

BOARD OF DIRECTORS

Mr. Manmohan Shetty
Chairman & Managing Director
Mr.Vasanji Mamania
Wholetime Director
Ms.Pooja Shetty
Wholetime Director
Mr.Berjis Desai
Mr.Shyam Shroff
Mr.Pradeep Guha
Mr.Chandir Gidwani

COMPANY SECRETARY

Ms. Kirti Desai

AUDITORS

H.O Agarwal & Co.
 Chartered Accountants, Mumbai

BANKERS

Bank of Baroda
Chakala Branch, Mumbai

REGISTERED OFFICE

Adlabs Films Limited
Film City Complex
Goregaon (East), Mumbai 400 065
Phone: (022) 2842 33 33/44 88
Fax: (022) 2842 22 11
Email: adlabs@bom3.vsnl.net.in
Website: www.adlabsfilms.com

REGISTRAR & TRANSFER AGENTS

Intime Spectrum Registry Limited
C-13, Pannalal Silk Mills
Compound, L.B.S Marg,
Bhandup, Mumbai 400 078
Phone: (022) 5555 5454
Fax: (022) 5555 5353

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NOTICE

Notice is hereby given that the 17th Annual General Meeting of Adlabs Films Limited will be held at Hotel Rangsharda, K.C Marg, Bandra Reclamation, Bandra (West), Mumbai 400 050 on Tuesday, 28th September 2004 at 3.30 p.m. to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as at 31st March 2004 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 2004.
3. To appoint a Director in place of Ms. Pooja Shetty who retires by rotation and being eligible offers herself for re-appointment.
4. To appoint a Director in place of Mr. Berjis Desai who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint Auditors to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

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

“RESOLVED THAT in partial modification of the Special Resolution passed at the Annual General Meeting of the Company held on September 27, 2001 and pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the renewal of service period and payment of revised remuneration, perquisites, benefits and amenities to Ms. Pooja Shetty with effect from 1st April 2004 for a period of three years upto 31st March 2007 (both days inclusive) upon the terms, conditions and stipulations as set out in the Supplemental Agreement to be entered into between the Company and Ms. Pooja Shetty and as is set forth in the Explanatory Statement forming part of the Notice;

“RESOLVED FURTHER THAT in the event of absence or inadequacy of profit during Ms. Pooja Shetty's term of office as Wholetime Director, the remuneration payable to Ms. 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 authorized to modify/revise the remuneration of Ms. Pooja 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 authorized to do all such acts, matters, deeds and things as may be necessary or desirable to implement this resolution”.

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

“RESOLVED THAT in partial modification of the Ordinary Resolution passed at the Annual General Meeting of the Company held on September 27, 2001 and pursuant to the provisions of Section 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (including any statutory modification or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded to the assignment and one time payment on maturity of Keyman's Insurance Policy sum assured Rs.50,00,000/- (Rupees Fifty Lacs Only) availed by the Company to Mr. Vasanti Mamania, Wholetime Director”.

“RESOLVED FURTHER THAT the above perquisite shall not exceed the maximum limits of remuneration payable as is permissible under Schedule XIII of the Companies Act, 1956;

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

Registered Office

Filmcity Complex,
Goregaon (East),
Mumbai 400 065

By Order of the Board

Mumbai, 29th July, 2004

KIRTI DESAI
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.
- 2) 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.
- 3) An Explanatory Statement as required by Section 173 of the Companies Act, 1956, in respect of Item 6 and 7 is annexed hereto.
- 4) The Register of Members and the Share Transfer Books of the Company will remain closed from Tuesday, 21st September, 2004 to Tuesday, 28th September, 2004 (both days inclusive).
- 5) The dividend, if declared at the meeting, will be payable on or before 12th October, 2004, to those Members whose names appear on the Company's Register of Members after giving effect to all valid share transfers in physical form lodged with the Company on or before Monday, the 20th September, 2004 or in respect of shares held in electronic form to those Members whose names appear in the Statement of Beneficial Ownership furnished by the Depositories as at the end of the business hours on Monday, the 20th September 2004.
- 6) Members are requested to inform any change in their addresses immediately so as to enable the Company or its Registrar and Share Transfer Agents to send communications at their correct addresses.
- 7) Members are requested to direct all correspondence relating to shares to the Company's Registrar and Share Transfer Agents, Intime Spectrum Registry Limited at C-13, Pannalal Silk Mills Compound, L.B.S Marg, Bhandup, Mumbai 400 078.
- 8) Members / Proxies attending the meeting are requested to complete the enclosed attendance slip and handover the same at the entrance of the Meeting Hall. Members holding shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of Members attending the meeting.
- 9) Members/Proxies should bring along with them the Annual Report copy at the time of attending the Meeting.
- 10) 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.
- 11) No amount of dividend remaining unclaimed was due to be transferred to the Investor Education and Protection Fund constituted by the Central Government during the year.

