shroff no other Director of the Company is concerned or interested in the Resolution.

Item No. 6

Mr. Pradeep K. Guha was appointed as an Additional Director with effect from 19 July, 2000. Under Section 260 of the Companies Act, 1956 ("the Act") and Articles 132 of the Company's Articles of Association. Mr. Guha holds the office of Director upto the date of this Annual General Meeting.

Notice in writing has been received from a member of the Company alongwith a deposit of Rs. 500/- pursuant to Section 257 of the Act signifying his intention to propose the appointment of Mr. Guha as a Director of the Company.

Mr. Guha is a graduate in Arts from Mumbai University and is member of Asian Institute of Management, Manila. Presently Mr. Guha is President and Director of Bennett, Coleman & Company Limited. He is also Chief Executive of The Times of India group and is associated with many bodies in fields of marketing, advertising and publishing. Marketing is Mr. Guha's specialisation.

Details of Mr. Guha's other Directorship are given below:

Bennett, Coleman & Company Limited	Director
Dharmayug Investments Limited	Director
Surge Enterprises Limited	Director
Times Online Money Limited	Director
Times Internet Limited	Director

Mr. Guha does not hold committee membership in above Companies.

Except Mr. Pradeep K. Guha no other Director of the Company is concerned or interested in the Resolution.

Item No.7

Miss Pooja M. Shetty was appointed as an Additional Director with effect from 19 July, 2000. Under Section 260 of the Companies Act, 1956 ("the Act") and Article 132 of the Company's Articles of Association, Miss Shetty holds office upto the date of this Annual General Meeting.

Notice in writing has been received from a member of the Company alongwith a deposit of Rs. 500/- pursuant to Section 257 of the Act signifying his intention to propose the appointment of Miss Shetty as a Director of the Company.

Miss Shetty holds a Bachelor's Degree in Business Management from Purdue University, U.S.A. and has attended Imax Theatre Management Certified Program.

Miss Shetty neither hold Directorship nor committee membership in other Companies.

None of the Directors of the Company other than Miss Pooja M. Shetty and Mr. Manmohan Shetty who is relative of Miss Pooja M. Shetty, is concerned or interested in the Resolution.

Item No. 8

Mr. Chandir G. Gidwani was appointed as an Additional Director with effect from 28 April, 2001. Under Section 260 of the Companies Act, 1956, ("the Act") and Article 132 of the Company's Articles of Association Mr. Gidwani holds the office of Director upto the date of this Annual General Meeting.

Notice in writing has been received from a member

of the Company alongwith a deposit of Rs. 500/- pursuant to Section 257 of the Act signifying his intention to propose the appointment of Mr. Gidwani as a Director of the Company.

Mr. Gidwani holds Master's Degree in Commerce from Mumbai University and Fellow of the Institute of Chartered Accountants of India.

He is currently the Managing Director of Centrum Finance Limited and has vast experience in areas of Internal and Management Audit, Accounting procedures, policies and practices, Internal Control and Management Information System.

Details of Mr. Gidwani's other Directorship are given below:

Centrum Finance Limited	Managing Director
Centrum Fiscal Private Limited	Director
Ocean Express (Private) Limited	Director
Ferrari Express India (Private) Limited	Director
Nanikrami Agro (Private) Limited	Director
Sanchajyo Investments & Finance (Private) Ltd.	Director
Business Match Services India Limited	Director
Centrum Finance Limited	Member Of Compensation Committee

None of the Directors except Mr. Chandir G. Gidwani is concerned or interested in the Resolution.

Item No. 9

At the Extraordinary General Meeting of the Company held on 1st August, 2000, members had approved the appointment of Mr. Manmohan Shetty as Managing Director of the Company for a period of 5 years from 1st August, 2000 to 31st July, 2005 (both days inclusive) and payment of remuneration, benefits and perquisites as contained in the Agreement dated 1 August, 2000, between him and the Company.

Under Article 148 of the Company's Articles of Association Mr. Manmohan Shetty as Managing Director of the Company is not liable to retire by rotation.

The Board of Directors at its meeting held on 11th August, 2001, subject to the approval of the members, have revised the remuneration, perquisites and amenities payable to Mr. Manmohan Shetty, Managing Director of the Company, with effect from 1st April, 2001, for the remainder of his tenure. The revised terms of remuneration which are in accordance with the applicable provisions of the Companies Act, 1956, are as follows:

1. Salary:

Rs. 3,00,000/- (Rupees Three Lakhs Only) per month with annual increment each year on and beginning 1st April, 2002, as may be decided by the Board, subject to a ceiling of 30% per annum.

2. Perquisites:

(i) Housing:

Company shall provide rent free furnished suitable accomodation for occupation by self and family.

In lieu of rent free accomodation, the Company shall give House Rent Allowance upto 50% of the salary set out in (1) above.

Company shall also provide facilities such as gas, electricity, airconditioners and furnishing at residence or reimburse expenses incurred towards such facilities. The expenditure incurred by the Company on these facilities shall be evaluated as per the Income Tax Rules, 1962.

(ii) Leave Travel Concession:

Mr. Shetty shall be entitled to the payment of Leave Travel Concession once in a year as per Rules of the Company subject to maximum of one month's salary.

(iii) Club Fees:

Membership fees of 2 (two) Clubs including admission fees and expenses. These shall not be considered as perquisites.

(iv) Medical Reimbursement:

Reimbursement of medical expenses (including hospitalisation) actually incurred by Mr. Shetty for himself, his wife and dependent children.

(v) Leave & Leave Encashment:

In accordance with the Rules of the Company.

(vi) Car:

Company shall provide chauffeur driven car, all expenses for running and upkeep of such car as also salary of the chauffeur to be borne and paid by the Company. Use of car for private purposes shall be billed to Mr. Shetty.

(vii) Telephone:

Company shall provide a telephone at his residence for use on Company's business. The rent, call charges for business and other outgoings in respect thereof shall be paid by the Company, personal long distance calls shall be billed by the Company to Mr. Shetty.

(viii) Personal Accident Insurance:

Company shall pay the premium of a sum not exceeding Rs. 10,000/- per annum.

(ix) Commission:

A commission on net profit of the Company of such amount as may be determined by the Board of Directors.

(x) Others:

Such other perquisites, benefits and allowances in accordance with the Rules of the Company or as

may be agreed to by the Board of Directors. The perquisites and benefits shall be estimated to be an amount equal to the Annual Salary and allowances payable to Mr. Shetty.

For the purpose of calculating the above ceiling, perquisites and allowances shall be evaluated as per Income Tax Rules wherever applicable. In the absence of any such Rules, perquisites and allowances shall be evaluated at actual cost.

The remuneration payable by the Company to Mr. Manmohan Shetty (including commission) together with the remuneration payable by the Company to its other Wholtime Directors shall not exceed 10% of the net profit computed in the manner provided in the Companies Act, 1956.

3. Retirement Benefits:

(i) Company's contribution towards Provident Fund Scheme as per rules of the scheme.

(ii) Company's contribution towards superannuation scheme as per rules of the scheme provided that the Company's superannuation contribution together with Company's Provident Fund contribution shall not exceed 27% of his Salary.

(iii) Gratuity as per rules of the Company.

4. Minimum Remuneration:

In the absence or inadequacy of profits in any financial year, the remuneration payable to Mr. Shetty shall be subject to the provisions of Section II of Part II of Schedule XIII to the Companies Act, 1956.

The revised remuneration and perquisites as set out above may be treated as an abstract under Section 302 of the Companies Act, 1956.

The Board commends the Resolution for approval by the members.