ANNEXURE TO NOTICE

Additional Information required under Clause 49 of Listing Agreement

As required by Clause 49 (VIA) of the Listing Agreement with the Stock Exchange, information relating to the Directors proposed to be re-appointed is provided hereunder :-

Ms. Pooja Shetty :

Ms. Shetty holds a Bachelor's Degree in Business Management from Purdue University, U.S.A and has attended Imax Theatre Management Certified Programme. She is currently heading Theatre Operations-Adlabs group. Details of other directorships are given below:

Swanston Multiplex Cinemas Pvt. Ltd.	Director
Runwal Multiplex Pvt. Ltd.	Director
Divyashakti Marketing Pvt. Ltd.	Director
RAP Media Ltd.	Director

Except Ms. Pooja Shetty and Mr. Manmohan Shetty, no other Director of the Company is concerned or interested in the Resolution.

Mr. Berjis Desai :

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 the Managing Partner in J.Sagar Associates, Advocates & Solicitors.

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

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

Sterlite Industries (India) Ltd	Director
Watson Wyatt 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 Finance Limited	Director
Centrum Fiscal Private Limited	Director
BPL Mobile Communications Limited	Director
3D PLM Software Solutions Limited	Director
Isagro (Asia) Agrochemicals Pvt. Ltd.	Director
Business Asia Consulting Pvt. Ltd.	Director
Agribuys.Com.(India) Pvt. Ltd.	Director
Chanhill Studfarm Pvt. Ltd.	Director
Capricorn Agrifarms & Developers Pvt. Ltd.	Director
Jakari Express Pvt. Ltd.	Director
Jakari Holdings Pvt. Ltd.	Director
Adlabs Films Limited	Director

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

Expalanatory Statement pursuant to Section 173(2) of the Companies Act, 1956:**Item no.6**

The Board of Directors at its meeting held on August 11, 2001, had, subject to approval by Members at the Annual General Meeting, extended the service period of Ms.Pooja Shetty,Wholetime Director, by three years from August 1, 2002 to July 31, 2005 (both days inclusive) and revised the remuneration, perquisites and amenities payable to her with effect from April 1, 2001 for the remainder of her tenure. This was approved by the Shareholders in the Annual General Meeting dated 27th September 2001.

Now, keeping in view the enhanced functional responsibilities of Ms. Shetty- Overall In-Charge of Company's theatre business, as also her contribution to the growth of the Company, it was felt necessary to further renew her service period and revise her terms of remuneration for a period of three years from April 1, 2004 to March 31, 2007 (both days inclusive) . Taking to consideration the recommendations of the Remuneration Committee, the Board of Directors at its meeting held on July 29, 2004 approved the renewal of her service period as aforesaid and also the revision in salary, perquisites and allowances subject to the approval of Members. The draft supplementary agreement proposed to be entered into between Ms. Pooja Shetty and the Company records the increase in remuneration to be paid to Ms.Pooja Shetty by way of salary, perquisites and allowances as under:

- 1 Salary:
Rs.1,50,000 (Rupees One Lac Fifty Thousand) per month.
- 2 Perquisites:
 - i Housing :
Company shall provide rent free furnished accommodation for occupation by self and family. In lieu of rent free accommodation, 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 Commission :
Miss 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 One Club including admission fees and expenses. These shall not be considered as perquisites.
 - iv Medical Reimbursement :
Reimbursement of medical expenses (including hospitalization) actually incurred by herself.
 - v Leave and Leave Encashment :
In accordance with the Rules of the Company.
 - vi Car :
Company shall provide chauffer driven car, all expenses for running and upkeep of such car as also the salary of the chauffer to be borne and paid by the Company. Use of car for private purpose shall be billed to Ms. Shetty.
 - vii Telephone :
Company shall provide a telephone at her 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 Ms. Shetty.
 - viii Personal Accident Insurance :
Company shall pay the premium of a sum not exceeding Rs.10,000/- per annum.

ix Others:

Such other perquisites, benefits, 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 Ms. 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 shall be evaluated at actual cost to the Company.

The remuneration payable by the Company to Ms. Pooja Shetty together with the remuneration payable by the Company to its Managing Director and the other Wholetime Director shall not exceed 10% of the net profits 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) Gratuity as per rules of the Company

4 Minimum Remuneration :

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

The revised terms for remuneration, perquisites and allowances 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 Members.

None of the Directors except, Ms. Pooja Shetty and Mr. Manmohan Shetty who is a relative of Ms. Pooja Shetty is concerned or interested in the Resolution.

The Agreements dated 1st August 2000, Supplementary Agreement dated 28th September 2001 and the draft Supplementary Agreement proposed to be entered into between Ms. Pooja Shetty and the Company are available for inspection by Members of the Company at the Registered Office of the Company on any working day, excluding Saturdays, between 11.00 a.m to 1.00 p.m till the date of this Annual General Meeting.

Item no.7

The Company had availed Keyman Insurance Policy (Five nos. of Rs.10 lacs each), sum assured Rs.50,00,000/- (Rupees Fifty Lacs Only) in 1993 with a maturity period of ten years in the name of Mr. Vasanti Mamania, Wholetime Director. As the policies were due to mature during 2003-04, Board of Directors, in consideration of the valuable services rendered over the years by Mr. Vasanti Mamania, thought it fit to assign the policies in his favour. Accordingly the policies were assigned in 2003-04 in favour of Mr. Vasanti Mamania. This was ratified at the Remuneration Committee Meeting and is subject to approval of Members in Annual General Meeting.

The Board commends the Resolution for approval by Members.

None of the Directors except Mr. Vasanti Mamania is concerned or interested in the Resolution.

Registered Office

Filmcity Complex,
Goregaon (East),
Mumbai 400 065

Mumbai, 29th July, 2004

By Order of the Board

KIRTI DESAI
Company Secretary

CHAIRMAN'S STATEMENT

Dear Shareholders,

During the year 2003-04, your Company has actively analysed various growth opportunities keeping in view its present strength and the future scenario of the Entertainment and Media industry.

To hedge against the growing competition in film processing business your Company is planning to set up front end film processing laboratories in Hyderabad, Bangalore and Kolkatta. This will also help to maximize the capacity utilization of the installed capacity in Mumbai as the release prints work shall be done at Mumbai.

Digital post production of films has become an important area in film processing. Hence, your Company has acquired equity in a well known post production house – Prime Focus Ltd. and they have installed the required equipments at Adlabs' premises at Filmcity Complex.

Today, Adlabs is known as one of the few leading multiplex chains in the country.

In May this year, Divya Adlabs, a three screen multiplex opened in Nasik. 49.99% shareholding of "FAME ADLABS" currently owned by the promoters of ADLABS, is also being acquired by your Company after proper valuations.

This year, we shall be focusing on the growth in Company's exhibition business.

We intend to set up more cinemas across India and propose to open Metro Adlabs (Mumbai) – 5 screen, Huma Adlabs (Mumbai) – 4 screen, Gold Adlabs (Pune) – 3 screen, Adlabs (Ameerpet, Hyderabad) – 4 screen all by June 2005.

Moreover, opportunities are also being explored to set up multiplexes in Kolkatta, Bangalore, Delhi and other places.

Entertainment One (India) Ltd – the wholly owned subsidiary of Adlabs has already released five films till date. Films directed by Vipul Shah, Prakash Jha, Romesh Sharma are on floors. However, only one film may be released this year. The detailed Directors' Report of Entertainment One (India) Ltd is documented elsewhere in this Report.

The Digital Projection system business, a joint venture with Mukta Arts Ltd called as "Mukta Adlabs Digital Exhibition Pvt Ltd" (MADEL) has around 52 cinemas with digital projection systems. Due to competition the returns are not very encouraging hence the expansion of this project is too slowpace. Also, Company is changing the business model from revenue sharing from theatres to the fixed returns model.

With the expansion of film processing and multiplexes, your Company has a broad based position in the Entertainment and Media industry which will continue to grow and add value to the Company.

Thank you,

Mumbai, 29th July, 2004

MANMOHAN SHETTY
CHAIRMAN & MANAGING DIRECTOR

DIRECTORS' REPORT

TO THE MEMBERS,

Your Directors are pleased to present their Seventeenth Annual Report and the Audited Accounts of the Company for the year ended 31st March 2004.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	2003-04	2002-2003
Gross income		
Sales	3729.45	3412.53
Traded Goods	1990.31	2249.81
Theatre Operations	1814.49	1744.82
Other income	356.30	398.20
Total	7890.55	7805.36
Expenditure	4526.84	4589.36
Profit Before Depreciation, Interest & Tax	3363.71	3216.00
Interest	134.71	104.73
Depreciation	448.16	425.07
Profit Before Tax	2780.84	2686.20
Tax	1002.00	995.00
Short provision for tax in respect of earlier years	14.61	25.90
Profit After Tax	1764.23	1665.30
Balance brought forward from previous year	33.41	53.22
TOTAL	1797.64	1718.52
Appropriations		
General Reserve	1100.00	1200.00
Proposed Dividend	537.52	430.02
Dividend Tax	70.25	55.09
Balance Carried Forward	89.87	33.41
TOTAL	1797.64	1718.52

REVIEW OF OPERATIONS

During the year under review, income from film processing and printing activities rose by 9.29% to Rs.3729.45 lacs (Rs.3412.53 lacs). Company processed 15.61 million feet of 35mm motion pictures negative film (15.56 million feet) and 203.99 million feet of 35mm motion picture print film (188.30 million feet) in 2003-04.

82 Hindi feature films processed at your lab were successfully released during the year. Income from traded goods was lower at Rs.1990.31 lacs during 2003-04 as compared to Rs.2249.81 lacs in 2002-03, the reason being some customers having directly purchased raw stock from suppliers.

Income from ticketing sales of Imax Dome and Multiplex activities was Rs.1814.49 lacs registering a 4% rise over the previous year. The Company's Net profit after tax rose to Rs.1764.23 lacs (Rs.1665.30 lacs) ie. an increase of 5.94%.

DIVIDEND

The Directors are pleased to recommend a dividend of 50% (Rs.2.50 per Equity Share) for the year ended 31st March 2004. If approved by the Members at the Seventeenth Annual General Meeting, it will absorb Rs.607.77 lacs including dividend tax and surcharge payable by the Company.

Dividend income is exempt from tax to shareholders however domestic companies are liable to pay dividend distribution tax at the rate of 12.50% plus surcharge at the time of distribution.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21 prescribed by The Institute of Chartered Accountants of India, the Audited Consolidated Financial Statements for the year ended March 31, 2004 is annexed to this Report. The reports and audited accounts of subsidiary companies viz. Entertainment One (India) Ltd., Gemini Exhibitors Ltd and Runwal Multiplex Pvt. Ltd. along with statement pursuant to Section 212 of the Companies Act, 1956 also form part of the Annual Report.

BUSINESS OUTLOOK 2004-2005

Adlabs, today is a more market driven organization. The Company is striving towards diversification of its business activities and models to a Studio Type Model. From a Company focused on film processing activity for a number of years, it has now confidently expanded its business model and its objective in the coming years shall be to consolidate its position in each of these businesses and emerge as a market leader with focus on growth of its Exhibition Division.

Film Processing:

The Company's expertise in the motion picture processing business is reflected in its client list which continues to include industry leaders and big production houses. Company's vision in the business is to benchmark standards with latest developments in domestic and international markets and deliver best value service to customers. The Company further plans to set up front-end film processing laboratories in Hyderabad, Bangalore, Kolkata.

Film Exhibition Business:

Imax Dome and Multiplex Business: The year under consideration 2003-04 saw the successful release of DMR Films like Apollo 13 and Matrix Revolutions in the Dome Theatre . Based on these success stories, the Company subsequently released "Harry Potter and the Prisoner of Azkaban" and "Spiderman 2" in the Dome theatre in DMR format.

The current year has also seen the first live action film by Walt Disney Pictures viz " THE YOUNG BLACK STALLION". The Company expects that release of such popular films targetted across all age groups shall now be able to attract a larger audience. This year, the Company has launched an extensive School Programme to reach out to 900 schools in and around the city of Mumbai to create awareness of the IMAX® Dome Theatre by showing them edutainment films and improving occupancy levels. Coupled with efficient cost cutting measures, exemption from entertainment tax and receipt from other income streams such as advertising revenue, café sales, restaurant, games arcade, simulator rides and bungee jumping etc the bottom line is expected to be positively affected.

R-Adlabs, the Company's new four screen multiplex theatre at Mulund with 1353 seats, commenced operations in July 2003 through Runwal Multiplex Pvt. Ltd., a subsidiary formed in association with Runwal Developers Ltd.. The performance of Runwal Multiplex Pvt. Ltd. has been consolidated with the Company's Financial Statement with effect from November 1, 2003; the date on which it became Adlabs' subsidiary.

DivyaAdlabs, Adlabs' three screen multiplex theatre with 1200 seater capacity situated at Nasik was opened to public in May 2004. The project implemented is in association with the Divyashakti group and Company is in process of converting the project into its subsidiary.

The Company is also in the process of acquiring 49.99% stake in Swanston Multiplex Cinemas Pvt. Ltd., which operates the Multiplex **Fame Adlabs** at Andheri, from promoters and relatives.

The status of its other Multiplex projects viz. Huma Adlabs, Kanjur Marg; GOLD Adlabs, Pune; Adlabs Multiplex, Hyderabad; RDB Adlabs, Kolkatta; Cineplex, Mangalore; MetroAdlabs, Mumbai are in

various stages of negotiation/implementation. The Company expects to commission at least three of the above mentioned projects during the current financial year. The Company is also negotiating for management contracts to operate multiplexes in other parts of the country.

The Company's business plan for Multiplexes in the near future is either a) invest as an equal or holding partner in proposed /existing projects or b) enter into lease deal with theatre owners for redevelopment/refurbishment of theatres into multiplexes or c) enter into business conducting arrangement with multiplex owners.

Film Production:

The Company's film production business was launched through its wholly owned subsidiary, Entertainment One (India) Ltd and the year 2003-04 was its first full year of operations. The performance and current projects on hand are given in detail in the Directors' Report and financial statements of Entertainment One (India) Limited forming part of the Report.

Digital Exhibition:

The concept of digital cinema was yet another initiative by Adlabs as mentioned in last year's Report. With the formation of its joint venture Company Mukta Adlabs Digital Exhibition Pvt. Ltd. , in association with Mukta Arts Ltd, this project is gearing itself into an unconventional business model transforming the cinema into a multipurpose revenue chain and thus creating a niche for Adlabs. Since inception this system has been installed in 52 theatres across the country and was well received by theatre owners, film producers/distributors as also cinema viewers. Continuous efforts are being made to provide better quality projectors to cinemas and improving quality of services.

Though a lot has been said about the Satellite Delivery system for Digital Cinema, Adlabs shall be cautious in its move considering the everchanging technology, risk factors and above all the cost of investment and operations.

Investment in Prime Focus Limited :

During 2003-04, Adlabs has acquired 6% stake in Prime Focus Limited, a closely held public limited Company engaged in providing post production services viz. editing, special effects, computer graphics etc. to the film and advertising industry.

As a business arrangement Adlabs plans to promote the services offered by Prime Focus Limited in its product offerings to its clients. This backward integration from processing to post production shall enable Adlabs to offer an integrated post production and processing services under one roof and increase its client base.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association, Ms. Pooja Shetty and Mr. Berjis Desai retire by rotation and being eligible, offer themselves for reappointment.

At its meeting held on July 29, 2004, the Board of Directors extended the term of service and revised the remuneration payable to Ms. Pooja Shetty subject to approval of shareholders at the Annual General Meeting.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm :

- a) that in the preparation of the annual accounts, the applicable accounting standards have been followed and that no material departures have been made for the same;
- b) that they 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, 2004 and of the profit of the Company for that year.
- c) that they 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;